

East 

Progress  
Through  
Partnership



East Plus Mid-Point Review | Autumn 2023

Report by:



**GERALDEVE**  
A NEWMARK COMPANY

SUPPORTED BY

**MAYOR OF LONDON**

**SEGRO**

# Acknowledgements

## About Gerald Eve

Gerald Eve LLP is a multi-disciplinary firm of chartered town planners, surveyors and property consultants operating in London and across the UK from nine offices and with over 600 professionals. Gerald Eve LLP joined Newmark Group, Inc. (Nasdaq: NMRK) ("Newmark") in 2023, with an expansive reach through a global platform.



## Purpose of the report

Gerald Eve LLP has been jointly commissioned by SEGRO plc (SEGRO) and GLA Land and Property Limited (GLAP) to undertake a mid-point review of the 'East Plus' Partnership (the largest private/public sector industrial led regeneration partnership in London).

The purpose of this mid-point review is to capture feedback from those involved in the Partnership; SEGRO and GLAP, and wider stakeholders to obtain both qualitative and quantitative evidence of the impacts and outputs to date.

The benefits of undertaking a mid-point review is that its findings can help shape the future stages of the East Plus Partnership and project.

A further benefit of this review is to hopefully inspire other public / private sector organisations, that are considering working in partnership, to bring forward regeneration of under-utilised land in London and nationally.

## Methodology

This independent report was undertaken by Gerald Eve LLP. The methodology included a broad data review including East Plus Bid documents, East Plus planning applications, community engagement reports and summary outcomes, planning policy and published data on employment land and industrial developments.

In addition to this data review, the Gerald Eve team also undertook over 15 interviews with key stakeholders as listed. These interviews were a critical part of this review and allowed the Gerald Eve team to understand a broad range of views from the unique lens through which these key stakeholders looked at the East Plus Partnership and project and the outcomes achieved. The feedback from these interviews has guided the structure of the report and informed the key findings and lessons learned.

A full list of stakeholders interviewed by Gerald Eve is included in **Appendix A**.



## About GLA Land and Property (“GLAP”)

GLA Land and Property Limited (“GLAP”) is a wholly owned subsidiary of the Greater London Authority (“GLA”).

GLAP was established in 2012, originally to deal with the land assets that were inherited by the GLA, including those from London Development Agency, London Thames Gateway Development Corporation, and the London part of the former Homes and Communities Agency (now Homes England).

GLAP is one of the largest public sector landowners in the Greater London area, and it is a commercial subsidiary for property investment, development, and asset management.

GLAP aims to assist in the Mayor’s aims and objectives on housing, the economy, the environment and culture.

## About SEGRO

SEGRO is a UK Real Estate Investment Trust (REIT), listed on the London Stock Exchange and Euronext Paris, and is a leading owner, manager and developer of modern warehouses and industrial property. It owns or manages 10.3 million square metres of space (110 million square feet) valued at £21.0 billion serving customers from a wide range of industry sectors. Its properties are located in and around major cities and at key transportation hubs in the UK and in seven other European countries.

For over 100 years SEGRO has been creating the space that enables extraordinary things to happen. From modern big box warehouses, used primarily for regional, national and international distribution

hubs, to urban warehousing located close to major population centres and business districts, it provides high-quality assets that allow its customers to thrive.

These properties are home to businesses ranging from start-up SMEs, through to larger household brands including DHL, Netflix and Ocado.

SEGRO’s Greater London portfolio includes some 1.32 million sq m of modern warehousing, light industrial and urban logistics space in key logistics locations including Park Royal, Heathrow, North, East and South London.

# Preface



The success of East Plus is based on SEGRO and GLAP working in partnership to deliver a shared vision to regenerate 86 acres of vacant brownfield land in Newham, Barking & Dagenham and Havering to create the space for extraordinary things to happen.

Collaboration, adaptability, experience and a passion for delivering excellence in everything forms the basis for the partnership and its success to date.

We are very proud of our partnership with GLAP, as it's given us the opportunity to invest over £120 million in East London and use our experience as a long-term investor to create vibrant modern and sustainable industrial areas for businesses to grow and the local economy to thrive.

We remain excited at the prospect of completing the transformation of 86 acres and have made great progress to date delivering over 630,000 sq ft of sustainable industrial space for 50 businesses ranging from innovative SMEs to major corporates. These businesses now operate from modern sustainable premises that will improve their productivity, reduce their carbon footprint, and enhance their sustainability goals.

But our shared vision goes beyond the built environment. We want to help local people to benefit from our presence, especially those that are vulnerable or face barriers to employment. Since 2016, our community investment programme has helped over 4,700 residents to develop the skills and confidence to reach their full potential.

When the public and private sector come together around a shared vision the impact on the local community and economy can be significant. We've seen first-hand the transformational impact of the East Plus Partnership and it is something we're incredibly proud of.

**David Sleath, CEO, SEGRO**



SUPPORTED BY  
**MAYOR OF LONDON**

As Deputy Mayor for Housing, I most often see the huge impact of City Hall's public interest partnerships with developers, councils, and housing associations to deliver new homes, particularly the genuinely affordable homes that London needs most. I'm hugely proud of the progress we've made on this front since Sadiq Khan was elected Mayor, with record-breaking affordable housebuilding, including higher council homebuilding than at any time since the 1970s.

Just as new homes are vital to the success of our city, so is protecting jobs and promoting the regeneration of former manufacturing and industrial areas, a high proportion of which are in the east of London along the Thames, and some of which were inherited by the GLA from its predecessor public bodies following the Localism Act 2011.

