

Thames Gateway Economic Development Investment Plan

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Minister’s foreword

The Thames Gateway Delivery Plan, published in November 2007, set out programmes of investment to boost the economy and improve the quality of life across the area. It announced that the three Regional Development Agencies would also be identifying major projects that will result in an economic step-change.

As strategic drivers of Regional Economic Development, the role of the three Regional Development Agencies in the Thames Gateway is critical to its success. I therefore welcome the production of their joint Thames Gateway Economic Development Investment Plan and their vision of “a knowledge-driven, well connected, globally competitive region, which demonstrates how economic growth and environmental sustainability work together.”

The Economic Development Investment Plan identifies the major projects that will help the Thames Gateway to fulfil its potential for economic growth. It establishes a joined up approach that links Kent and Essex to the global city of London and demonstrates the potential of the Thames Gateway to provide an estimated boost to the UK economy of £12 billion each year.

We recognise that the Gateway’s greatest asset remains its population, which potentially offers a massive source of talent to drive growth and meet the challenges of the emerging knowledge-driven economy.

We also recognise that the greatest challenge will be responding to climate change. There too, we are turning the challenge into a further opportunity, with our commitment to develop the Thames Gateway into the UK’s first eco-region.

In recognition of the importance we place on the Economic Development Investment Plan, the Government announced in November that it would be backed by £200 million of RDA and CLG funding, leveraging in at least £75 million of other private and public sector contributions.

This investment builds on the considerable investment already in place for the Gateway in the form of the 2012 Olympics and Stratford City, Canary Wharf, Ebbsfleet, London Gateway, the Channel Tunnel Rail Link, and Crossrail.

The Thames Gateway is growing and clearly has the potential for future growth.

Caroline Flint
Minister of State for Housing and Planning

RDA Chairs’ foreword

The Thames Gateway is the UK’s largest growth area, Europe’s most significant location for development and already the location for many successful and thriving companies. It offers space to grow the economic prosperity of London and the Greater South East using existing brownfield locations, benefiting from wide areas of parklands and on the shores of the UK’s most important estuary.

Our three Regional Development Agencies – the East of England Development Agency, the London Development Agency and South East England Development Agency – agree we will achieve greater value for each of our regions by working together around key areas of investment and by growing the overall competitiveness of the Gateway.

Our greatest challenges can also help catalyse opportunities. Climate change is the greatest threat to humanity. Developing the Gateway as an eco region will be essential for its future success and will help reinforce the Gateway as a high value investment location and as a quality place to live.

Richard Ellis
Chair, EEDA

Harvey McGrath
Chair, LDA

Our programme will be delivered in the context of a wide range of other public and private investments and will add value to these and help realise the benefits of the major transformer locations of Canary Wharf, Stratford, Ebbsfleet Valley and London Gateway.

In times of economic uncertainty the Thames Gateway will be well positioned to compete and to attract globally oriented businesses.

We are very grateful to the Minister and to Communities and Local Government for their support in this work. We will be working closely with them and with the new Homes and Communities Agency in going forward.

We appreciate the contributions of individuals across the Gateway who have, on behalf of their organisations, helped develop and shape this work.

We look forward to working with you to realise the considerable opportunities of the Thames Gateway.

James Brathwaite
Chair, SEEDA

“Our economic vision for the Thames Gateway is to create ‘a knowledge-driven, well connected, globally competitive region, which demonstrates how economic growth and environmental sustainability work together.’ ”

Government has seen the importance of promoting the regeneration of the Thames Gateway for over two decades. Most recently, the Thames Gateway Interim Plan (CLG, 2006)¹ and The Delivery Plan (CLG, 2007)² set out the Government’s vision and strategy for the Gateway and a £9 billion programme of investment in local programmes to deliver housing and jobs.

The Government has consistently stressed the massive potential of the Thames Gateway and the critical importance of strengthening its economic performance to attract new investment, provide employment opportunities for existing residents, help create new sustainable communities and contribute more to the South East economy – the main engine of UK growth.

This is why, to complement its own investments, the Government asked the three Regional Development Agencies (RDAs) with responsibilities for the different areas of the Gateway – East London, North Kent and South Essex – to produce a joint plan of strategic investment to deliver economic growth. This Economic Development Investment Plan (EDIP) is the result. It was developed jointly by the London Development Agency (LDA), the South East England Development Agency (SEEDA) and the East of England Development Agency (EEDA). The Plan sets out priority strategic investments that will improve the economic performance of the Gateway. It builds on the joint RDA Economic Statement for the Thames Gateway (2006)³ and is aligned with the Regional Economic Strategies for each of the three regions.

Since 2001, the three RDAs have invested around £600 million in jobs, skills and sustainable growth in the Thames Gateway. Almost all of this investment has been in partnership with others (local authorities,

delivery vehicles and partnerships) and our investments to date have had a significant impact locally in many places throughout the Gateway. While we will continue to work in this way to transform our individual regions through local interventions to support sustainable economic development we have, in creating this plan, focused on a limited number of strategic interventions that will have a genuinely strategic impact for the whole of the Gateway. The investments that we will undertake in support of this plan will therefore not constitute the whole of the three Agencies’ investments in the people, enterprises, places and infrastructure of the Gateway.

Our economic vision for the Gateway is to create “a knowledge-driven, well connected, globally competitive region, which demonstrates how economic growth and environmental sustainability work together.” The interventions set out in this plan are intended to deliver this vision. The Plan has been informed by our understanding of the sectors with growth potential and global significance – financial and business services; ports and logistics; and environmental technologies and services. Other key sectors include creative industries; advanced manufacturing; construction; and business and visitor tourism.

We have also identified specific opportunities associated with four spatial transformers in the Gateway – Stratford and the Lower Lea Valley; Canary Wharf; London Gateway (formerly Shellhaven); and Ebbsfleet Valley in North Kent. Private developers and investors are driving growth in these transformer locations but there is potential for wider economic benefits for the rest of the Gateway, which our interventions aim to capture.

The Plan is structured around the key drivers of urban competitiveness:

- Skills and human capital
- Innovation, enterprise and creativity
- Connectivity
- Investment
- Quality of life
- Economic specialisation/diversity
- Decision-making

Potential investments for the first five are summarised in Table 1. (Some projects are subject to feasibility, appraisal and approval as appropriate). The three RDAs and Communities & Local Government (CLG) have committed to support investments in line with this plan by £200 million over the first three years, with the aim of leveraging an additional £75 million from other sources. One of the RDAs is identified as taking leadership for every aspect of implementation. The projects vary in status but some will require additional feasibility work before investment is made.

Specialisation is considered in relation to the sectors with growth potential, and decision-making is considered separately as part of the implementation issues.

We have also included summaries of some interventions within the body of this report. Some of these are already underway while others are new or represent a drawing together of existing investments to shape them differently, in order to provide a consistent approach across the Gateway.

Where this has not already been undertaken, all projects will be subject to feasibility testing and stringent appraisal.

Other areas are still at an ideas stage and will need to be further developed. Across all themes there is a strong commitment to the concept of the Gateway as an eco region and to eco innovation as a key driver of economic development.

The EDIP is more than an investment plan – it represents a joint commitment by the Government and the RDAs to build on the plans for the strategic economic development of the three regions and work together to align our resources in support of growth in the Thames Gateway as a whole. We anticipate updating the investment plan and we will also report annually on implementation and progress using a range of indicators.

References

- 1 CLG (2006) Thames Gateway Interim Plan
- 2 CLG (2007) Thames Gateway Delivery Plan
- 3 East of England Development Agency, London Development Agency & South East England Development Agency (2006) RDA Economic Statement for the Thames Gateway

TABLE 1 – Summary of potential investments

Skills: Human capital	Innovation, Enterprise and Creativity
Sustainable Construction Programme Investing in People: Reducing Worklessness and Workforce development Specialist skills development such as the Academy for Retail at Stratford	Innovation and Enterprise Champion International Institute for Sustainability (IfS) including: i) IfS: Institute for Sustainability (Dagenham Dock) ii) IfS: Sustainable Systems Science and Innovation Campus (Kent Thameside) iii) IfS: Renewable Energy Centre (London Gateway) Innovation and Learning Centre for Ports and Logistics (London Gateway) East London Business Place programme Open Innovation Science Park for Environmental Engines (Ford Dunton) Thames Gateway Innovation and Creativity team (North Kent) Enterprise Enhancement Programme

Connectivity	Quality of life: Sustainability (Eco region)
Studies to examine the economic case for investment in: Greater South East (GSE) Connectivity Review Sustainable distribution for freight (including use of the Thames River) Investigation of Innovative Financing Schemes Preparation of Transmanche Metro Carbon Neutral Study and Transport Demonstration Lower Thames Crossing A Thames Gateway Bridge Broadband Study Crossrail Connections	Eco Assessments for housing programmes Energy Efficiency for existing housing stock Green Homes Service Major retrofitting programme of existing buildings Environmental Infrastructure Fund/ Renewable Energy Challenge Fund Waste to Energy Fund Barking Power Station and other decentralised energy work Kent Thameside Construction Consolidation Centre

Attracting investment	Quality of life: Culture
Coordination arrangements for inward investment, branding and identity Kent Thameside Waterfront Dartford Town Centre and Northern Gateway Southend and its environs and Airport Cluster Canary Wharf/Financial Services Stratford/Lower Lea Economic Action Plan (implementation priorities) Visitor and Business Tourism Undergrounding powerlines Signage programme Improving local arrival points	Reimagining the Gateway programme Royal Opera House Production Campus/ National Creative and Cultural Skills Academy (Purfleet) Joiners Shop – Medway Business Centre for Creative Industries



“This Economic Development Investment Plan sets out our priority Gateway-wide strategic investments to create a more sustainable, robust economy and to enable faster growth. In developing this plan, we have focused on a limited number of strategic interventions that will affect the whole Gateway.”

Introduction

The Greater South East (GSE) comprises London, the East of England and South East England and is driving the growth of the UK economy. Within this high performing global region lies the Thames Gateway – stretching from East London to the mouth of the Thames. There are pockets of impressive economic growth and activity in the Gateway but many parts have historically underperformed and not made full use of the potential of the land, people and capital.

Harnessed effectively, these assets will help accommodate the ongoing expansion of the UK economy. If Gross Value Added (GVA) per head were on par with the GSE average, we estimate the Gateway could contribute an additional £12 billion per annum to the UK economy.

Successive Governments have recognised the importance of promoting the regeneration of the Thames Gateway for over two decades.

In 2003, the Government designated the Thames Gateway as one of four major housing growth areas in the *Sustainable Communities Plan* (ODPM, 2003)⁴. In 2006, the *Interim Plan* (CLG, 2006)⁵ provided an integrated strategy for the sustainable development of the Thames Gateway, including drivers of economic growth. In 2007, the Government published *The Delivery Plan* (CLG, 2007)⁶, setting out a £9 billion investment programme.

This Economic Development Investment Plan (EDIP) – prepared by the London Development Agency (LDA), the South East England Development Agency (SEEDA) and the East of England Development Agency (EEDA) – sets out our priority Gateway-wide strategic investments to create a more sustainable, robust economy and to enable faster growth. It builds on the joint *RDA Economic Statement for the Thames Gateway* (2006)⁷, which, together with the economic strategies for the three regions, established our framework for intervention, including the context, the four spatial transformers, key sectors and drivers of growth.

Since 2001, the three RDAs have invested around £600 million in the Thames Gateway, predominantly in partnership with others and resulting in significant local impact. We will continue to work in our individual regions but, in developing this plan, we have focused on a limited number of strategic interventions that will affect the whole Gateway.

A summary of the other RDA investments is included at Annex 2.

In summary, the purposes of the EDIP are:

- to add value to local and sub-regional investment programmes and Gateway-wide strategies and investments. All of the employment growth – except in public services – will result from decisions by entrepreneurs, companies, and institutions to invest in the Gateway. Our purpose is to work with partners to enable this private investment.
- to set out a programme of investment that will help deliver a step change in the development of the economy across the Gateway – creating more competitive locations and stimulating economic growth.
- to identify investments that will be of pan-Gateway significance – by maximising their impact across the Gateway or by catalysing opportunities;
- to signal our continuing commitment to work together in a more coordinated way to deliver growth in the Gateway, and
- to provide the basis for the investments to be funded jointly by the RDAs and CLG as strategic priorities.

We work in a dynamic and ever changing environment and our approach to working at a Gateway-wide level is still developing. While the focus of this plan is on long-term growth, the document describes the initial priorities for investment. We anticipate updating the investment plan and we will also report annually on implementation of it and progress, using a range of indicators over the next three years as the programme develops.

The EDIP is structured as follows:

Section 1, we set out the economic rationale for investment and our economic vision for the Gateway.

Section 2, we analyse the strengths and weaknesses of the Gateway economy.

Sections 3, 4, and 5 highlight how we will deliver the vision. We look first at the key sectors, then the spatial transformers and then the key drivers of productivity.

Section 6, we describe our approach to monitoring performance, in Section 7, we highlight leadership and implementation arrangements, concluding in Section 8 with next steps.

References

- 4 ODPM (2003) Sustainable Communities Plan
- 5 CLG (2006) The Interim Plan Op. Cit.
- 6 CLG (2007) The Delivery Plan Op. Cit.
- 7 RDAs (2006) Economic Statement Op. Cit.



“Historically, the Thames Gateway was an economic powerhouse. Now, it offers the preferred location for much of the potential economic growth of London, and the Greater South East as a whole.”

1. The economic potential of the Gateway

Our starting point is to set out our economic vision to capitalise on the economic potential of the Gateway and the economic rationale for our investment. This section expands on the joint RDA Economic Statement (2006)⁸ and is consistent with The Delivery Plan (2007)⁹.

► **Successful regions rely on the talents of their people to drive growth and to capture opportunities. Our challenge is to mobilise and inspire our communities to realise their potential within a creative, knowledge driven region across a competitive series of locations.**

Our economic vision

Our vision for the Gateway economy is to create ‘a knowledge-driven, well connected, globally competitive region, which demonstrates how economic growth and environmental sustainability work together.’

Historically, the Thames Gateway was an economic powerhouse. Now, it offers the preferred location for much of the potential economic growth of London, and the Greater South East as a whole. The Gateway’s existing and future residents offer a massive source of talent to drive this growth. At the centre of the Greater South East, and containing the main rail and road routes to Europe, the Gateway is an ideal location for expanding companies and inward investors. It has the potential to bring the higher value added jobs needed to ensure the continued growth of the UK economy, and to affirm London and the Greater South East as a key European business location.

Successful regions are innovative regions. There is no greater need for innovation than around meeting the challenge of climate change. As the UK’s first eco region, the Thames Gateway will deliver sustainable regeneration, future proofing its development, drawing in ideas and expertise from all over the world and providing a model for other regions in the UK and internationally. Delivering the eco region will create economic opportunities for business and be a source of future wealth.

Successful regions rely on the talents of their people to drive growth and to capture opportunities. Our challenge is to mobilise and inspire our communities to realise their potential within a creative, knowledge driven region across a competitive series of locations.

Successful regions are able to make the most of opportunities from their existing assets and investments and capture the high value ‘dividends’. Thus the Thames Gateway will catalyse opportunities for global growth from its existing businesses and industries and seek to secure high-value investment and jobs around this. We see the Gateway as being a knowledge-driven, well connected, globally competitive region, demonstrating how economic growth and environmental sustainability work together.

This means:

- creating stronger channels for international trade and investment between the UK, Europe and the world
- ensuring that London – and the Greater South East as a whole – offer competitive locations for companies serving global markets; and
- enabling people living in communities across the Thames Gateway – in London, Essex and Kent – to have the skills and aspirations to contribute to, and benefit from, economic success.

In support of this vision, our role is to deliver regional economic leadership that will create a climate of confidence and add value to the wide range of private and public sector investments that collectively will drive productivity improvements across the Gateway economy. In the longer term, our goal is that productivity in the Gateway matches, or exceeds, the Greater South East as a whole. These will help to create the conditions for additional jobs between 2001 and 2016, and attract higher value-added jobs. We need both if we are to achieve our ambitions for the Thames Gateway to add an additional £12 billion GVA per annum to the UK economy.

The rationale for investment

While there is a very stark productivity challenge in the Gateway, the rationale for investing in the Gateway goes beyond this.

- First, the Gateway provides capacity to support the expansion of the Greater South East – the main engine of UK economic growth.
- Secondly, the housing growth needed in the South East needs to be accommodated in sustainable communities, which in turn need competitive and growing local economies.
- And finally, the scale of deprivation in existing communities warrants intervention on equity grounds.

Increasing the capacity of the Greater South East economy

The Greater South East (GSE), which encompasses the three regions of the South East of England, East of England and London, is the primary driver of UK economic growth. It is home to 21 million people, 35% of the UK’s total population. Taken alone it ranks as the world’s 10th largest economy, with over 750,000 businesses and an annual GVA of £450 billion. The GSE is often described as a ‘*mega city region*’; at its heart is London, Europe’s leading ‘*world city*’, a global centre for financial and business services rivalled only by New York and Tokyo.

The Thames Gateway has a critical role to play in strengthening the GSE economy and, therefore, for supporting the national economy. Cutting across the three regions, the Thames Gateway’s towns and cities on the whole under perform relative to the rest of the region (see Section 4).

The Gateway has under-utilised land, labour and capital resources. By comparison with the rest of the Greater South East, more people in the Gateway are unemployed, have fewer qualifications or low skill bases. Fewer businesses in the Gateway are actively innovating and involved in knowledge transfer. Industrial decline means it is one of the few areas in and around London that has the potential to accommodate significant population and employment growth through the development of brownfield sites. Working together, we will ensure that our investments position the Thames Gateway to make a greater contribution to the GSE and national economy.

Supporting housing growth, creating sustainable communities

The economic success of the Greater South East has created sustained pressure on the housing market, with demand outstripping supply, creating major affordability problems and pressures on infrastructure. The *Barker Review* (2006)¹⁰ highlighted the negative impact of housing shortages and spiralling prices on the economy through labour market rigidities, increasing costs to business and macroeconomic volatility. Barker made the case for a major programme of housebuilding to increase supply, and the Government has since set a target to build almost 200,000 homes per annum, many of which are planned for the South East and the four Growth Areas, including the Thames Gateway.

But housing development alone is not sustainable. Homes need to be built in communities where new jobs, public services, transport, green spaces, etc. are planned together. We are primarily concerned with supporting economic growth in the Gateway, creating new employment but also raising productivity and improving the competitiveness of the region. Working together, with CLG and other Government departments, our investments will support the creation of new sustainable communities.

Tackling deprivation, driving regeneration

Today, there are significant concentrations of deprivation across communities of East London, South Essex and North Kent. The regeneration of the Thames Gateway will only be considered a success if it brings substantial benefits to the region by improving the life chances of people currently living in these communities. Working together, we aim to help to connect local residents to new employment opportunities.

References

- 8 RDAs (2006) Economic Statement Op. Cit.
- 9 CLG (2007) The Delivery Plan Op. Cit.
- 10 Barker K in HM Treasury (2004) Review of Housing Supply

Strategic locations in London and Greater South East



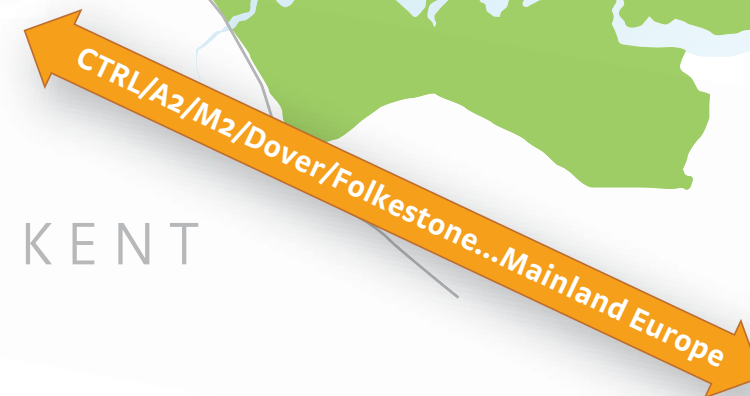
SOUTH ESSEX



LONDON



NORTH KENT



- Thames Gateway
- High Speed 1
- Motorways
- A-roads
- Airports
- Seaports

Disclaimer
This map is not to scale. It has been prepared to provide a perspective of the resources which exist are under development which can help support an innovation and enterprising culture in the Thames Gateway. As the map is indicative there may be omissions.

“Urban competitiveness is ‘the ability of cities and regions to continually upgrade their business environment, skills base, and physical, social and cultural infrastructures.’”

2. The competitive performance of the Gateway

If we are to deliver our economic vision and unlock the potential of the Gateway, we need to invest in projects of pan-Gateway significance that will improve the overall competitiveness of the area. Our investment decisions outlined in this document are based on an agreed theoretical framework about the drivers of regional competitiveness and a robust evidence base analysing the strengths and weaknesses in the Gateway economy today in relation to this framework.

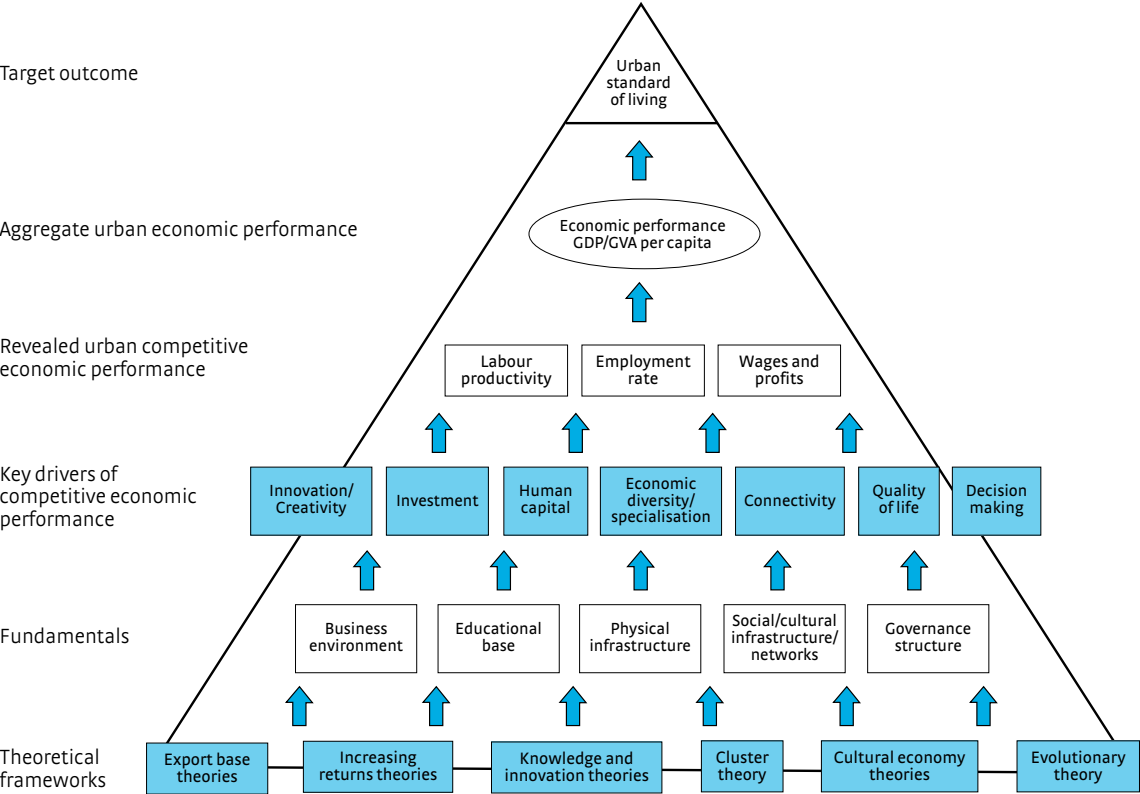
A framework for intervention

Urban competitiveness, as described by leading academics who authored the supporting evidence for *The State of the English Cities* (2006)¹¹, is:

“the ability of cities and regions to continually upgrade their business environment, skills base, and physical, social and cultural infrastructures, so as to attract and retain high-growth, innovative and profitable firms, and an educated, creative and entrepreneurial workforce, thereby enabling them to achieve a high rate of productivity, high employment rate, high wages, high GDP per capita, and low levels of income inequality and social exclusion.”

A number of theories have been put forward to explain why some regions are more competitive than others. The main theories focus on: the tradable economic base of regions; increasing returns and agglomeration economies; endogenous growth models – knowledge and innovation theories; cluster theories; cultural economy theories; and evolutionary theories (see Annex 1)¹². These theories are not necessarily mutually exclusive and a number of common ‘drivers of competitiveness’ can be drawn out, as illustrated in Figure 2.1 from the *State of the English Cities* report¹³.

Figure 2.1: A framework for urban economic performance



Source: *The State of the English Cities* (CLG, 2006)

The pyramid shows the different layers of competitive performance of regions and cities, and how they interact to increase the standard of living. Revealed measures of urban economic performance include productivity, the employment rate, wages and profits. These are in turn the outcome of key drivers of urban competitiveness:

- Human Capital
- Innovation, Creativity and Enterprise
- Economic specialisation/Diversity
- Connectivity
- Investment
- Quality of life; and
- Decision-making

These drivers encompass the Treasury’s well-established five drivers of regional productivity – skills; innovation; enterprise; investment; and competition (HM Treasury 2001¹⁴; 2004¹⁵) – and include some additional drivers particularly relevant to the supplementary challenge of creating sustainable communities in the Gateway, notably connectivity, quality of life and decision-making.

The key drivers provide an organising framework for the Plan. We consider the Gateway’s performance in relation to these drivers and later in the document the investments needed to strengthen them.

The competitive performance of the Gateway

It is well documented that many of the towns and cities within the Thames Gateway economy are underperforming. A comprehensive socioeconomic audit of the Gateway was undertaken in the ‘*State of the Thames Gateway*’ report by CLG¹⁶, and this has been added to by the work of Thames Gateway London Partnership (TGLP)¹⁷. We do not seek to reproduce a comprehensive socioeconomic audit in this document. Instead, we review some of the headline observations, which provide the evidence to support our investments.

Shared challenges

What stands out in socioeconomic assessments of the Gateway is the marked difference in performance and prosperity between places. The Gateway is not a homogenous economy; the challenges for economic development in Southend for example, are different to those in Newham. Policies therefore need to be tailored to the local level and we will continue to work with local delivery vehicles to ensure this.

However, while the Gateway is a collection of unique places, they face common economic challenges. Many of these challenges arise from a shared economic history and strategic location. Local economies in the Gateway have always been, and will continue to be, intrinsically linked with London, with major flows of goods, services and people in both directions. The Thames estuary was once the main artery for the export and import of goods to London and the Greater South East, and the backbone of a thriving manufacturing sector that grew around it.

► **Raising skills will be key to underpinning productivity improvements in the Gateway; the jobs in the knowledge intensive sectors that we aim to attract will demand higher level skills.**

Today, many parts of the Gateway have made slow progress in transitioning to a modern knowledge-based, primarily service sector driven economy. Deindustrialisation has left a significant economic, social and environmental legacy. Large areas of former industrial land are vacant, and these underutilised resources present huge opportunities for development and growth. Looking forward, more jobs are needed in knowledge-intensive industries to create new employment opportunities and to raise productivity.

Headline indicators – productivity, employment and wages

Against the drivers of urban competitiveness, many parts of the Gateway perform poorly.

Productivity is uniformly low across the Gateway. GVA per head in South Essex and North Kent is significantly lower than the South East average¹⁸. GVA per head in London Thames Gateway is high but this is skewed by economic activity at the Isle of Dogs.

Employment rates are generally high, reflecting the national picture, but the overall employment rate for the Thames Gateway (71%) is below the GSE average (74%). This of course masks significant variations between places within the Gateway. Some of the highest levels of localised worklessness are in East London, particularly Tower Hamlets, Hackney and Newham, which have the three lowest employment rates in the country. Across the Gateway there are 190,000 people of working age who are neither in a job nor education.

Since 1998, some 103,000 jobs have been created across the Thames Gateway boroughs, an increase of 10.5%. However, growth has been spatially uneven. Almost 70% of the growth has been in Tower Hamlets, driven by the expansion of Canary Wharf and Docklands. Elsewhere, Basildon and Dartford have experienced significant employment growth in the same period (both creating over 10,000 jobs). However, for half of the Thames Gateway, employment growth has been relatively modest, ranging from increases of 1,000 to 4,000 jobs. In Barking & Dagenham, Bexley, Gravesham, Hackney, and Rochford, a slight decline in jobs has been recorded.

Wages in the Gateway, for both residents and workers who commute in, vary significantly but tend to be lower than equivalent regional averages.

Innovation, creativity and enterprise

Fewer businesses in the Thames Gateway are actively innovating and involved in knowledge transfer (*Thames Gateway Economic Statement*, 2006)¹⁹. Overall the business stock is comparatively small and registration rates are low. The service sector is the most important source of jobs across the Thames Gateway but employment in knowledge intensive and high technology sectors is relatively low.

- Business registrations per 1,000 of the population are below the respective regional averages with the exception of Tower Hamlets and Basildon.
- The percentage of workforce employed in knowledge intensive business sectors (4.9%) in the Gateway is below the national average (7.9%).

Across the Gateway, there are many private companies, higher education institutions and public sector agencies engaged in research and development (R&D) and innovation-enabling activities, with some parts of the Gateway better served than others. However, this infrastructure is fragmented, and not as effective as it could be. A key challenge then is to strengthen the infrastructure and institutional arrangements that support innovation, particularly in those sectors where there is potential for growth.

Human capital and skills

Many residents in Thames Gateway boroughs do not possess the skills required by employers in the modern economy but there are some signs of improvement for the future²⁰. A comprehensive audit of skills needs in the Gateway was undertaken by the Learning and Skills Council (2007)²¹ and the LSC also identified six areas of challenge which are referenced below and around which it has developed a *Thames Gateway Skills Plan* (2008)²².

- There are high levels of deprivation and unemployment. Low skills are a barrier to employment and progression. The Thames Gateway has a significantly higher proportion of residents with no qualifications compared with GSE regions or the national rate.
- The problem of low skills is particularly acute in the Thames Gateway, which is ranked bottom out of the 47 LSC regions in terms of the number of people with qualifications below NVQ level 2 or equivalent.

- Skills do not meet employer demand particularly for new or relocating employers. The top five areas for low skills in London are in London Thames Gateway boroughs, where 45% of adult residents have skills below level 2. Barking & Dagenham is nationally ranked 1st in terms of low skills.
- In contrast, the workforce in the London Thames Gateway tends to feature slightly higher proportions of graduate level workers, but also significantly lower proportions of low skilled employees.
- Young people's achievement is below other regions, although significant improvements in GCSE attainment (5 A*-C GCSE) are evident for all Thames Gateway boroughs (average improvement of 41%).
- Access and progression to higher education is lower than other regions, although participation in higher education study has increased by 38% for Thames Gateway boroughs since 1999 and has been particularly strong in London Thames Gateway boroughs.
- The relationship between skills and employment is clear. For those with level 4 qualifications, the employment rate is above 85%, irrespective of location. For Thames Gateway residents without qualifications, the employment rate falls to 50%.

Raising skills will be key to underpinning productivity improvements in the Gateway; the jobs in the knowledge intensive sectors that we aim to attract will demand higher level skills. The balance between the supply of available skills and employment demand will also be a critical success factor.

Employers will not locate in the Gateway if they cannot recruit employees with the right skills. And skilled employees will not relocate to the Gateway if it does not offer well-paid employment and high standards of living.

The key challenges are to raise the aspirations and skills of people currently out of work and to ensure provision is made for skills and training to match demand.

Connectivity

The Gateway is well served by road, rail and air connections, but some communities remain relatively isolated and networks often run at capacity. The dynamic nature of the London economy means that the demand for labour results in levels of commuting almost double the national average (35%). Almost 40% of Thames Gateway residents commute more than 10km to work, significantly higher than the national average (32%). This figure rises to 43% of Thames Gateway Essex residents and 42% of Thames Gateway Kent residents. Looking forward, the provision of timely infrastructure will be absolutely critical for unlocking economic growth in the Gateway.

Strategic infrastructure requirements for the Gateway outlined in *The Delivery Plan* and the *Interim Plan* include:

- A road/rail spine along the North and South Bank, providing good access to Canary Wharf, London, national and international markets and key employment nodes by road and rail.

- Cross-river connections at strategic points to expand business and employment catchments and widen economic opportunities.
- Local public transport capacity and connections serving major growth locations to promote a modal shift to public transport.
- Bringing together transport providers, the retail and manufacturing industries to develop sustainable freight distribution initiatives using rail and the river.
- Removal of specific bottlenecks that have an exaggerated impact on connectivity.

There are major transport investments planned to address these issues and we will aim to maximise the economic opportunities of new investment by working with government and local partners. The challenges are to make sure transport policy and investment keeps pace with economic growth requirements and that it supports more sustainable communities within an eco region. A key challenge is moving toward carbon neutrality. Sustainability will not be achieved if improved transport only results in more and faster commuting to London.

Moreover, we need to improve other forms of connectivity where ultra high-speed broadband is patchy.

Quality of life

Quality of life is difficult to define and measure but improving the quality of the Thames Gateway as a place to live and work will be essential to its long-term prosperity. For the purposes of the EDIP, we interpret quality of life to mean safe, healthy, culturally rich and sustainable communities with high-quality living and working environments that are attractive to residents and businesses alike. We also use the term to encompass our aspiration to make the Gateway a low carbon area adapted to cope with climate change impacts. Many parts of the Gateway today do not meet these criteria:

CO₂ emissions in the region are over three times higher than the national average. Tower Hamlets produces 63 tonnes of commercial CO₂ per 1000 m²s – almost forty times higher than the national average. Swale records the lowest commercial emissions in the Thames Gateway, but only matches the national average (1.8 tonnes per 1000 m²).

The Third Sector (voluntary and community sector) also has a vital role to play in developing and maintaining economically, socially and environmentally sustainable communities. The sector acts as advocate, agent of design, service deliverer, manager of partnerships and route to those who are most at risk of social and economic exclusion. Effective local, sub-regional and regional partnership working across the private, public and third sectors is essential to deliver the aspirations of the Gateway.

There are 15 Super Output Areas (neighbourhoods) in the Thames Gateway that are in the worst 1% in the country for crime; most of these fall within the London UDC area. We are working to ensure that community safety and crime reduction considerations are fully integrated into delivery of the London Gateway area, including drawing out the links between activities at the sub-regional level and relevant strategies (i.e. local Community Safety Strategies).

► The challenges are to make sure transport policy and investment keeps pace with economic growth requirements and that it supports more sustainable communities within an eco region. A key challenge is moving toward carbon neutrality. Sustainability will not be achieved if improved transport only results in more and faster commuting to London.

There are many cultural amenities in the Gateway – it is the location for a world heritage site in Greenwich and it is hoped that Government will soon support the application to UNESCO for Chatham Historic Dockyard as another – but there are some areas where there is a comparatively weak cultural infrastructure.

Much of the investment to improve quality of life across the Gateway is being delivered through other investments set out in *The Delivery Plan* (2007)²³. Therefore the focus of our work has been around two areas of opportunity that will deliver quality of life benefits and feed into the development of our innovation agenda – sustainability and culture.

Economic specialisation/diversity

There are differing views over whether diversity or specialisation is most conducive to competitiveness. In practice, the most successful economies appear to be those with so called clustered diversity – several specialised ‘clusters of activity’²⁴. Overall, there is some limited evidence of ‘clustered diversity’ in the Gateway. A key challenge for nearly all parts of the Gateway is to create more jobs in knowledge intensive industries to raise productivity, and to create more sustainable communities. Sectors with particular potential for growth are discussed in Section 3.

Decision making

Successful economic development will depend on effective strategic leadership arrangements, including working in partnership with private, public and community sectors. These issues are dealt with in *The Delivery Plan*²⁵. We also discuss leadership and implementation arrangements in Section 7 of this document.

In summary, while the Gateway today has a number of competitive advantages, on the whole its competitive performance is weak in relation to the rest of the Greater South East. Our investments need to strengthen the seven drivers of competitiveness at a pan-Gateway level and in so doing: 1) create a more specialised economy through ‘clustered diversity’; 2) improve innovation, creativity and enterprise; 3) enhance connectivity; 4) offer a higher standard of living; 5) raise workforce skills; 6) attract investment; and 7) improve governance and leadership. In the following section we begin with opportunities to create a more specialised economy.

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“We are selective around areas of focus – limiting our thinking to sectors which are wealth generating, potentially internationally and nationally significant specialisations where value can be enhanced by a Gateway-wide perspective.”

3. Sectors with growth potential

Competitive regional economies tend to be those with clearly identifiable specialisms or clusters of activity, which stimulate productivity growth. At the same time, specialisation needs to be combined with adaptive capacity so that businesses and their employees are able to respond to changing market demand. In this section we identify sectors with the greatest potential to drive the creation of a more specialised, competitive economy.

We are mindful that the public sector should not attempt to ‘pick winners’; it does not have privileged information about which sectors of the economy will grow, and which will not. However, there are circumstances in which it makes sense for investments to have a sectoral focus, based on considerations of market failure and/or social and environmental benefits.

For example, the *Leitch Review* (2006)²⁶ made it clear that education and training provision needs to be tailored to employer demand, and this in turn requires foresight into the sectors and occupations most likely to grow. Similarly, experience of delivering business support services suggests that, in many instances, interventions need to take into account their sector or industry – clients feel more confident with an adviser or mentor that has experience and/or understanding of their own situation²⁷. Delivering ‘sector neutral’ interventions might, therefore, carry risks in terms of less effective delivery through poor take-up, lower quality client facing service or reduced impact.

A recent study commissioned by the LSC (Warwick IER, 2007)²⁸ forecasts relatively modest job growth in the Thames Gateway over the years 2007-2014, which is marginally better than predicted UK average growth rate. The model forecasts local employment growth using national and regional trends supplemented by local information. It provides a baseline measure using a business as usual approach. It predicts another 83,000 jobs in this period (the CLG baseline period for achieving the Government’s proposed 225,000 jobs is 2001-2016). The key growth sectors are

expected to be business and other services, construction, transport and distribution and ‘non-marketed’ services. The manufacturing sector is expected to continue to contract in the Gateway. Occupations predicted to grow include professionals, managers, associated professional and technical, skilled trades, personal services and sales and customer services.

Other reports²⁹ predict employment growth of around 7% from 2007 to 2017 with most growth associated with the services sector – particularly financial and business services as well as construction. RDA projections to date, relying on trend data, estimate 181,000 additional jobs by 2016 – with around 117,000 of these in London.

Our aim is to outperform these projections by helping to catalyse opportunities for additional job growth around existing wealth generating sectors and their forward and backward supply chains to other sectors including consumption sectors and public sector. Jobs in the future will demand higher level skills so specialist skills provision (such as skills academies) can provide an employment bridge to help local residents enter sectors where there are good prospects for career progression.

Our current sector activities cover a range of areas including business support and related training, networking and co-ordination, industry intelligence and research, infrastructure/premises, vocational training and workforce development. This is frequently provided on a regional basis, responding to the specialist needs of particular sectors which are not provided by mainstream suppliers.

We will continue to provide this kind of support through our mainstream activities. In Section 5 of this report, we identify some additional sector specific investments designed to respond to the unique challenges in the Gateway, focused on strengthening the overall drivers of competitiveness. This section therefore aims to provide the best indications/foresight for undertaking effective medium term investment planning. We have identified sectors where:

- there are good prospects for national and regional growth
- there is an existing critical mass of companies in the Gateway and evidence of recent strong performance
- large scale private sector investment is planned and there are potential positive externalities to capture; and
- planned Government investment will create opportunities for the private sector

Based on these criteria, drawing on the results of recent sector reviews conducted in London (Experian, 2007)³⁰, North Kent (Regeneris, 2008)³¹ and Thames Gateway-wide (Warwick IER, 2007)³² and the views of stakeholders, the Gateway already has globally significant concentrations in financial and business services and ports and logistics; and as a result of government policy, investment and broader growth projections it offers the potential to create a significant concentration in environmental technologies and services. Several other sectors are likely to grow in the Gateway; these include: creative industries; advanced manufacturing; construction, and business and visitor tourism.

A significant proportion of job growth will occur from the planned scale of population growth. Some of the strongest areas for job growth are predicted to be retail and real estate (included in business services). Strong growth is also anticipated in leisure, local services, and the public sector – including, health, education and public services. Much of this employment growth will be located in town centres across the Gateway.

We are selective around areas of focus – limiting our thinking to sectors which are wealth generating, potentially internationally and nationally significant specialisations where value can be enhanced by a Gateway-wide perspective. As this work goes forward we will build our Gateway-wide forecasting information and market and supply chain analysis to ensure an up-to-date evidence base.

Sectors with global significance

Financial and business services

This sector includes the international banking and financial sector, insurance, legal services and professional advice, such as accountancy. There is a significant concentration of these activities in London around the Isle of Dogs. Almost half of 103,000 jobs created in Thames Gateway boroughs have been from employment increases in business services. The continued expansion of Canary Wharf and Docklands has resulted in overall employment growth within financial services sector (+41,000 jobs), although it is noticeable that in the majority of Thames Gateway boroughs, employment within financial services has actually declined.

Headquarters and globally oriented functions will continue to concentrate in Canary Wharf. In addition, the development of new commercial centres, such as at Ebbsfleet Valley and Stratford, will offer alternative locations for such businesses, as well as providing ample opportunities for high value office locations. As set out in Section 5 these two locations and Canary Wharf are three of the four most important spatial transformers. There will be further growth of financial and business services companies in each of the key town centres in the Essex and Kent Gateway.

Many of the financial and business service jobs at Canary Wharf are taken by those who live elsewhere in the Greater South East. For those living in the Gateway, particularly East London, there are opportunities to gain access to these jobs – often on their doorstep – if they have the right skills. The National Skills Academy for Financial Services, which is private sector driven and provides specialist skills training, helps to provide this bridge for local residents. Its profile across the Gateway will be enhanced.

Ports and logistics

London has enjoyed global port status for centuries. Today, the Port of London is one of the UK's top three, handling some 52 million tonnes of cargo every year, generating around 19,000 jobs principally in Thames Gateway areas and generating £2.98 billion annually for the Thames Gateway economy³³. The Thames Gateway itself is home to the ports of Tilbury, Medway and Sheerness. Ports in the Gateway have different roles –

some handling bulk cargoes perform a local and regional gateway function, those which 'value add' generally have a national and international function and those handling containers and ro-ro play a national gateway function, primarily due to the limited number of UK ports handling these cargoes. These facilities, combined with strong road and rail links to Europe, emphasise the region's historic role as an international marine freight hub.

There will be further opportunities for ports in the Gateway and those adjacent to it to benefit through providing support for offshore wind and other renewable energy developments in the North Sea – especially given the Government's intentions for a massive expansion of UK offshore wind in 2030 and beyond.

The UK Secretary of State has granted consent for Dubai World Port's (DP World) £1.5 billion development plans in Thurrock, where it is constructing a major deep water facility to serve Western Europe at London Gateway (formerly Shellhaven). Alongside the port, DP World and Shell are collaborating on London Gateway Park, which aims to become one of Europe's largest business and logistics centres. Together, these developments will provide an unrivalled global port and logistics cluster, ensuring 21st century competitiveness in global shipping markets for the UK and the Thames Gateway.

► The Thames Gateway is primed to benefit from that growth – both as a front-runner as a low carbon, water and materials efficient regeneration area, adapted to cope with the impacts of climate change and as the source of talent, technologies and ideas that can be put to use to benefit similar locations around the world.

Environmental technologies and services

The global market for environmental services and technologies is predicted to grow by 45% by 2015. The Government, recognising the need for a 'fourth technological transformation' to a low carbon, energy efficient economy, has recently announced plans for a tenfold increase in the amount of energy generated from renewables, alongside an expansion of renewable heat and transport fuels. This will offer major business growth opportunities. The Thames Gateway is primed to benefit from that growth – both as a front-runner as a low carbon, water and materials efficient regeneration area, adapted to cope with the impacts of climate change and as the source of talent, technologies and ideas that can be put to use to benefit similar locations around the world. As an emerging sector we also recognise there are definitional issues and links to other sectors including construction, manufacturing and services.

For this to happen, the development planned for the region must be of the highest environmental and design standards. Setting high standards, investing in green infrastructure, and promoting the development of regionally focused supply chains will, together, provide an exceptionally attractive location for the growth of environmental technologies and services. A report prepared for London identified low carbon technologies, air pollution control and environmental services as being areas of predicted job growth through the impact of regulation and legislation³⁴. This sector generally has a high skills profile and has supply chain linkages to financial services, creative industries and transport and logistics³⁵. Part of the Thames Gateway plan will be to ensure the sharing of knowledge and experience associated with these projects.

Supporting the growth of environmental technologies and services is at the heart of our vision for the Gateway and, therefore, underpins many of the investments outlined in Section 5. The Sustainable Industries Park at Dagenham Dock is a key part of the vision for this sector, a world-class, multi-disciplinary research facility, which will be designed to encourage growth of businesses active in environmental technologies.

Other significant sectors

Creative industries

"The creative industries are those industries that are based on individual creativity, skill and talent. They are also those that have the potential to create wealth and jobs through developing intellectual property."
(Department of Culture, Media & Sport).

The creative industries also have the power to transform the locations where they are based. Long-term trends indicate a steady and sustained increase in creative businesses throughout the Gateway. The number of creative businesses in the Gateway has increased by 50% and in Newham they have more than doubled. There is evidence of strong employment growth within creative sectors across the Thames Gateway and there has been an 80% increase in the number of students studying creative sector subjects across the Gateway. Jobs in creative industries are often in small or micro businesses but are often high value. There is already a nationally significant concentration of creative and cultural industries in the Thames Gateway centred around East London, South Essex and North Kent. This sector offers additional benefits by contributing to more attractive and vibrant locations, which in turn help to promote

business tourism and inward investment. A key challenge we are seeking to address is ensuring that creativity, and creative processes, cut across other sectors of the economy to support innovation.

Advanced manufacturing

The Gateway has a strong engineering and manufacturing tradition. While the Gateway may no longer be a location of choice for low value manufacturing (employment levels are declining as, in many instances these manufacturing activities have already moved offshore) the Gateway is now home to hundreds of small, lean companies serving high value niche markets. There continue to be significant inward investments in the Gateway and there will be further opportunities for manufacturers around major engineering works and environmental technologies.

Ford’s plant at Dunton in Basildon has more than 3,500 engineers, designers and support staff and is the UK’s largest design and engineering facility. It is responsible for the design of Ford’s small, medium and commercial vehicles worldwide representing nearly 50% of worldwide sales. All Ford’s engineering diesel engines are developed at Dunton. In Dagenham, Ford manufactures diesel engines from a plant partly powered by two wind turbines on the site. The Centre for Engineering and Manufacturing Excellence at Rainham supports the development of people and organisations in areas of manufacturing, technology, and engineering. It is also the location of a node of the National Skills Academy for Manufacturing. The main challenge we are addressing is supporting the transition towards a modern, lean, manufacturing

sector in the Gateway, by supporting innovation with a particular focus on opportunities around environmental sustainability.

Construction

Today, around 12% of workplaces in the Gateway feature construction related activities – a figure almost double the London average. Around 5% of the workforce in the Gateway is employed within the construction industry with the greatest concentration in Kent. Looking forward, the construction services sector provides significant opportunities in the Gateway. Demand will be pan-Gateway with a concentration in Stratford and the Olympics area and Ebbsfleet Valley. The construction schedule associated with the Olympics is expected to create demand for 7,000 jobs between 2007-2010. Civil engineers are expected to be in high demand.

The development of housing and other regeneration projects is expected to create demand for 15,000 additional or replacement construction workers between 2004 and 2016 to deliver new housing in the Thames Gateway. Planned commercial developments are expected to further boost demand for construction workers by an average of 5,000 a year (2004-2016). More than ever, construction companies will be required to meet stringent criteria around sustainability and there is a need for workers to have new sustainable construction skills. Therefore, key challenges we are focusing on are ensuring that local people acquire the skills that they need to take up construction jobs and that local businesses are preparing themselves to exploit opportunities in and around sustainable construction.

Business and visitor tourism

Tourism is already one of the most important sectors in the London economy and the 2012 Olympics and the events leading up to it will further raise the profile of East London and will boost sport, leisure and tourism. Analysis from previous Olympics indicates that business tourism will be one of the biggest employment development opportunities and the Gateway already offers a range of high-quality conference facilities from locations in Canary Wharf to the Excel Centre and others in Kent.

The Thames Gateway already has a strong visitor offer which would benefit from being brought together – at least in terms of thinking strategically – across the Gateway and access improved where needed. The Gateway has a world heritage site in Maritime Greenwich and another expected in Chatham Dockyard, and significant attractions such as Dickens’ World in Chatham, Rainham Marshes in Essex and visitor attractions such as the O₂ Centre on the Greenwich Peninsula.

Seaside towns such as Southend have a strong cultural and creative offer, and historical and attractive towns such as Leigh-on-Sea and Rochester are already tourist destinations. The Thames Barrier is itself a visitor attraction. Historic sites on the Isle of Sheppey, and around Medway and Chatham could have a higher profile. New developments are also planned such as Biota at Silvertown Quays and a visitor centre at Stratford for 2012.

A business and visitor economy is significant in its own right and also builds the confidence of local communities as they start to see their towns as places that are attractive and interesting to others.

Our approach will be to further develop work in East London and to develop intelligence on the potential value of tourism to the Gateway economy and how that could be increased.

In summary, we have identified a number of sectors with significant potential to create a more specialised, knowledge-driven economy, which will drive improvements in productivity and strengthen competitiveness. Those of potential global significance in the Gateway include: Financial and Business Services; Ports and Logistics; and Environmental Technologies and Services. Other significant sectors include: Creative Industries; Advanced Manufacturing; Construction; and Business and Visitor Tourism. While our investments outlined in Section 5 are aimed at strengthening the cross cutting drivers of competitiveness, a number have a specific sectoral dimension where we believe there is a sound rationale.

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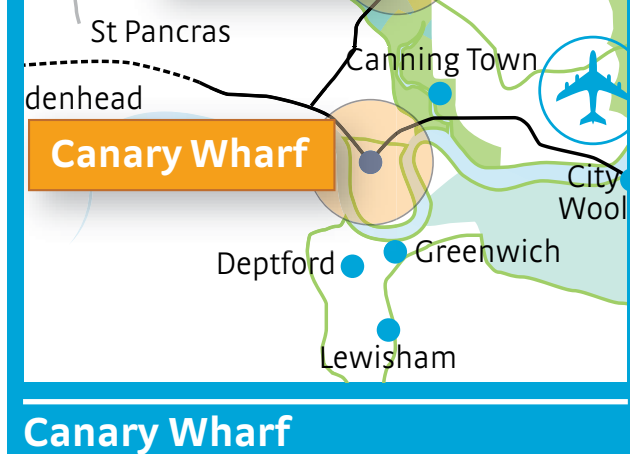


“Investment in these transformers will benefit people and companies across the Gateway as a whole.”

4. Spatial transformers

Successful economies attract and retain investment, which underpins employment creation and productivity growth, and is an essential driver of competitiveness. In the joint RDAs' Thames Gateway Economic Statement (2006)³⁶, we identified four locations – spatial transformers – where massive private sector investment will have a potentially wide reaching impact in the Gateway:

- Canary Wharf
- Stratford and the Lower Lea Valley
- Ebbsfleet Valley in North Kent; and
- London Gateway in South Essex



Canary Wharf

Canary Wharf is an international financial and business services centre. From many perspectives, Canary Wharf has driven London's renewed dynamism and international economic competitive advantage over the past decade. There are now almost 100,000 workers employed within Canary Wharf and the Isle of Dogs.

In excess of 35,000 additional jobs have been created within the area since 2003, a growth rate of 58%. The majority of this employment growth has resulted from the increase in financial and business services jobs (+106% since 2003) resulting in a current total of 54,000 employees. There have also been significant increases in sectors that support financial services (legal, media-related, etc) and to a lesser extent hotels and restaurants, retail, education and health related activities to cater for the large numbers of people now living and working in the area.

However, local residents could be benefiting more from the employment opportunities offered by Canary Wharf. Tower Hamlets, Newham and Hackney all have employment rates below 60% and these three boroughs include some of the most deprived neighbourhoods in England. For example, more than 80% of workers in Tower Hamlets commute in from outside the local area. The employment rate for the borough was 56.4% (2006-07) and 43.6% of the working age population is not in work; this remains more than double the national average and almost twice that of the London average.

Investment in these transformers will benefit people and companies across the Gateway as a whole. The transformers will provide both direct and indirect jobs for people living across the Gateway. Every company that expands in one of the transformer locations is a potential customer for Gateway companies.

Private developers and investors are driving growth in the transformer locations. *The Delivery Plan (2007)*³⁷ sets out the key transport investments necessary to enable this expansion.

The transformers will provide a clear signal to investors and entrepreneurs of the transformation of the Gateway, boosting market confidence in other locations. The commitment to turning the Gateway into an eco region and the allocation of £35 million to Thames Gateway Parklands will also drive transformation across the Gateway with important economic benefits which can be captured.

We set out our views on prospects for each of these transformers below. In Section 6, we set out the specific initiatives necessary to secure the maximum economic benefit for the Gateway as a whole from the growth of these locations.

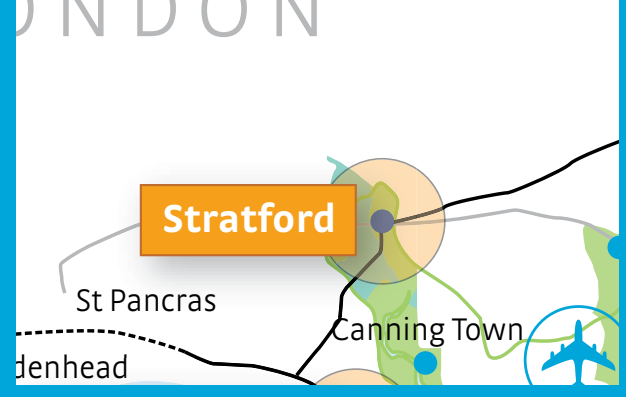
The London Plan³⁸ proposes that further expansion of financial and business services in Canary Wharf and the surrounding area could increase employment to 150,000 by 2016. The expansion of Canary Wharf in part depends on increasing the capacity of public transport linking Canary Wharf with the rest of London, other Gateway communities, and Heathrow Airport. By making the necessary funding for Crossrail – to provide this additional capacity – the Government made a clear commitment to enable the continued expansion of Canary Wharf. This will transform the future of Canary Wharf giving renewed impetus to its development.

This is why the LDA is now working with Tower Hamlets, private sector landowners, Design for London and Transport for London to examine how best to maximise the benefits from Crossrail, create a sustainable town centre for the surrounding communities, and improve walking and cycling routes.

The LDA is also working with Tower Hamlets, other London Gateway Boroughs and the London Thames Gateway Development Corporation (LTGDC) to ensure that local residents are better placed to access jobs at Canary Wharf. The National Skills Academy for Financial Services will make an important contribution to that aim and the LTGDC, the Learning and Skills Council and local employers have been working closely to support this. Other job brokerage and training programmes may be developed with the London Skills and Employment Board. Key partners include the Canary Wharf Group, other major companies, and the East London Business Alliance.

Canary Wharf has a significant carbon footprint, and it is important given the aspirations of the London Plan and the eco region set out in *The Delivery Plan*, that the LDA works with partners in the private sector, GLA and elsewhere to aim to reduce this impact and improve water efficiency and waste recycling and ensure future development helps to set environmental standards.

It is also important to understand the potential relationship between Canary Wharf and the offices being developed in Stratford and Ebbsfleet. As potential lower cost but high quality locations, these other two transformers – as well as other town centres across the Gateway – should complement and not compete with Canary Wharf.



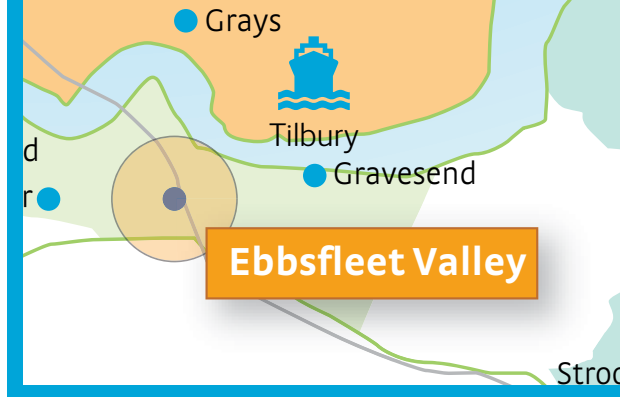
Stratford and the Lower Lea Valley

Plans to regenerate Stratford and Lower Lea Valley were well underway when London won the opportunity to stage the Olympic Games in 2012. The London 2012 Games will make Stratford the focus of the world's attention and the area will remain in the spotlight in the years that follow. The investment to host the Olympics and Paralympics will transform the Lower Lea Valley. There will be new sporting venues, a huge complex containing an International Broadcast Centre/Main Press Centre, a network of new transport infrastructure, around 4,000 new homes in the Stratford City/Olympic Village development, and new utilities. The Stratford Cultural Quarter creative cluster is close to other creative clusters within the Lower Lea, and it will develop further as a strategic cultural destination for London and the Thames Gateway.

According to the London Plan, Stratford and Lower Lea can accommodate 50,000 new jobs and 32,000 new homes. Beyond Stratford there will be significant job growth in areas like Canning Town and Hackney Wick/Fish Island. The Mayor of London's Opportunity Area Planning Framework (OAPF) sets out a vision of a vibrant, sustainable mixed-use quarter integrated into the fabric of London and set within a high quality parkland. Stratford City will be linked to the Olympic Park to provide up to 1.25 million m² of retail, leisure and entertainment facilities, offices and hotels, along with more than 5,000 homes. In 2017, the area will also be served by Crossrail. Its role as a transport hub will also be improved with high-speed links to Europe and to central and east London and Europe but also Essex and East Anglia.

The Olympic Development Authority is now responsible for the investments necessary to host the Games. In addition, the LDA and the London Thames Gateway Development Corporation are making the additional enabling investments for the Games and those necessary to enable private developers to maximise the economic benefits from the regeneration of the Lower Lea Valley and Stratford. The LDA is the lead body responsible for preparing the detailed Legacy Masterplan Framework for the Olympic Park. This will include the new homes, parkland, schools, health facilities, employment uses and infrastructure.

There is a range of outreach, employment and training, and job brokerage projects in the five host boroughs which can provide a model for other areas of the Gateway also undergoing major regeneration. An on-site Construction Skills Academy has already been established on the Olympic Park. In addition, the LDA is now working with partners to examine the potential for a Retail Skills Academy within the new Stratford City. The LDA is also investing in the East London Business Place, a project geared towards making local SMEs 'fit to supply' that has been developed by the East London Business Alliance and the Canary Wharf Group. The long-term economic identity for Stratford is being considered through the development of an Economic Action Plan for Stratford to identify trends and existing clusters to shape its economic future.



Ebbsfleet Valley

Ebbsfleet Valley is set to become a major new commercial centre in the heart of Kent Thameside between the existing towns of Dartford and Gravesend. The centre will focus around Ebbsfleet International Rail Station with frequent high-speed links to Europe and in 2009, domestic services to the heart of London.

Kent Thameside has the potential to provide 50,000 new jobs and 25,000 new houses over the next 20 years and Ebbsfleet Valley alone is anticipated to provide up to 20,000 of these jobs and 10,000 homes. Land Securities is the major landowner of the sites at Ebbsfleet and Eastern Quarry, collectively known as Ebbsfleet Valley. They have already obtained outline planning consent for almost 3,400 new homes and 5.4 million sq ft of mixed use development (commercial, retail, leisure and community space) at Ebbsfleet and for 6,250 new homes and 2.7 million sq ft of mixed-use development at Eastern Quarry.

Ebbsfleet Valley will only be successful if the neighbouring town centres of Dartford and Gravesend are attractive and vibrant places. SEEDA is working closely with partners to realise the regeneration ambitions in the wider Kent Thameside area. Activities have included preparing a master plan for a mix of new uses in Dartford Town Centre and Northern Gateway and making key land acquisitions necessary to take the schemes forward. SEEDA is also taking forward development along the Kent Thameside Waterfront – an 87-hectare site along 2.5 km of Thames frontage on Northfleet embankment – which offers an opportunity for high-quality mixed-use development close to the town centres of Dartford and

Gravesend. Some 2000 new homes are anticipated here in a low carbon flagship scheme.

A master plan developed for the North East Gravesend Canal Basin in 2004, supported by additional studies, is being used to establish the viability of a comprehensive mixed-use scheme around the refurbished Canal Basin. The first phase of a mixed-use development is under construction. The Port of London Authority (PLA) is also proposing to develop a Centre of Maritime Excellence at Denton but this is predicated on the development of a road bridge linking the site with the main road network. This is presently being taken forward by English Partnerships, which supports sustainable development and regeneration.

New developments will aim to achieve the highest sustainability standards. But we need to help people develop the skills to support this sustainable construction. SEEDA helped establish the feasibility of a SUSCON Centre in Kent Thameside – a skills academy, training and education centre focused on sustainable skills and modern methods of construction. A mini-SUSCON pilot is proposed for Kent Thameside, with ambitions for a larger scale landmark centre development if successful.

As set out in Section 5, SEEDA is also playing a key role in promoting Ebbsfleet and the wider Kent Thameside area as a location for innovation in new environmental technologies and systems. SEEDA is leading the development of an Institute for Sustainability (IfS) that will focus on Integrated Management of Resources for Low Impact Buildings and Communities, with a particular focus on technology integration



London Gateway

The Port of London is one of the top three in the UK, handling some 52 million tonnes of cargo per annum. With ports at Tilbury, Medway and Sheerness, it plays a central role in moving goods between the UK and the rest of the world. With motorway links and good rail services to the rest of the UK and Europe, the Gateway is already a major multi-modal logistics hub.

In 2007 the Secretary Of State granted consent to Dubai World Ports (DP World) to develop London Gateway in Thurrock. At around £1.5 billion over a 15 year period, this new deep water port is the single largest investment for DP World, outside of Dubai. Alongside the port DP World and Shell are collaborating on developing London Gateway Park – one of Europe’s largest business and logistics parks. Together, these investments will provide a world class modern gateway for the 21st century ensuring that the UK remains competitive in global shipping markets.

These developments have the potential to create 14,000 jobs of which 9,000 will be created by 2016. World-leading technologies in port development and logistics operations will be brought to Thurrock by the London Gateway development, creating opportunities for global partnering in innovation and learning. New energy management technologies will be introduced to minimise energy needs.

and demonstration. The Institute will be primarily an R&D location with an active demonstration facility. The IFS at Kent Thameside will complement the IFS at Dagenham Docks and proposals being developed for the London Gateway.

SEEDA is also considering how best to maximise the economic impact of Ebbsfleet Valley in the UK and Europe. This includes a proposed ERDF programme to investigate the feasibility of linking Ebbsfleet International Station to Lille and the West Flanders area in Belgium, as part of the Transmanche project. SEEDA is also working with EEDA and other partners to examine the business case for extending Crossrail to Ebbsfleet and on the economic rationale for a Lower Thames Crossing.

From an inward investment perspective, Ebbsfleet Valley has a key role in unlocking the potential of the Kent Thameside areas. Direct access to major cities in North-West Europe and fast rail links to central London are important selling points to investors for the areas that has previously suffered from the reputation of being cut off from the rest of the UK and major transport hubs. SEEDA, with local inward investment delivery partner Locate in Kent, is working with major property developers, Eurostar, London & Continental and Southeastern Trains, to raise awareness of the area. A number of events are planned and in June this year the first was held at the British Embassy in Paris.

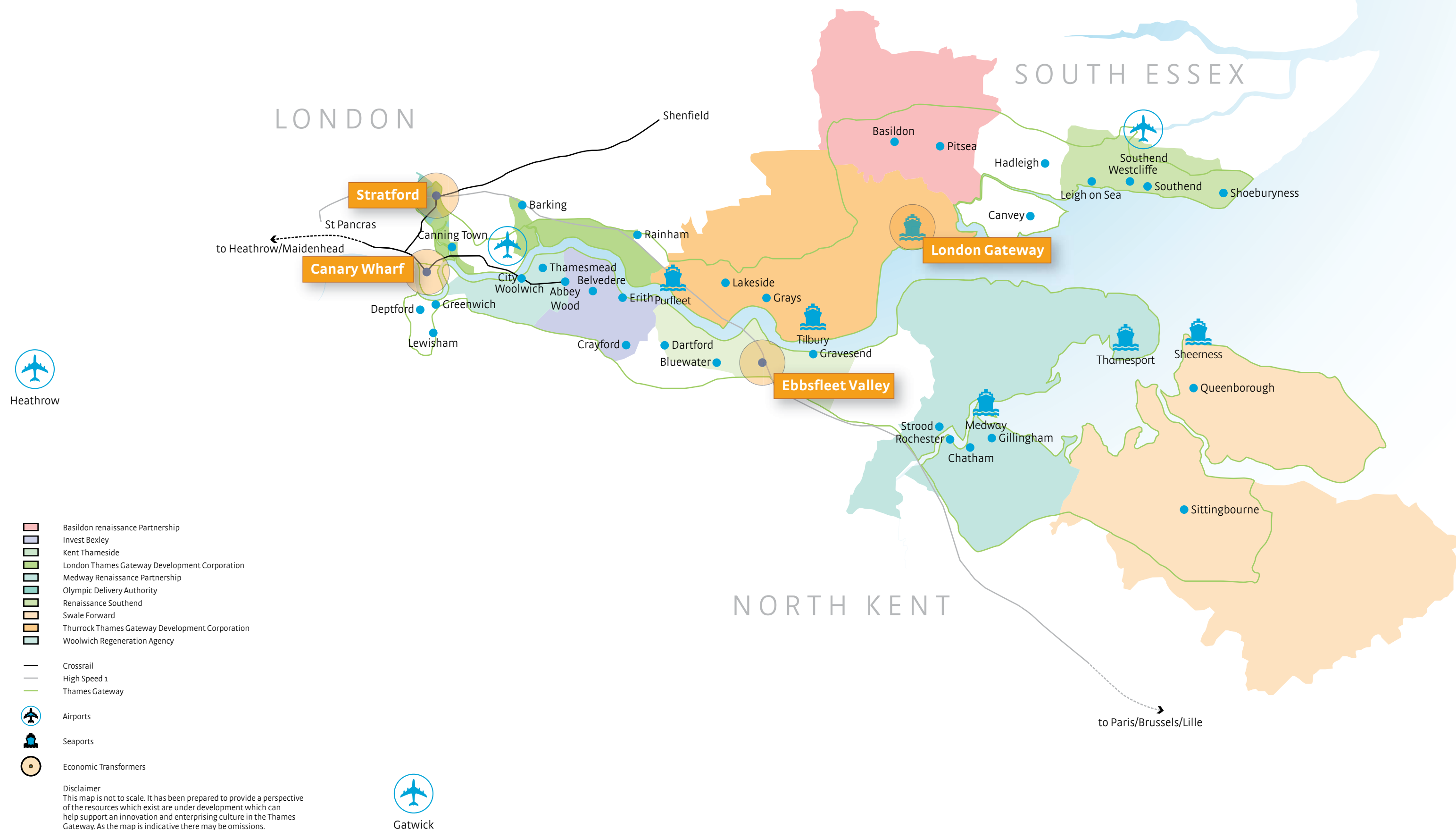
As set out in Section 6, we aim to ensure that this development proceeds as quickly as possible, with timely improvements to road and rail transport networks. This includes improvements to Junction 30/31 of the M25. We will also undertake a freight study to assess future planned road and rail movements, the capacity of relevant networks to accommodate this growth and the potential for interchange facilities.

The development of a Learning Centre or Academy for Logistics and Ports will ensure that the Gateway workforce offers skills required to support high value jobs in the ports and logistics sector across the Thames Gateway. This will link to and complement the proposed learning campus in Grays and equivalent provision across East London and North Kent. By learning from established academies, such as the Dubai Maritime Academy, London Gateway can become an international sectoral learning hub for ports and logistics. EEDA will work with partners to secure support for a national academy and examine development options.

The Learning Centre or Academy will be linked to a new innovation centre for research and technical support to capture the benefit of the deep sea port development. This is likely to be developed with global partners, such as the ports of Rotterdam, Hong Kong and Singapore along with international expertise and universities. The centre will be supported by a Ports and Logistics Network, creating a shared, high-level interface between the public and private sector.

As well as innovation in ports and logistics operations, London Gateway can also become a demonstration centre for renewable energy technologies as part of the broader aspiration for the Gateway to have a clear focus around innovation linked to environmental sustainability. It will also help maximise the use of renewables in the building and operation of the port and logistics park. Building on the current investment in biofuels and distributed energy, and the history of the London Gateway site in terms of fuel processing, the demonstration centre will augment the capability on eco-innovation of the Thames Gateway and Institute for Sustainability. Further development will be subject to an options appraisal process and feasibility study.

Thames Gateway partners and spatial transformers



- The Gateway will be a test site for new environmental technologies and capture the innovation and commercial potential.

Transforming the Thames Gateway into an eco region

Environmental sustainability is at the heart of all our economic aspirations. By using a bold approach we will drive our innovation capacity by solving real problems faced by us and by all other communities, and lead the way in what the Government refers to as a ‘fourth technological transformation’ to deliver a low carbon, energy-efficient economy. The Gateway will move towards an integrated approach to carbon and waste reduction, more effective water usage and become a net energy producer rather than consumer. It will be a series of interconnected sustainable communities including employment locations – all linked by sustainable transport options. The RDAs’ intention is for over 90% of development to be on recycled urban land – with housing close to employment nodes and existing town centres.

Our development programme will drive the growth of our economy. We will build the Gateway as an eco innovation location and attract the development of environmental technologies and services to cluster in the Gateway, benefiting both existing and new businesses. This will underpin our efforts to boost productivity of the Gateway economy. We will also develop our inward investment brand around this and raise our profile with global companies and universities.

We will position the Gateway as a place for the future to add to its attraction to residents and investors. Delivering the eco region will require new skills and new ideas. These skills and ideas will be in demand nationally and internationally and will be a source of future wealth. We will concentrate on the following areas, which are described in more detail elsewhere in this Plan.

Supporting the Thames Gateway as an eco innovation location

The Gateway will be a test site for new environmental technologies and capture the innovation and commercial potential. Our research and business led innovation will be supported by initiatives such as the International Institute for Sustainability, the Open Innovation Science Park for the Environmental Engine Hub, catalysing pan Gateway activity through the Innovation and Enterprise Champion and by building knowledge around low carbon transport options. We will aim to catalyse the growth of local environmental enterprises in the Gateway by leveraging our procurement programmes and attracting environmental technology and service firms through our approach to inward investment. The Gateway can help model ‘closed loop’ systems such as the recycling centre at Dagenham. We will also aim to demonstrate progress in creative and visual ways and build local, national and international partnerships around this.

Developing the skills to support delivery of the eco region

We will ensure the development of skills to deliver sustainable construction and infrastructure in the eco region and support initiatives such as the centre for sustainable construction skills (SUSCON).

Catalysing development around existing town centres

The development of the Gateway will rely on supporting a series of vital town centres well served by public transport and the road network. Development will be almost all mixed-use infill on brownfield land near existing social, cultural and transport infrastructure. Building on the main proposals in the Delivery Plan, pan Gateway, we will establish systematic approaches to support planned investment and add value to the work being delivered at a local level across the Gateway. As one example the investment in Crossrail will transform the Gateway. It needs to be supported by investment to concentrate development around the Crossrail stations as places to work, live and shop and thereby maximise the potential benefits.

Promoting sustainable construction techniques

There are multiple benefits when sustainable construction techniques are introduced. Modern methods of construction have more efficient waste management, shorter on-site construction times and lower carbon footprints. Along with other partners and aligned with the London Plan, we will support the Gateway to become a zero construction waste zone. For example, construction waste consolidation centres reduce costs, improve efficiency and reduce unnecessary transport movements – thereby reducing emissions and congestion. A consolidation centre in Stratford will support the development of Stratford City, Lower Lea and the Olympics developments. Another is also proposed in North Kent to support the Ebbsfleet Valley development and a possible further one at Swanscombe Peninsula.

We will look to sustainable freight movement including better use of the River Thames. This is already a feature of the Olympics development. We will also look to create a number of region-specific initiatives. For example SEEDA, supported by the regional sector consortia for the built environment, is looking to integrate material resource recovery processes as part of a Zero Waste programme and it is also looking into establishing a manufacturing consolidation centre on Northfleet Embankment for major manufacturing employers to significantly reduce HGV movements in the UK and Europe by transferring household commodities from road to rail and sea. We will support the Gateway as a location for green skills relevant to construction.

Improving the quality of existing commercial and residential developments

The Gateway has a track record in use and reuse of older buildings – both commercial and residential – and for community and cultural use. This enhances the distinctiveness of locations. But over 60% of emissions are associated with the existing building stock. Existing residential and commercial development also represent an opportunity to achieve significant improvements in water efficiency and sustainability of drainage systems. We intend to draw together a pan-Gateway programme to retrofit residential and commercial buildings. This will demonstrate how major improvements to building efficiency can be achieved across a range of building types. We will also increase the level of support for residents wanting to improve the energy efficiency of their homes through the Green Homes Service and assisting with eco assessments.

Promoting high standards for water, waste and energy systems for new developments

Much of the Gateway is supported by an approach to utilities designed for a different economic and land use period. The network is older and either inefficient or visually intrusive. Overhead power lines blight sections of the Gateway. Sewer and storm water systems are not segregated in some areas. There will be increasing demands on the power supply, water supplies and waste water treatment and capacity issues around major development locations.

The Government and its partners are concerned to achieve greater efficiency in water usage in the Gateway. The Government is also developing a plan for the longer term which will ensure that the Gateway is well defended against flooding.

We are assessing the business case for an environmental infrastructure fund which would aim to help deliver a step change in investment to support low carbon, high-quality environmental infrastructure developments and help speed delivery of major schemes. This would be through using investment to help deliver innovative approaches to waste, energy and water infrastructure. In addition, we are exploring whether to promote energy action areas and

decentralised energy provision including district heating schemes and combined heat and power schemes. A heat take-off scheme for Barking Power Station will support community heating. A renewable energy demonstration park may be developed at London Gateway as part of the Institute for Sustainability. Business development opportunities surrounding the proposed development of a new generation carbon capture coal-fired power station at Kingsnorth on the Isle of Grain and at Tilbury, Essex will also be explored.

We will continue to promote the Gateway as a location for innovative development such as the 250-unit Gallions Park development – a low carbon housing scheme.

Promotion of green spaces and innovative flood protection

Developing the Gateway as an eco region also means it is important to consider green space. Development adjacent to rivers and wetlands that is sympathetic to its location can enhance value and public access to the water edge. And green spaces generally can improve the quality of the environment as a place to live and visit, providing opportunities for walking and other recreation, with significant health benefits. They can mitigate the heat island effect of development, and will provide habitat for plants, insects and animals. We are also looking at ways of ensuring that green space is protected and enhanced in compensation for the development that is taking place.

Green space can also absorb or store flood water if required. The Thames Gateway Estuary 2100 Plan (TE2100, an Environment Agency plan) will identify any suitable Gateway locations that should be used to reduce tidal flood risk in the Thames Estuary or create new estuarine habitat. Working on a Gateway-wide basis we can make sure there is a consistent approach to encouraging flood resilient development with sustainable drainage systems, in protecting spaces for flood mitigation and in assisting to identify alternative sites when existing employment land is affected.

Large Gateway marshes that are currently protected by flood walls can be reconfigured to absorb large amounts of flood waters, returning them to a more natural state and potentially increasing visitor numbers and biological diversity. We will also work with the Environment Agency to detail how making space for water can increase visitor attractions and the ecological value of assets while increasing development potential in value, quantity and quality. We will also work with the TE 2100 plan to coordinate complementary land use and transport changes.

In summary, attracting and retaining investment will be key to enhancing the competitiveness of the Gateway. In the four spatial transformers – Canary Wharf, Ebbsfleet, London Gateway, Stratford and the Lower Lea Valley – massive private sector investment is already underway and/or planned. We also believe that transforming the Gateway into an eco region will bring economic opportunities. Our investments outlined are designed to capture the economic benefits of the spatial transformers and to attract further investment.

References

- 36 RDAs (2006) Thames Gateway Economic Statement Op. Cit.
- 37 CLG (2007) Op. Cit.
- 38 GLA (2004) The London Plan



“Our priority is to stimulate the potential of the Thames Gateway as a location for innovation, enterprise and creativity.”

5. Delivering the vision: driving competitiveness

In this section, we outline our proposed investments and interventions designed to strengthen the drivers of competitiveness. We start from a clear view on:

- the main challenges facing the Gateway
- the sectors which are most likely to drive growth and create a more specialised economy, and where tailored interventions may help or be required
- the spatial transformers which are already bringing massive investment to the Gateway and where there are opportunities to maximise the economic benefits, and
- other interventions being promoted by the three RDAs, the LSC, Jobcentre Plus, CLG and the delivery partnerships across the Gateway, with which strategic investments in line with this plan need to be aligned.

Taking these factors on board and the drivers of urban competitiveness, our interventions are grouped as follows:

- A. Skills and human capital**
- B. Innovation, creativity and enterprise**
- C. Connectivity**
- D. Quality of life – sustainability and culture; and**
- E. Investment**

Under each of these themes we have summarised the context for pan-Gateway thinking. We have identified initiatives for support and investment. These priorities for investment vary in status and some will require additional feasibility work before significant investments are made in relation to them (some projects in the plan are subject to appraisal and approval as appropriate).

The initiatives supported under these themes can be categorised along the following lines:

- Big picture proposals which we see as potentially transformative – harnessing current investments and opportunities
- Strategic interventions which aim to draw a range of existing initiatives together and create a programme which is more than the sum of its parts
- Complementary investments which build a diverse set of opportunities across the Gateway and build its overall competitiveness
- Evidence gathering and case making – there is a stream of work around building our evidence base and knowledge of the dynamics of the economy in national and international terms. This also includes economic case making for key investments
- Initiatives we see as having merit for investment in the future subject to further testing and the availability of resources

Skills: Human capital

In Section 2 we summarised the challenges for the Gateway around the development of people. We are not harnessing the talent of the people who live in the Gateway as well as we could and we could maximise the impact of our investments in some areas by doing some things consistently across the Gateway.

The future economic prosperity of the Gateway depends on strengthening the skills of its population. In many communities, relatively few young people enrol in universities or take up a job with good career prospects. A smaller proportion of adults have higher-level skills by comparison with many other communities in the Greater South East. In many London Gateway communities there are very large concentrations of adults who do not work.

These are not new challenges. Local authorities, the Learning and Skills Council, Jobcentre Plus, and the RDAs are investing in a wide range of programmes – with Gateway employers, colleges and universities – to enhance the skills of the adult workforce. In summer 2008 the Learning and Skills Council published its commissioning plan for the Thames Gateway, which highlights LSC priorities. The London Skills and Employment Board is setting the key priorities for skills in the London Gateway. Higher and further education institutions meet regularly with the Minister for State for Lifelong Learning, Further and Higher Education around this agenda. The Government and its partners will ensure that Level 3 courses on offer in the Gateway, academic or vocational, will lead directly through a progression route onto entry to a suitable Level 4 course for learners who want to progress further.

In assessing the complex set of initiatives, we have identified some clear areas of opportunity where we can help improve the impact of this investment for the people of the Gateway and build competitiveness. This includes developing consistent approaches to make sure local people have the skills to deliver our regeneration and development programmes.

There is potential to create greater value for Gateway residents from the impressive range of specialist skill academies already operating or being developed. We need better arrangements to help residents across the Gateway access these centres (i.e. the National Skills Academies for Construction, for Financial Services, for Logistics and Ports, for Creative and Cultural Skills and for Retail). Ensuring provision for areas of real demand such as construction skills is critical to the future economic growth of the Gateway. The National Skills Academy for Construction and related sustainable construction technologies at SUSCON will complement each other and increase the size of the resident construction workforce and their knowledge of sustainable construction techniques. Other academies such as sport and health will likewise provide integrated sector-related support and increase the supply of skilled regeneration professionals.

There is an aspiration to match areas of job growth to specialist skills development and a growing private sector driven innovation environment. When drawn together, these specialist academies will help reduce worklessness across the Gateway (particularly in London). It is recognised that reducing worklessness is wider than providing job skills and efforts will be strongly linked to existing strategies on, for example, the provision of affordable, quality childcare that supports people into sustained employment.

A closer integration of skills and employment and effective arrangements to work with employers is very important. While there aren't arrangements in place at a Gateway-wide level, various good models exist at local level. The London Skills and Employment Board also provides a model. This is an area that we expect to develop over the next few years as we grow the quality of our evidence base and our strategic capacity and relationships across the Gateway. We intend to contribute actively to building our capacity going forward.

Initial priorities are described as follows. They are consistent with our focus to agree strategic interventions that draw a range of existing initiatives together and create programmes that are more than the sum of the parts – the sustainable construction programme, SUSCON and Skills: Human Capital – and on complementary investments that create a diverse set of opportunities across the Gateway and build its overall competitiveness such as the Stratford Academy for Retail. Other related initiatives are described elsewhere in this report and further initiatives will continue to emerge as the programme is developed.

Commitments

Sustainable construction programme

The massive and long-term programme of investment in the Gateway – Olympics and the Olympics legacy, Crossrail, London Gateway, housing, and commercial development in the spatial transformer locations – brings opportunities to train and then recruit skilled construction labour from communities across the Gateway.

Many traditional trades are well catered for but existing trades may need to build their skills around sustainable construction techniques. There is demand for project managers and professionals. There is a high turnover of people in construction so we need close monitoring of supplies so as not to put the major construction programmes at risk. A programme for developing the skills of local people is well underway in London. The intention is to scale this up and develop a Thames Gateway Construction Skills Programme to ensure reliability of the supply of skills and to help local people access these work opportunities. This will be developed with other partners including the LSC.

A key element is the National Skills Academy for Construction Skills located at the heart of the Olympic area, with links to strategically placed hubs in the Gateway to provide the right level of quality provision to meet demand. The Academy will be a centre of excellence on construction, ensure consistent and evidence-based policies across the Gateway region and lead in research and development for their sector, particularly of innovative technologies including sustainable technologies. It will be complemented by SUSCON, which will specialise in sustainable construction.

SUSCON in Kent Thameside will contribute to the development of specialist construction skills across the Gateway focusing on training for construction workers in sustainable construction and modern methods of construction. This is to make sure we can support the highest possible environmental sustainability standards for new developments and an integrated approach to sector transformation. A mini-SUSCON is to be developed as a first stage with a larger-scale SUSCON development envisaged in the future. We anticipate close connections between SUSCON and the Institute for Sustainability at Kent Thameside (described later) and other complementary facilities.

The Construction Skills Programme will feature cross-organisational work with universities and Further Education colleges to promote the take-up of higher level skills where learning provision is underdeveloped. It will feature an increased apprenticeship offer. It will include a management programme to work with the Gateway small and medium enterprises (SMEs) to promote the benefits to their businesses of training their workforces in new greener technologies.

Investing in people: Reducing worklessness and workforce development/ harnessing talent through workforce development

Reducing worklessness

Worklessness and associated social problems seriously affect some significant areas of the Thames Gateway. To deal successfully with these issues we will build on what works, capture successful activity and extend it across the Gateway regardless of regional boundaries. We will bring together the practice and specialist knowledge each RDA and local partners have to offer and share it to address problems in the wider Gateway.

Examples of work supported by this programme include building on pioneering practice in London around worklessness and child poverty, described in “What works with tackling worklessness” and extending the City Strategy pathways to benefit workless residents of the Gateway including North Kent, Medway and South Essex. These pathways will link strongly to Thames Gateway job brokerage.

Other examples of sharing best practice, training and employment models will be the rolling out of other existing and new programmes such as the Construction Employer Accord, and a Gateway-wide web portal to provide Information, Diagnosis and Brokerage for employers and Information, Advice and Guidance for individuals, families and communities. This joined up, pan-Gateway approach involving employers, communities, the Third Sector and statutory agencies will lead to a much stronger impact for communities than on a region by region basis.

Workforce development

Residents across the Thames Gateway should receive maximum benefit from our combined investment so we will establish a planned and coordinated approach to training, learning and employment opportunities.

A coordinated programme of investment and activity will ensure the new specialist academies e.g. Construction, Financial Services, Retail, etc will have clear links to strategically placed hubs throughout the Thames Gateway to ensure the right level of quality provision is delivered to meet demand and benefit all. We will build on the Creative Way model to help link the job opportunities to education and make these easily accessible to potential students across the Gateway.

Our aim is to ensure we have an agreed evidence base across the RDAs with CLG and LSC and the further and higher education institutions in the Gateway. We will jointly assess the skills needs across the Gateway to address the lower investment-lower skills equilibrium that affects some communities, and identify and plan skills investment to meet the needs of new and growth sectors. Originally proposed for the London Gateway, a Thames Gateway Skills and Employment Observatory will provide the expertise, resource and focus necessary to accrue an accurate data set for the whole Gateway Labour market. It will provide consistent labour market analyses and collaborative data, with employment and skills projections to 2017 and beyond, and best practice in evaluating programmes. Given the range of organisations operating in the skills and employment area in London and the Gateway, the Observatory can act as a key consolidating body – drawing together vital information from the range of bodies that work on skills and employment issues.

Being developed

The Academy for Retail at Stratford

This will be a private sector led specialist skills centre to help local people develop the skills required for work in the retail sector in east London, the Olympic area and the wider Gateway. The Academy will open in 2011. In the interim, ‘off the job’ and ‘on the job’ training will be provided through the live training venue in the existing Stratford Shopping Centre. It will also be part of a complementary network of specialist skill centres across the Gateway as part of a ‘hub and spoke’ approach to the delivery of training.

Innovation, Enterprise and Creativity

Many elements of a high value knowledge economy are already in place in the Thames Gateway: local universities with research strengths, clusters of high value sectors, a range of innovation centres to help local enterprises grow and to attract new investment to the Gateway, well connected locations, and policy and investment in support of innovation and enterprise development. The Gateway also benefits from investment from national and regional innovation programmes that encourage the development of a competitive knowledge economy, including through greater business collaboration with the local, Greater South East and international knowledge base.

However, this infrastructure has been criticised as being fragmented and not as effective as it should be. At the same time, more could be done to capture the value of investments in innovation and to understand how to work with the private sector to ensure that this happens. Overall, the proportion of knowledge economy businesses is lower than in the surrounding communities. Outside Canary Wharf, and a small number of other locations, the Gateway tends to be home to lower value jobs, with lower levels of training than the national average. Outside London, GVA per head in the Gateway is lower than elsewhere than in the Greater South East.

Our priority is to stimulate the potential of the Thames Gateway as a location for innovation, enterprise and creativity. As set out later on, in light of the growth prospects for these sectors in the Gateway, we see particular opportunities in innovation around the eco region, including renewable sources of energy, technology integration and in ports and logistics. We can create a high-value specialised role for the Gateway in these areas if we are able to network our existing offer, build a better understanding of the markets and establish long term goals. We also see the need to provide sites, premises and incubator units, which will benefit from on-site support for innovation where these facilities are currently lacking. We have some high level ambitions but we will test the feasibility of these proposals as part of establishing a business case for public investment.

Our approach to enterprise development will build on good practice and be fully consistent with business support simplification. There are models of good practice to build on. We anticipate enterprise growth will be stimulated as a result of the combination of private and public investment across the Gateway, including around the eco region. We will also examine if there is a case for additional public investment in this area.

In summary, the proposals described will aim to support big picture aspirations about transforming the whole Gateway over the longer term and providing complementary investments and opportunities to build its overall competitiveness with innovation in sustainability, ports and logistics, and advanced manufacturing. These will require testing and feasibility studies in the first instance. The Plan is to draw existing investments together so they add up to more than the sum of their parts, and it will also deliver smaller scale schemes to provide models of good practice across the Gateway, including an Innovation and Creativity Team, and East London Business Place. Finally it will build up our knowledge of the dynamics of the business environment in the Gateway and develop our evidence base around what is required in addition to committed investment to build an enterprising culture (enterprise enhancement).

HE

Higher Education Campuses*

Universities with presence in/ near the Gateway include:

- Birkbeck College, University of London
- Canterbury Christ Church University
- Greenwich University,
- Goldsmith's College, University of London
- London Metropolitan University
- Open University
- Queen Mary, University of London
- Ravensbourne College of Design and Communication (to locate to) Greenwich Peninsula
- Rose Bruford College
- Trinity Laban
- University College for the Creative Arts
- University of East London
- University of Essex – Southend Campus
- University of Kent

*many offer support services around innovation, research and incubation

FE

Further Education and Vocational Training

Multiple locations

**Innovation, Enterprise and Research Centres**

- Centre for Engineering and Manufacturing Excellence (CEME)
- Knowledge Dock (UEL)
- Thames Innovation Centre (TIC)
- START Nucleus–Dartford
- Kent Science Park
- Medway Enterprise Hub
- Sittingbourne Enterprise Hub
- START Woolwich

**Innovation and Research Centres (in development/ potential)**

- Institute for Sustainability (IFS)
- Innovation and Learning Centre for Ports and Logistics
- Open Innovation Science Park for Environmental Engines

**Specialist Skills Academies (centres, nodes and providers)**

- National Skills Academy for Financial Services
- National Skills Academy for Construction
- National Skills Academy for Manufacturing (node delivered at CEME)

**Specialist Skills Academies (in development/ potential)**

- National Creative and Cultural Skills Academy
- Innovation and Learning Centre for Ports and Logistics
- Centre for Sustainable Construction (SUSCON)
- Academy for Retail

Innovation and knowledge infrastructure in the Thames Gateway

LONDON

SOUTH ESSEX

NORTH KENT



Thames Gateway



HAuthority Boundaries



Economic Transformers

Note:
Some of this information has been sourced from an interactive innovation map of the Greater South East which can be accessed at www.innovationmap.org

Disclaimer
This map is not to scale. It has been prepared to provide a perspective of the resources which exist are under development which can help support an innovation and enterprising culture in the Thames Gateway. As the map is indicative there may be omissions.

Commitments

Thames Gateway Innovation and Enterprise Champion

The Innovation and Enterprise Champion will raise the profile of the Gateway as a location for eco innovation and research and act as a credible champion for existing and new entrepreneurs, the potential value of private sector investment in support of innovation and sustainability and the Thames Gateway as a high quality and progressive business location. The Champion will also help deepen the connections between HE and Innovation centres. The Champion will help RDAs and CLG to champion innovation and to stimulate coordination of existing resources.

International Institute for Sustainability (IfS)

The Thames Gateway offers an opportunity to twin best practice sustainable development in a brownfield environment with best practice sustainable development in a greenfield environment in Dongtan (China), as well as to offer other research facilities looking at best practice in sustainable living – creating a global network. The Government has established a Memorandum of Understanding (MOU) on Sustainable Cities with China, including a commitment to foster mutual learning between the Dongtan Institute for Sustainability and the Institute for Sustainability in the Thames Gateway. Our aim is to learn from and develop international best practice through three complementary institutes that will feed into global learning, increase our capacity to develop sustainably and create significant business opportunities across the world.

The Institute will be private sector and university-led, and will access world-class academic thinking to drive research and development on sustainable cities, towns and places and will attract the best researchers and private and public sector funds. The Institute will deliver economic benefits for the Gateway and businesses by helping to solve real problems, which will have commercial benefits. It will anchor an emerging environmental technologies and services cluster; identify international innovation and markets; attract investment in this sector and build the brand of the Gateway as an eco innovation location. The Institute will capture and create value from the work needed to develop the Thames Gateway economy as an eco region; share information to promote good practice, including creation of demonstrators to evaluate technologies in real settings. This will also help us understand the best way to work with local communities. The scale of the Thames Gateway is such that it can support three complementary facilities – each with a distinct identity and research focus but supporting a joint IfS brand. Each is described in more detail below.

i) Institute for Sustainability – Dagenham Dock

The Institute for Sustainability (IfS) at Dagenham Dock (located in the Sustainable Industries Park) will be a world class multi-disciplinary research facility focused on consumption (systems approaches to sustainable construction, sustainable procurement, and energy management) and waste (materials reuse and recycling). It is being delivered by a public private partnership which includes internationally renowned universities and companies engaged in delivering best practice approaches and technologies for sustainable development and sustainable living.

The Dagenham Dock location offers close links for researchers with environmental technology businesses in the area and with the large developments in the London Thames Gateway. Initial research projects have been identified to support the Barking Riverside and Olympics developments.

IfS Dagenham Dock will focus on materials, components and techniques for a sustainable built environment, including:

- Materials – thermophysical properties, structural integrity, physical testing
- Energy technologies – fuel cells
- Waste – reuse and recycling
- Sustainable construction and resource efficiency
- Sustainable community interactions
- Health and human development

With commitments to more than 10,000 m² of research space, the Dagenham Dock IfS will be on site in time for a joint opening with the Dongtan Institute for Sustainability at the 2010 Shanghai Expo.

ii) Institute for Sustainability – Kent Thameside Science and Innovation Campus for integrated Resource Management of Low Impact Buildings and Communities

The IfS Kent Thameside will be a centre of excellence enabling collaborative working and research to develop, test and demonstrate solutions for integrated Resource Management for Buildings and Communities. The campus will provide a place where academics and business people can work together on both research and demonstration, with a demonstrator site providing a test bed for integrating current best practice technologies into large and complex systems. Key aims of the IfS Kent Thameside are to shorten the lead time for integrating new technologies in live developments and to utilise systems integration methodology to obtain an order of magnitude enhancement of impact in reducing carbon footprint.

IfS Kent Thameside will focus on integrated management of resources for communities – Social + Economic + Policy & Governance + Technology:

- Energy – provision, business models, sustainable fuel sources, demand management
- Energy from waste
- Waste – management, reduction, waste to energy
- Water and waste water
- Logistics, mobility and transport
- Urban information technology

Attention will initially focus on best practice, retrofit and new developments.

Located in north Dartford site, the campus will have access to the science for small scale demonstrators and to both development sites and existing communities for larger scale new build and retrofit demonstrators

Innovation and Creativity team – Thames Gateway (North Kent)

An Innovation Team with a Thames Gateway focus (either a stand-alone team or part of a wider sub-regional team), will drive business innovation and growth through the delivery of tailored, specialist services and technical business expertise for a relatively small number of businesses that have potential for significant growth. The team will target businesses with the highest growth and innovation potential and clients will generally be drawn from four recognised market segments – high-growth start-ups and scalable micros, small businesses making the step change to medium, medium size companies making the step change to large, and large knowledge generators (businesses that create knowledge that others can use and exploit). It is envisaged that this team will network with local delivery teams, managed at a local level by partnerships that comprise key stakeholders including local businesses.

East London Business Place

The East London Business Place programme is managed by East London Business Alliance to help build a legacy of capacity and competitiveness for East London businesses. Businesses are included as pre-qualified on an accessible database and can access the supply chains of major Gateway developers and East London Business Alliance's corporate membership. They are supported by a programme of mentoring, seminars, events and general support. Initially developed for the five Olympic host boroughs, it has now been extended to the ten London Thames Gateway boroughs. This partnership project is built on a successful demand-led supply side model introduced by Canary Wharf Group plc, called the Local Business Liaison Office, which has provided over £405m in competitive contracts to local companies over the last ten years. A key objective is to migrate this successful model of local procurement into the Thames Gateway, the City and its neighbouring boroughs, as well as other development opportunities. This programme could also provide a model to other locations across the Thames Gateway on innovative arrangements for enterprise development.

Being developed

iii) Institute for Sustainability – Renewable Energy Centre (London Gateway)

Historically, the location at Shellhaven was a fuel processing site for Shell. Now as London Gateway it will be a deep water port capable of handling the largest cargo ships in the world. Our intention is also to establish it as one node of the Institute for Sustainability, building on its historic role and in recognition of the commitment to develop the eco region. Its role will be as an innovation and demonstration centre for renewable energy technologies, including biofuels and distributed energy with private sector partners. A business case will be developed in the first instance.

Innovation and Learning Centre for Ports and Logistics – London Gateway

An innovation and learning centre will be set up to capture the benefits of the deep sea port development at London Gateway and to support an associated cluster of ports and logistics enterprises for London, the GSE and the UK. The Centre will be linked to global partners, such as Rotterdam, Hong Kong, Singapore and Massachusetts Institute of Technology. Partners include further and higher education institutions, training providers and ports and logistics owners and operators. It will be supported by a Ports and Logistics Network, creating a shared, high-level interface between the public and private sector to help plan for and deliver our ambition for the Thames Gateway as the pre-eminent portal to the UK for goods, people and capital and contribute to developing the Gateway as an eco region through low carbon logistics.

The learning centre should be a private sector-led specialist skills development centre focusing on contemporary ports and logistics operations across the Thames Gateway, with links to the proposed learning campus in Grays and equivalent provision across East London and North Kent.

Open Innovation Science Park for Environmental Engine Hub – Ford Dunton

Ford Dunton is the UK’s largest automotive design and engineering facility where 3,500 engineers, designers and support staff develop the engines for Ford’s small and medium cars and commercial vehicles worldwide, working closely with its facility in Cologne. Ford invests over £300 million a year on research and development. Our aim is to develop an open innovation science park through attracting relevant investment to help grow an industry cluster with a focus on environmental engine design and efficiency – working in partnership with Ford Dunton in Essex and with close links to the Centre for Manufacturing Excellence at Rainham.

Enterprise enhancement

There are signs of an increasingly entrepreneurial culture in the Gateway and new business formation outstrips business closure. But this varies across the Gateway and business stock in a number of London Thames Gateway boroughs is less than half the London benchmark. Given the context of business simplification and the role of Business Link across the Gateway, the value added by pan-Gateway activity for enterprise development is not yet clearly established. Therefore, a study will be undertaken to establish what sort of additional investment (if any) is needed to support enterprise growth in the Gateway. The emphasis will be on priority sectors. We anticipate that a programme of local enterprise strategies may be useful to allow traditional business locations (e.g. town centres, industrial parks) to become part of the Thames Gateway success story through innovative partnerships between business and government. These strategies would build upon the experience of the Local Enterprise Growth Initiative (LEGI), such as that run by Barking & Dagenham, to support inclusive enterprise development, including working in schools, colleges and within the communities themselves.

Connectivity

Today, strong road, rail and sea links exist between the Thames Gateway, the rest of the UK and the rest of Europe. Connectivity is central to realising the economic potential of the Thames Gateway, including supporting employment, housing and addressing deprivation.

Generally, the four spatial transformers are well served by road and public transport services. A high speed domestic train service will connect Ebbsfleet, Stratford and St Pancras from 2009 and Crossrail will be complete by 2017. Further significant improvements will result from DP World's massive investment to create a deep water port at London Gateway.

A range of schemes is underway or funded to help improve public transport capacity across the Gateway – including the Docklands Light Railway extension to Dagenham Dock, capacity improvements to the Jubilee Line and HLOS upgrades (High-Level Output Specification) to the C2C and North Kent lines, as well as Fasttrack connecting Bluewater to Ebbsfleet and adjoining communities.

As the economy of the Thames Gateway continues to expand, more demands will be made on funding transport investment. We face two distinct challenges. First, we must secure further investments to improve transport links to key national and international markets and to unlock further growth in housing and employment. Secondly, we must secure investments in more local transport initiatives to improve their sustainability, reduce congestion within Gateway communities and thereby make them more attractive locations.

As set out in this section, the programme will start with an overarching review of the connectivity challenges within the Greater South East as a whole and the benefits that could derive from increased investment. Transport connectivity is known to increase business efficiency, support economic clusters and agglomerations, improve the functioning of labour markets, boost trade and attract globally mobile investment. We will then consider how to make better use of the River Thames for freight transport, whether innovative financing mechanisms for transport projects could be harnessed to pay for necessary improvements, and examine opportunities to use new low carbon transport technologies.

There are also a number of important strategic road transport investments that are essential, such as improvements to Junction 30/31 on the M25, Junction 5 on the M2, and new crossings over the Thames. Although some improvements to Junction 30 will be funded by DP World as part of its development, a comprehensive long-term plan is required. It is expected that the Government will announce its preferred approach later in 2008. At the same time there has been a proposal for a Thames Gateway Bridge to link the economies and communities of East London, supporting growth in housing and jobs, and the public inquiry on the proposal is scheduled to be reopened in spring 2009. On other schemes we need to quantify the development benefits derived from access improvements and channel meaningful contributions into funding mechanisms, whilst enabling the Highways Agency and other stakeholders to bring the delivery of these schemes forward.

A 21st century economy relies not only on transport connectivity but also on high-speed broadband capacity. With developments for the Olympic Games, areas in East London will have one of the most developed ICT structures in the world but other areas suffer from poor connectivity. We will explore how best to ensure that Gateway communities are best served by the next generation of broadband technology.

The investment prospects for the four spatial transformers may be further enhanced by specific improvements in rail and road networks. In the longer term greater connectivity across the river may be necessary for economic growth. This will require extensive study and we will support and contribute economic analysis to the work undertaken by the Department for Transport on the Lower Thames Crossing, including establishing the business need with stakeholders. Essex County Council and Kent County Council are also examining the case for the development.

The focus of the proposals below is firmly around developing the evidence base and making a case for investment in connectivity. Our initial priority is to undertake a central study from a pan Gateway perspective on how transport development will foster economic development. We will then examine in more detail areas such as improving the movement of freight (including the use of the river), innovative ways to finance major transport infrastructure, and options for carbon neutral transport.

Transport connectivity

- Funded transport schemes**

 - Crossrail
 - Improved transport links between Abbey Wood and Ebbfleet
 - DLR extensions
 - Greenwich Waterfront Transit (GWT)
 - East London Transit (ELT) phase 1a
 - ELT phase 1b
 - London Overground upgrade
 - London Overground – East London line extensions
 - Jubilee line capacity upgrade
 - Central line capacity upgrade
 - District line capacity upgrade
 - A Thames Gateway Bridge
- London Plan Opportunity Areas**

Proposed transport schemes (unfunded)

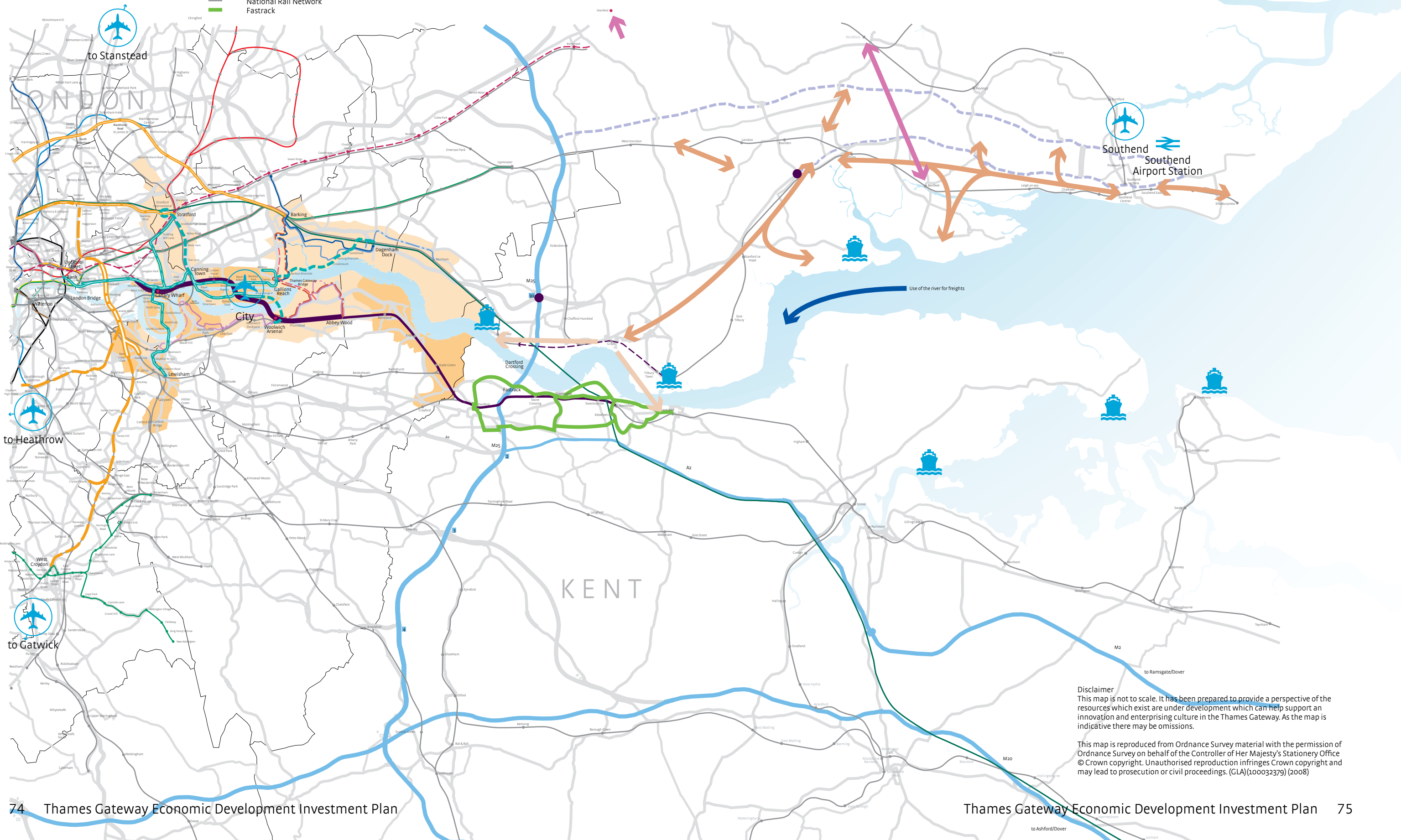
 - DLR Dagenham Dock extension
 - GWT further phases
 - ELT phase 2
 - ELT under review
 - Transit services

Existing public transport network

 - Docklands Light Railway (DLR)
 - London Overground
 - London Underground lines
 - Channel Tunnel Rail Link – High Speed 1
 - National Rail Network
 - Fastrack
- Proposed transport schemes**

 - A127 targeted highway improvement
 - proposed; under development by ECC
 - A13 – targeted improvements
 - proposed; under development by ECC
 - Rail – Tilbury loop to 12-car operation/ platform lengthening
 - proposed
 - Rail – Shenfield Cord
 - concept stage only
 - Rail – Wickford–Benfleet connection
 - concept stage only
 - Southend Airport Station
 - concept stage only
 - SERT
- Committed Transport Schemes**

 - M25 J30 junction improvement
 - stage 1: committed improvements associated with London Gateway
 - stage 2: further options under review by DfT
 - Sadlers Farm junction improvement (A130/A13)
 - committed; under development by ECC



Disclaimer
This map is not to scale. It has been prepared to provide a perspective of the resources which exist are under development which can help support an innovation and enterprising culture in the Thames Gateway. As the map is indicative there may be omissions.

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Commitments

Greater South East Connectivity Review – a programme of evidence gathering around transport priorities and opportunities

This central study will define the issues and challenges that relate to the Thames Gateway area as a whole. This review will document, collate and anticipate present and future capacity constraints on road and rail networks. It will assess the connectivity issues that the area has, and in particular how it effects inward investment and the role that national and international gateways play in assisting economic performance. The work is aimed to help support further growth, promoting employment, encouraging inward investment, enhancing productivity, reducing the costs of congestion and helping to realise the potential of the spatial transformers. It will help establish the regional priorities as suggested in the Department for Transport's (DfT) report Towards a Sustainable Transport System: Supporting Economic Growth in a Low Carbon World (2007) and the assessment methodologies and focus of the New Approach to Appraisal (NATA) refresh process. It will assess present and future capacity constraints on road and public transport networks and consider how to create a sustainable freight system (including greater use of the river and high speed rail).

The outcome of the review is expected to be a detailed analysis of the issues, challenges and spatial priorities, which will be central to delivering a successful Thames Gateway and a clear economic basis upon which planning and investment decisions can be made. This will be used to build the knowledge and evidence and opportunities around specific areas:

- coordination of transport investment in the Gateway, alignment with funding programmes and development of a priority delivery schedule for future DfT funding (post-2014)
- carbon neutral transport (including a demonstration project)
- innovative financing approaches for major infrastructure
- better use of high-speed rail links and Channel Tunnel

GSE – Sustainable Distribution Action Programme

This essential work builds on the Freight Quality Partnership already developed in the London Thames Gateway and brings together rail freight operators, the logistics sector, the PLA, the retailers and manufacturers to investigate current 'show stoppers' to develop a modal shift offer and to identify pilot projects with a commercially viable 'after life'. The main focus will be on issues such as:

- Modal shift from road to rail
- Pilot change for individual companies' logistics chains
- Utilising the river for freight transport and safeguarding landside river freight facilities
- Addressing road capacity bottlenecks for freight
- International and integrated freight interchanges

Being developed

A Thames Gateway Bridge

As originally proposed, a new crossing over the Thames in East London would, among other things, improve cross-river connectivity, linking the economies and communities on both sides of the river, improving accessibility for residents, businesses and workers, and helping to create a more attractive place for inward investment. The public enquiry for the bridge is due to reopen in Spring 2009.

Lower Thames Crossing

The Department for Transport is undertaking a project which will investigate the longer term requirements and modal options for a lower Thames Crossing. In its initial phase DfT is consulting with key stakeholders. We will work with the Department, in particular to help scope and define the economic case. The Greater South East Connectivity review (above) will be a key source of evidence to support this work.

Crossrail Connections

Crossrail will make an enormous improvement in east/west connectivity and improve access to opportunities and the investment prospects for many communities across the Gateway. The delivery of the scheme itself will be a major construction programme and source of employment. Our focus is on maximising the benefits of Crossrail for the Thames Gateway and its stations, including the potential to concentrate development around these locations, promoting quality public transport connections to stations and maximising interchange potential with existing rail services.

Broadband Study

At the moment there is patchy access to ultra high speed broadband across the Gateway – even in parts of London – but we know that this will be essential in the future ability of the Gateway to attract high-value investment. The first step is to map the current provision and to discuss with BT what their plans are for bandwidth in the Gateway, then scope what additional action is needed.

Quality of life – Sustainability

Our overall approach is to develop and promote the Gateway as an eco region and show how this will strengthen the Gateway economy. The Delivery Plan (2007)⁴¹ addresses the importance of attracting more investment to improve town centres and the role they play in creating a more sustainable Gateway.

The ambition to develop as an eco region will require new ways of working together, including helping deliver the Mayor of London’s objective of reducing London’s CO₂ emissions by 60% from 1990 levels by 2025, and new approaches to investment and increasing the pace of change. The ambition to grow the Gateway as an eco innovation location is addressed in the Innovation and Enterprise section. The ambition to build sustainable construction skills is addressed elsewhere in this plan. The main elements described below include: creating funding sources for environmental improvements; improving the quality of existing commercial and residential developments; promoting high standards for water, waste and energy systems for new developments, and promoting green spaces and innovative flood protection.

References

41 CLG (2007) The Delivery Plan Op. Cit.

Being developed

Environmental Infrastructure Fund/Renewable Energy Challenge Fund

The first step is to scope out how a fund would help deliver a step change in environmental improvements in the Gateway and how it could be established to leverage additional investment. The European Investment Bank has commissioned a study with the LDA, which is exploring some of these issues for London, looking into the viability of using the JESSICA (EU) mechanism to invest European Regional Development Fund (ERDF) and other funds. The aim is to transform the Thames Gateway into a low carbon area through an ambitious investment programme and to build local markets/enterprises able to support this. This may be through using loans to ensure innovative approaches to waste, energy and water infrastructure for new and existing developments and supporting the major retrofitting programme. The intention is to speed investment in projects of environmental importance in the Gateway to enable projects to deliver sustainable development aspirations, such as decentralised heat and power schemes. The study will also provide important lessons for how these arrangements could be applied more generally over the longer term.

The Renewable Energy Challenge Fund would catalyse and support the development of appropriate renewable energy generation capacity – to deliver secure, low carbon energy in the Gateway while contributing directly to the new Government/EU targets for a tenfold increase in electricity renewables by 2020.

Waste to Energy Fund

As part of the eco region this programme will support the development of infrastructure to manage London’s commercial and industrial waste over the next four years. It will look for innovative arrangements for waste, help increase recycling levels and tackle climate change by reducing the amount of London’s waste being buried in landfill and burnt in incinerators. This could complement the Thames Gateway Eco Region offer and it may become an element of a Thames Gateway-wide waste programme.

Options are currently being explored for delivery including acquisition of land, grants, loans or equity funding. This also supports the LDA’s role around waste infrastructure in east London through the Games legacy and the programme may help contribute to this.

Major retrofitting programme for existing buildings

One of the key objectives of the regeneration of the Thames Gateway is to ensure that this takes place in a way that delivers a low carbon economy. Analysis of carbon emissions in London indicates that there is significant work to do if we are to fulfil this plan as there appears to be a clear relationship between growth in commercial, housing and transport activities, and increases in CO₂ emissions.

A baseline emissions study has estimated that over 60% of emissions are associated with the existing building stock. We will support a Gateway wide programme to retrofit commercial and residential buildings and seek private sector investment to bring this about. The programme will make real improvements in the Gateway and is a significant opportunity to improve water efficiency and sustainability of drainage systems in existing built up areas, while also providing demonstration sites to build our knowledge base. This initiative will be one element of a major investment and research programme linked to the work of the Institute for Sustainability and the sustainable construction skills programme. Our ambition is also for this to lead to enterprise growth in the Gateway.

EDIP will work with CLG, the Energy Saving Trust and other partners to develop a Thames Gateway-wide retrofitting programme. Details of the programme will be set out later this year at the same time as the national Green Neighbourhoods programme is launched. The programme seeks to reduce greenhouse gas emissions from existing building stock through improvement in the fabric of buildings.

Barking Power Station and other decentralised energy work

The Barking Power Station scheme aims to capture excess heat produced in the generation of electricity and use this to supply heat directly to properties through a hot water network for heating and hot water needs. It has the potential to save up to 96,000 tonnes of CO₂ a year in the Thames Gateway and, on completion of current proposals to expand Barking Power Station, could provide enough excess heat to supply 150,000 homes, saving 120,000 tonnes of CO₂.

A number of organisations are developing decentralised energy programmes, which may be implemented in the Gateway.

Kent Thameside Construction Consolidation Centre

Consolidation Centres provide an effective supply chain management solution enabling the safe and efficient flow of construction materials and equipment from supplier to project and by returning any surplus materials. The development of a Construction Consolidation Centre at Kent Thameside will demonstrate the financial and resource efficiency improvements that can be gained from adopting up-to-date logistical practises and providing additional services needed by multiple construction sites in busy and challenging environments. This Centre, which will be developed in partnership with the private sector, will help support major developments in Ebbsfleet Valley and may link to another possible centre at Swanscombe Peninsula that will serve the wider Kent Thameside area. This approach has been demonstrated to reduce construction costs as well as relieve the roads of unnecessary congestion. It makes better use of trades on site, contributes to project delivery on time and improves the efficient use of materials.

Green Homes Service with Energy Savings Trust

The Energy Saving Trust is a non-profit organisation, funded by government and the private sector, was set up to address the damaging effects of climate change. It aims to cut emissions of carbon dioxide (CO₂) by promoting the sustainable and efficient use of energy. The Green Homes Service provides face-to-face advice to help residents to save energy in their home, take greener transport choices, reduce household waste and conserve water.

Quality of life – Culture

Each of the three Regional Economic Strategies features efforts to strengthen the creative and cultural sectors. Each of the three RDAs and all of the Gateway delivery partners are making significant investments to these efforts to secure the consequent economic benefits. These projects also enhance the quality of life in the communities where these projects are located. East London and locations in North Kent and South Essex are already known as centres for culture and creativity. In reviewing the overall picture, we believe there is much to be discovered about the creative and cultural strengths of the Gateway and how they link to our economic ambitions. We are, therefore, supporting a bold ‘Reimagining the Gateway’ programme to help spark ideas around this.

Two projects are of particular importance to the Gateway as a whole: one will reinforce the importance of the now vibrant Greenwich peninsula as a location for digital creativity through the relocation of Ravensbourne College; the other will transform perceptions of Thurrock through its association with the Royal Opera House and centre for development of backstage technical skills at the Creative and Cultural Skills Academy there. The existence of world heritage sites (at Greenwich and, pending, at Chatham), also offer potential for enhancement of the visitor tourism market through greater coordination.

There is much on the near horizon such as the Cultural Olympiad leading to London 2012, skills development linked to sports and to new sporting facilities. The regeneration of the Olympic park site and the Olympic legacy (Legacy Masterplan Framework) will transform east London. There are major opportunities to develop the visitor and business tourism offer in the Gateway in the lead-up to the Olympics, which we will help build on the significant tourism attractions in the Gateway. We will also draw together the current creative industries programmes, skills development and cultural centres to reposition the identity of the Gateway around creativity and culture. This programme will underpin our inward investment story and continue to build the Gateway as a location for creative people and industries through initiatives such as the Joiners Shop (described below).

References
41 CLG (2007) The Delivery Plan Op. Cit.

Commitments

Reimagining the Gateway

This is a pan-Gateway programme that will explore how the historic, industrial and urban heritage, our cultural and sports assets and stories of the Gateway could be profiled and rediscovered using the talents of our artistic and cultural leaders. It will build on existing work (e.g. Commission for Architecture and the Built Environment or CABE) to create a strong sense of confidence in what we already have to offer, attract a higher profile for the Gateway nationally and internationally, foster increased investor confidence, develop the visitor economy and attract new communities linked to the inward investment strategy.

Royal Opera House Production Campus/National Creative and Cultural Skills Academy (Purfleet)

The Royal Opera House (ROH) will be leading the development of a new Production Campus in Thurrock for its scenery production facility. The search for a new home for the main set construction, carpentry, metal work and scenery painting units has provided an opportunity to create a Production Campus, which will become a focal point for creative and craft-based industries at Purfleet. The new facilities will also enable the Royal Opera House to expand its training and youth apprenticeship programme; collaborating with local partners, the ROH will engage with Thurrock’s diverse communities.

National Creative and Cultural Skills Academy

A National Creative and Cultural Skills Academy at Thurrock will provide industry-relevant practical training in ‘backstage’ skills for the performing arts and live music sectors, designed and delivered by working professionals from across England. It will plug the skills gap that is preventing industries achieving commercial potential in home and export markets, establish a national network of training partners offering practitioner-led tuition in state-of-the-art facilities and create new, structured entry routes to skilled jobs. It will also help to diversify the sector workforce and create career opportunities for people from non-academic backgrounds. Community facilities are also being developed as part of this campus, to ensure local access for Gateway residents.

Joiners Shop – Medway Business Centre for Creative Industries

The Joiners Shop in the Chatham Historic Dockyard dates from 1780 and is owned by the Chatham Historic Dockyard Trust (CHDT). The Business Centre aims to provide space and support for small and start-up businesses in the creative sector. The Joiners Shop will consist of 45 small business units, both offices and workshops, available on flexible terms with on site support and advice focused on the creative business sector in Medway. The centre will be operated to provide as supportive an environment as possible for businesses to start up, establish themselves and grow. Creative industries have a higher average growth rate and GVA than the economy as a whole. Medway is currently underperforming in creative industries with 3.5% of employment being in creative industries against a regional average of 13%. The partners in the project include Medway Enterprise Gateway, University College for the Creative Arts in Kent, Medway Council, Chatham Historic Dockyard Trust and Business Link.

Attracting investment

The Delivery Plan⁴² sets out the key economic development projects that are being financed almost entirely by private developers and investors. In broad terms, the role of the RDAs and CLG is to create a confident investment climate for these projects, marketing currently available Gateway opportunities to potential investors and working alongside the private sector to raise awareness of future opportunities.

All of the work supporting the competitiveness of the Gateway aims to enhance the attractiveness of the Thames Gateway as a location for investment. This includes helping develop an enterprising culture where local people have the confidence to create or expand their businesses. It also involves attracting investment to the Gateway from domestic and international markets.

In relation to attracting international inward investment we will tell a consistent story about the benefits of locating in the Gateway. This will be driven by a Thames Gateway Coordinating Unit (TGCU), which will bring together the three RDAs, CLG and UK Trade and Investment (UKTI) to coordinate branding, marketing and performance management across the Gateway. Operational arrangements, at RDA level, will support the work of the TGCU and will ensure that we work collaboratively across our regions to maximise inward investment opportunities for the Gateway.

We are ensuring that we will offer:

- a unified Thames Gateway marketing proposition to add value to our inward investment programme
- increased awareness of the opportunities in the Thames Gateway, growing investor confidence through implementation of integrated campaigns to promote the wider Thames Gateway as a premier location for tourism, education and inward investment; and
- new arrangements to deliver a coordinated approach across the three regions.

We have identified three projects in addition to those described in other sections of this report that support the spatial transformers: progressing the Stratford Economic Vision and considering investments in urban realm improvements in Stratford; Kent Thameside Waterfront; and Dartford Town Centre/ Northern Gateway to add value to the Ebbsfleet offer. In addition, whilst it is not a spatial transformer, we see a particular need to add value to the regeneration of Southend as a regional economic hub, with a focus on a cluster around the airport and as an eco location.

And we see the need to develop a better understanding of the financial services sector, given it is critically important to the future of the Gateway.

References
42 CLG (2007) The Delivery Plan Op. Cit.

Commitments

Coordination arrangements for inward investment and creation of branding and identity

Attracting inward investment into a region is a significant driver of economic activity, both in terms of new organisations entering, supply chain development opportunities for the existing business stock, and being able to leverage innovation and collaboration across all the business and education sectors. Up until now, there has been no concerted attempt to weave a coherent and compelling inward investment story for the Gateway that can support and guide the work of the various delivery partners and create a much more rounded sense of place for both existing and potential investors. The three RDAs and CLG have commissioned the development of a joint marketing strategy which will develop specific propositions to support inward investment activity. It will also be flexible enough to support a broader-based approach to marketing the Gateway, whether to visitors, residents, students or business. There is also a commitment to support this strategy with resources to coordinate delivery and development across the Gateway.

Kent Thameside Waterfront

An 87-hectare site along 2.5 km of Thames frontage at Northfleet embankment offers an opportunity for high-quality mixed-use development close to the town centres of Dartford and Gravesend. This will help improve the quality of Kent Thameside to match the development at Ebbsfleet. Mixed-use development, including business, entertainment and leisure facilities are planned, and some 2,000 new homes are anticipated for this low carbon flagship scheme. On the adjacent Swanscombe Peninsula SEEDA has commissioned an investigation of the potential of the area as a base for environmental sciences and sustainable construction initiatives and also for new sports and leisure facilities, linked to the main transport hubs around Ebbsfleet. Options for land assembly and infrastructure requirements are being considered and are under way.

Dartford Town Centre and Northern Gateway

The development of a master plan and public consultation has highlighted the key issues and challenges facing Dartford town centre and the area to the north of the railway line (known as the Northern Gateway). Key land acquisitions necessary for taking the scheme forward have been identified and work towards a planning application for the site is underway. This programme will result in an improved retail and leisure offer in the town centre, create improved public realm and community facilities and enable the development of new employment and residential sites.

Being developed

Southend and its environs and airport cluster

The Southend urban area (population 325,000) is the largest contiguous urban area east of London. Along with Medway to the south, they form the strategic nodes that mark the entrance to the Gateway on each side of the Thames. Southend International Airport occupies an important and growing niche in aircraft repair and servicing as well as private business flights with flight paths over the estuary – and with only a fraction of the residential noise impacts of other airports. However, Southend has been underperforming in terms of job creation due to long-term underinvestment. Housing growth is on track but further investment is needed to ensure this continues into the foreseeable future. A substantial programme in Southend is part of a balanced regional intervention to maximise growth opportunities for jobs and homes. This programme will include Investment by EEDA to support employment in the emerging aviation engineering cluster at Southend Airport. The investment will also include an upgrade to eco standards for residential and commercial buildings in the town centre, helping to raise the quality and aspirations of Southend.

Stratford Economic Action Plan (implementation plan)

Through the Stratford Renaissance Partnership, the LDA, LTGDC and London Borough of Newham are helping develop a 15-year economic action plan for Stratford/Lower Lea Valley. The aim is to move from strategy to implementation by identifying a range of interventions required, with timescales, to deliver the vision. It will tie in closely with private sector aspirations for the area and will be consistent with agreed phasing and timing. It will demonstrate the economic role that Stratford can and should play in the economy of London and consider scenarios for its future development. It will develop the public sector role in maximising the opportunities relating to Stratford and propose interventions to attract inward investment. It will consider the potential catalysts for the future growth of the city, including a new university campus, a water city, and sectoral and business clustering. It will look at the other potential commercial centres in London and the Thames Gateway. It will also consider the cultural offer and how that can be developed including reuse of buildings and the engagement of local residents in cultural and creative opportunities.

Stratford Gyratory – Public realm enhancement

At the moment the successful transformation of Stratford is hindered by the barrier posed by the one way system. A study examining this is complete and it recommends the introduction of a two-way system to facilitate full integration of the town centre with the surrounding area. This would also help to overcome the negative, ‘collar constraint’ effects of the Gyratory and facilitate the greatest scope for place shaping, whilst not fundamentally impacting on the ability of the area to handle traffic. However, the removal of the Gyratory would need to be supported by investment in the urban realm to lever in wider regeneration, development benefits and improvements to facilitate significant transformation of Stratford Town Centre. This will be further considered.

Canary Wharf/Financial Services

Much of the job growth for the Thames Gateway is currently predicated on continued growth of the financial and business services sectors. Therefore it is important to track risks and opportunities associated with this sector. We also anticipate job growth in this sector in other centres in the Gateway. Building on existing work and ensuring that work is not replicated, we will initiate research to bring greater knowledge around this sector and its current and potential future impact across the Gateway.

Attracting Business Tourism

A pan Gateway approach to attracting business tourism will be developed – leveraging off our existing business and cultural assets, our major sectors for development and the planned investment around the Olympic Games including the Olympic Visitor Centre. Previous Olympics have demonstrated that they can substantially increase business tourism.

Undergrounding power lines

As part of the programme to attract additional investment to the Gateway, we will explore the feasibility of undergrounding power lines at key strategic locations including Ebbsfleet Valley.

Signage programme

At the moment the Gateway suffers from a cluttered approach to signage in some locations and an absence of effective signage in others. The potential for a pan-Gateway approach to this will be scoped with key partners.

Improving local arrival points

The quality of key arrival points in the Gateway (such as railway stations) sends important messages to residents and investors about the quality and safety of the Gateway. These arrival points should be reviewed and assessed against some agreed indicators and then arrangements put in place to establish an improvement programme over the medium term.



“Our aim is to support the Government in creating the conditions for additional jobs so that the Gateway achieves rates of productivity equivalent to the current average rate for the Greater South East over the longer term.”

6. Performance management

We will track the performance of the Gateway against the key themes of this Plan – the growth and success of the spatial transformers, the jobs and occupation growth.

To complement this Plan, we have published work undertaken by the Thames Gateway London Partnership, which draws on the data available in the Knowledge Platform and will form the basis for the performance information we will report annually. We will also be working closely with CLG and the Office for National Statistics (ONS).

Our aim is to support the Government in creating the conditions for additional jobs so that the Gateway achieves rates of productivity equivalent to the current average rate for the Greater South East over the longer term. GVA per head in the Thames Gateway is more than £2,500 per head lower than the Greater South East average. This will only be achieved through a combination of investments – local, regional and national – leveraging significant private sector investment. Our work at the pan-Gateway level will be one element of this.

The Government has committed itself to monitor regional performance using indicators aligned with the five drivers of productivity. We propose a similar approach for measuring the Thames Gateway economic performance. We will monitor a number of high-level headline outcomes and a wider range of context indicators at a Thames Gateway geographic level. However, in contrast to the nine English regions, the Thames Gateway is not a standard geographic region for which data are available. As the Thames Gateway represents a subset of three regions within the UK, our intention is to apply a consistent approach (where possible) to measuring the development of the Thames Gateway in line with the framework provided for measuring regional economic performance. We have sought advice from the ONS as to the approach we use and this section incorporates this advice.

With any measures used there will be issues of accuracy and robustness. We recognise that this presents challenges and consider options for dealing with this below.

GVA

We will track relative performance of GVA in the Thames Gateway. However, measuring GVA performance at a local level has a number of difficulties. Official GVA figures are not published below the NUTS3 level, which in the UK equates to a small group of local authorities. Working closely with the ONS we will therefore need to estimate GVA for the Thames Gateway. While such estimates will have caveats and will not be as robust as the GVA figures usually published by ONS, they will nevertheless provide approximations that will be indicative of trends.

Jobs

In announcing *The Delivery Plan* (November 2007), the Prime Minister stated:

“Now we are able to give the go ahead to all these crucial projects we are able to raise our ambition: 225,000 new jobs in the Gateway by 2016.”

We intend to track job numbers in the Gateway including monitoring the number of people in employment recorded in the Annual Business Inquiry (ABI) for the Thames Gateway (this data may have some inconsistencies year by year). We will also monitor the numbers of self-employed workers from the Annual Population Survey. Given the impact of economic cycles these measures will also be examined at a regional, Greater South East and UK geographic scale to compare rates of change in order to assess relative performance.

Productivity indicators

We will also assess performance using a basket of context indicators that reflect the five drivers of productivity – innovation, enterprise, skills, investment and competition – as well as the key drivers of urban competitiveness outlined in Section 2.

► We also need to track interventions carried out in line with this Plan to understand how they are influencing the development of the Gateway.

An individual assessment of the indicators used by BERR (the Department for Business, Enterprise and Regulatory Reform) to examine regional economic performance in relation to the five drivers of productivity will be undertaken to ensure suitability for use at a Thames Gateway level. We also aim to harmonise, as far as possible, the suites of indicators with the measures used in the three GSE regional economic strategies and take account of the set of National Indicators used by Local Authorities in Local Area Agreements.

Additional indicators

Finally, in recognition that the Thames Gateway is unique, we will identify some additional indicators. This will include indicators to reflect land use change, changes to the environment and the extent to which local people are accessing new employment opportunities created by the regeneration of the Thames Gateway. In some cases such indicators may only be available from commissioned surveys.

The performance of both the headline outcomes and the suite of context indicators for the Thames Gateway will be monitored to track achievements towards targets and to assess the relative economic performance of the Thames Gateway in the GSE and national context.

Geographical definitions

As noted above, the Thames Gateway is not a standard ONS geographical region. For consistency of measurement, indicators for the Thames Gateway will, where possible, be defined and measured using Super Output Areas (SOAs) as the basic unit of geography. SOAs are stable geographic units with a population of around 1,500.

The Thames Gateway boundary is currently defined using CAS 2003 wards (the ONS Census Area Statistics), which are consistent with SOAs and is therefore a defined area that is stable for future measurement. Data available at ward level prior to 2003 will only form an approximation of the present Thames Gateway geography.

However, for some indicators data are not available at ward level and so a Local Authority district approximation needs to be used. This causes the most serious issues in the London part of the Gateway where more than half of many districts lie outside the boundary. In Kent and Essex, local authority district boundaries are much closer representations of the Thames Gateway area.

Reporting performance

As a basis for this report the Thames Gateway London Partnership prepared a baseline study of indicators around the key elements of the EDIP, including the spatial transformers, the drivers of productivity and the sectors.

We also need to track interventions carried out in line with this Plan to understand how they are influencing the development of the Gateway, although some will not have an impact for some years. As individual interventions are developed we will agree some specific relevant measures to allow us to evaluate their impact. Our intention is to report on the indicators and additional measures annually.



7. Leadership and implementation

This Plan establishes a strategy for the economic development of the Thames Gateway and identifies initial priorities for investment. We are committed to aligning our priorities and resources in support of this programme, and to continue leading the work that will be necessary to refine this Plan over time.

A wide range of consultations was undertaken in developing this work. It was clear from these consultations that stakeholders in the Gateway welcomed the development of this work and wanted more visible leadership from RDAs on the economic development programme.

“By working together we can help to realise economies of scale, prioritise investment between places, provide capacity support, join up between areas and ensure the Thames Gateway is linked to opportunities for growth.”

Ultimately our intention is to raise the economic performance of the Thames Gateway within the Greater South East by maximising the collective impact of the Regional Development Agencies. By working together we can help to realise economies of scale, prioritise investment between places, provide capacity support, join up between areas and ensure the Thames Gateway is linked to opportunities for growth.

By working Gateway-wide to develop this Plan we are confident that it will add value to the existing and planned investment of the Government, local authorities and delivery vehicles in support of economic development. By providing greater clarity about strategic priorities we will also help create certainty for investors.

But the Plan cannot be set in stone. Its future development will be a dynamic process. Many of the elements that will impact on its success are global and beyond our influence. Our aim is to ensure that the Gateway has the right factors for success in the global economy and to join up thinking around the ‘hard’ location factors (such as connectivity, investment, skills and land) and the ‘soft’ factors (including quality of life, culture and other intangible factors) that will help us realise the true potential of the people and places of the Gateway and build on its competitive advantages.

Therefore, the way we gear up to support the delivery of the programme is as important as the initiatives we agree to support.

Implementation

Each of the Regional Development Agencies is taking leadership for ensuring implementation of the Plan and we have agreed management and delivery arrangements within and across the RDAs to support delivery of this programme. RDA Chief Executives and Chairs meet regularly regarding this programme and each RDA has established internal leadership and project management arrangements. In addition, a Programme Manager has been appointed with responsibility for tracking progress in taking forward this Plan and reporting to the three RDAs, and also to CLG.

In parallel, as CLG and the RDAs have committed to jointly fund projects in line with this plan for an initial period of three years, arrangements are being put in place to ensure that decisions can be taken, on the basis of sound appraisals where required, with a minimum of additional bureaucracy.

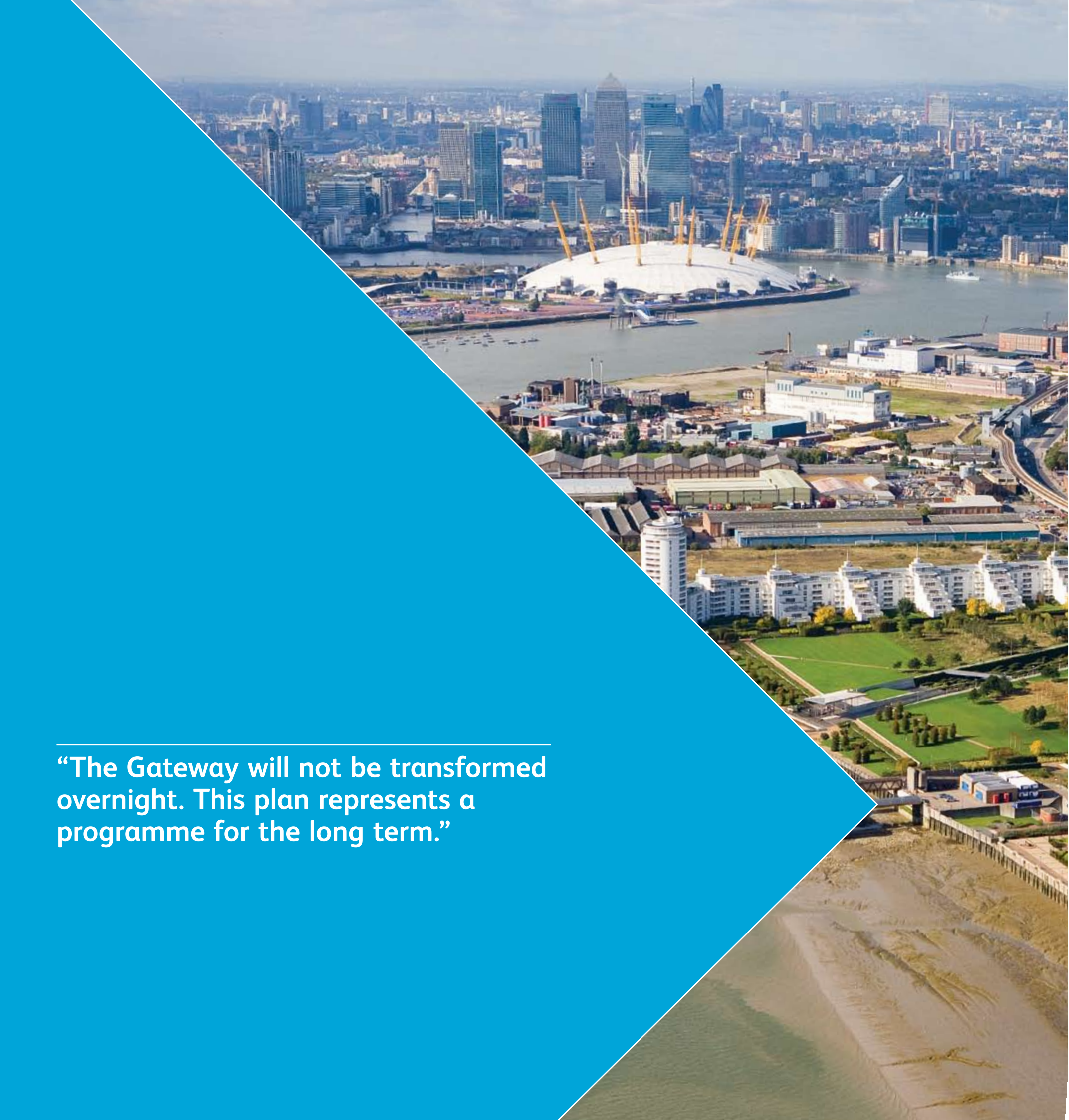
At this stage we have agreed the initial priorities for investment and we will invest jointly in the development of these priorities. We have not committed all of the project funding as we want to retain some flexibility to respond to new opportunities and once tested more fully, we may decide not to take forward some interventions.

Finally, we will continue to work closely with Communities and Local Government to ensure that there is alignment between the actions we take to implement and refine this Plan and the broader programme for the Thames Gateway as expressed in *The Delivery Plan* (2007).

We will also continue to work closely with Local Authorities, in particular through the existing Gateway-wide leadership arrangements including the Thames Gateway Strategic Partnership and the Thames Gateway Higher and Further Education Action group (as examples).

We intend to convene at least an annual economic meeting with private sector leaders to share our approach and to seek their views. We will also report annually on progress and against the key performance indicators

► Each of the Regional Development Agencies is taking leadership for ensuring implementation of the Plan and we have agreed management and delivery arrangements within and across the RDAs to support delivery of this programme.



“The Gateway will not be transformed overnight. This plan represents a programme for the long term.”

8. Next steps

This Plan is an important step forward for three reasons.

It clarifies the approach we will be taking to the development of the Thames Gateway across our regions from a pan-Gateway perspective. It sets out our initial investment priorities and it signals our intention to continue to work in close collaboration and report progress.

Working on a pan-regional basis takes time and resources. We must derive the value from that investment as well – through learning from each other – and others – and through delivering increasingly effective pan-regional programmes and effective regional leadership.

The Gateway will not be transformed overnight. This plan represents a programme for the long term – it must be sustained and the agreement by the RDAs and CLG to jointly fund priorities set out in the Plan reinforces the importance that we all attach to this mission and the value we place on achieving success.

The next step for us is to work on priorities while continuing to develop the other proposals still in development, refining the Plan over time and publishing updates on the investments that we will be taking forward.

We will report on progress within the next 12 months.

Annex 1

Urban competitiveness

Various theoretical frameworks have been put forward to explain urban competitiveness, drawn from the disciplines of economics, urban studies, and geography. The six main, but not necessarily mutually exclusive theoretical explanations described in the *State of the Cities* report⁴³ focus on:

The tradable economic base of regions – the notion that the prosperity of a region is determined by the strength of its export base, i.e. those activities which bring income in to the region by providing a good or service ('tradables') to the outside world (see Rowthorn, 1999)⁴⁴.

Increasing returns and agglomeration economies – the theory that certain regions may possess superior technological, social, infrastructural or institutional assets, that are external to, but which benefit individual firms. These theories are concerned with demonstrating how local competitive advantage is strengthened by the spatial agglomeration of economic activity – the accumulation of skilled labour, the growth of support industries and services, and knowledge transfer and spillovers (see Fujita, Krugman, and Venables, 1999)⁴⁵.

Endogenous growth models – knowledge and innovation theories – theories which also stress the importance of increasing returns, but with a particular focus on innovation for driving technological progress and human capital. Endogenous growth theory thus directs policy towards developing a highly skilled workforce and creating a culture of innovation.

Cluster theories – one of the most influential theories in recent years, based on the hypothesis that productivity is raised as a result of interactions between interlinked groups of firms in geographic proximity and therefore the importance of business and social networks. Export-orientated clusters are thought to be the most significant (see Porter 1990, 1998, 2000)⁴⁶.

Cultural economy theories – a number of different cultural theories exist which suggest competitiveness is a function of: favourable social, cultural and institutional arrangements; quality of life – including an abundance of cultural facilities which attract skilled labour, entrepreneurs and innovative firms; and the presence of a 'creative class' reflecting the growth in creative and cultural economic activity (see Florida, 2002)⁴⁷.

Evolutionary theory – drawing on elements of the above but also stressing the path dependent nature of economic development (i.e. history matters) and the mechanisms by which some cities and regions are able to adapt to changing economic, technological and institutional circumstances (see Martin, Kitson and Tyler, 2006)⁴⁸.

It is important to note that policies tend to focus on creating the supply side conditions for growth, with the broad assumption that if the drivers are in place then demand for a region's products and services will follow. However, as Porter and others have noted, demand for a region's products is not simply an end result but also an important driver of competitiveness itself. In a somewhat circular argument, without sufficient demand, enterprise, innovation and investment will be constrained. In this respect, local policy makers rely on favourable macroeconomic conditions determined to a larger extent at a national level. Thus, we must be mindful that the global and national economic climate will of course affect the pace of development in the Gateway, in terms of both private sector investment (e.g. the growth of existing businesses, investment in residential and commercial property markets, etc) and potentially also public sector investment through the decline in Treasury receipts and lower public sector budgets for regeneration.

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- 43 Martin, R in CLG (2006) *The State of the Economic Cities*. Op. Cit.
- 44 Rowthorn, R (1999)
- 45 Fujita, Krugman and Venables (1999)
- 46 Porter (1990, 1998, 2000)
- 47 Florida (2002)
- 48 Martin, Kitson and Tyler (2006)

Annex 2

RDA investment in the Thames Gateway

Each of the RDAs working to deliver growth in the Thames Gateway has programmes to support its economic development, working across a range of economic development and regeneration initiatives, business and innovation support, and investing in people and skills programmes.

In line with the relevant Regional Economic Strategy, The Gateway is a focus for investment and this is reflected in each RDA's Corporate Plan.

London Development Agency

In London the LDA gears its interventions around four investment themes: London's places and infrastructure, London's people, London's enterprises and marketing and promoting London. This is underpinned by four priority cross-cutting themes of health, sustainability, equality and community safety. The Thames Gateway is identified as a spatial priority and the Mayor of London, Boris Johnson, has said that he will continue to promote the development of East London and the Thames Gateway as priority areas for development and regeneration.

East of England Development Agency

In the East of England the Regional Economic Strategy identifies the Thames Gateway as one of its engines of growth, with huge potential for housing and jobs.

South East England Development Agency

In South East England the Regional Economic Strategy identifies the Gateway as a major concentration of economic growth potential and is one of eight 'diamonds of investment and growth' in the region, which are priorities for investment.

While the Economic Development Investment Plan describes investments in addition to the interventions that the RDAs are taking forward, it builds on a base of investments that are already taking place in each region:

- Enterprise support through the Business Link service, providing businesses with a single point of access to information, diagnosis and brokerage
- Specialist business support programmes such as Business Resource Efficiency and Waste (BREW), the Manufacturing Advisory Service and women's enterprise initiatives
- Innovation and technology transfer support such as the Innovation Advisory Service, London Technology Network, Finance for Innovation (e.g. R&D Grants, Proof of Concept, Running the Gauntlet), Innovation Centres (such as CEME), Enterprise Hubs and Parks
- Physical regeneration through major mixed-use developments including Royal Arsenal at Woolwich in London, Dartford and Gravesend town centres, Northfleet Embankment and Swanscombe Peninsula in Kent Thameside, Chatham Maritime and Rochester Riverside in Medway, Queenborough & Rushdean on the Isle of Sheppey, and Wouldham Road in Thurrock.
- Taking the opportunity presented by the 2012 Olympic Games by developing an ongoing legacy programme (Legacy Masterplan Framework 2008)
- Large-scale developments such as Woolwich, Silvertown, Royals Business Park, the Sustainable Industries Park at Dagenham Dock, and Albert Basin
- Investing in skills through the expansion of further and higher education (e.g. Medway, East London, Southend), and demand-led skills provision and applied research
- Programmes to tackle worklessness and social exclusion, such as the City Strategy Pilot in London, Investing in Communities in Thames Gateway South Essex, employability projects in North Kent, including Employ Kent Thameside, Employ Swale, Employ Medway, REIGNITE and Project Score in Medway
- Investing in culture through high-quality cultural facilities and leading organisations, including Dickens World at Chatham Maritime, Metal in Southend and Ravensbourne College in London
- Creating accessible, high-quality green space and protecting natural environments

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Summary, translated and accessible versions of this document may be available. Requests will be considered on a case by case basis. Please contact SEEDA, EEDA or LDA at the locations/addresses below for more information.

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