The Partnership between GLAP and SEGRO was designed to create a framework for ensuring that we secure the long-term future of 86 acres of this land. The Partnership has sought to bring this land into productive use and set new standards on issues such as sustainability, industrial intensification, and the delivery of good jobs and training opportunities for people in east London.

This review sets out how that work has delivered to date – with over 1m square foot of new employment floorspace delivered or with planning permission, with up to 613 jobs created already.

This review provides a welcome opportunity to reflect on the successes and challenges so far, and to help enable us achieve even more in the coming years of the Partnership.

**Tom Copley, Deputy Mayor for Housing and Residential Development, GLA**

# Contents

7 | **Executive summary**



12 | **The East Plus sites**



13 | **An area ready for regeneration**



17 | **Moving forwards together**



21 | **Responding to a world in flux**



26 | **What has been delivered so far?**



44 | **Lessons learned and the future**



47 | **Conclusions**



48 | **Appendices**



# Executive summary

## The East Plus Partnership



East Plus is a partnership between SEGRO and GLA Land and Property Limited (“GLAP”). This partnership was formed following a competitive procurement process which concluded in SEGRO’s selection as GLAP’s Development Partner in 2016.

The purpose of East Plus is to regenerate 86 acres of under-utilised industrial land spread across the London Borough of Newham, London Borough of Havering, and London Borough of Barking and Dagenham.

The objectives of East Plus are to push beyond the physical delivery of the sites and to deliver wider regeneration benefits with investment in upskilling the workforce, inspiring younger generations, and support and funding for community and grassroots projects.

East Plus was originally envisaged as a 10-year project with the ability for it to be extended to 15 years.

The purpose of this mid-point review is to capture feedback from those involved in the Partnership; SEGRO and GLAP, and the wider stakeholders to obtain both qualitative and quantitative evidence of impacts and outputs to date.

The findings are to be used to help shape the future stages of the East Plus Partnership and project and hopefully inform and inspire others considering progressing regeneration of under-utilised land.

## At this mid-point stage...

Indicators of success extend beyond just the built developments. The success of East Plus is demonstrated by the wider community,

skills and employment investments that the Partnership has delivered, as evidenced in this report.

### Built Environment

**45%**  
has already  
been delivered  
637,585 sq ft.

**93%\***  
has received  
planning permission  
1.32m sq ft of  
total 1.4m sq ft.

### Employment

**157**  
unemployed  
people  
moving into  
employment  
through training, skills and  
employment initiatives.

**c.613\*\***  
permanent,  
full-time  
equivalent  
roles created to date.

### Investment

**£613K**  
Invested as a result of the  
East Plus project in community  
programmes since 2016.

**£523,614**  
cash investment.

**£60,000**  
in-kind.

**£30,000**  
match funding from  
third parties (LandAid).

## Customers include:



**£120M**  
Invested into development.

**4,743**  
Residents benefitting  
from SEGRO's  
community programme.

**2,243**  
unemployed adults and  
young people benefiting from  
employment and career support.

**2,500\*\*\***  
pupils participating in  
the Gateway to Skills  
GTS STEM Programme.

### Charity

**29**  
charities  
have benefitted from  
SEGRO's support.

**50**  
SEGRO  
employees  
volunteering for a range  
of community projects.

\*Figures include developments where resolution to grant has been received and that the issuing of planning permission is subject to the completion of a S106 agreement.

\*\*Figure based on customer surveys and does not include agency, self-employed and other connected jobs.

\*\*\*SEGRO will commit a further £36,746 to fund the 2023/24 GTS programme that will benefit another 500 pupils.



## Key review findings



### 1. Scale is an enabler

The scale of the portfolio made it viable for the Partnership to commit resources and funding from the outset to bring forward both speculative and pre-let led industrial/warehouse development; at the same time establishing and supporting a community engagement programme, and supporting community projects. By the Project adopting a portfolio approach, a range of unit sizes and tenures could be delivered to meet the needs of the area throughout the development phases. At 86 acres, the project's scale has been a key contributor to the success of the Partnership.



### 2. Measuring key outcomes

Looking ahead to the next stages of East Plus, and for others embarking on a similar journey, it will be important to find a way to monitor and measure the social value delivered. Whilst some outputs are easily identified, other broader outcomes and social value generated will need further research and an understanding of the baseline position to demonstrate and quantify positive impacts.



### 3. More than buildings

Both SEGRO and GLAP understood that this project was about so much more than just delivering buildings. This vision, and the wider objectives, have helped shape the Partnership, from the early stages of selection to the ongoing working arrangements. It is reflected in the outcomes delivered to date across a number of themes, including employment and training, diversity and inclusion, social value, wellbeing, equality, sustainability and stakeholder engagement.



#### 4. Community comes first

Resources were committed for the local community from the start. Prior to any on-site development, SEGRO set up a £300,000 Community Investment Fund and have invested over double this amount (£613,000) in total, to date. Projects with diverse and specific objectives were identified to receive funding, across the East Plus area. Outcomes included facilitating employment training and return to work opportunities, inspiring younger generations especially through the promotion of Science, Technology, Engineering and Mathematics (“STEM”) skills, and supporting inclusivity and wellbeing. These outcomes to date already go far beyond the S106 requirements tied to the various planning permissions.



#### 5. Agility built in

The East Plus Partnership was procured via a formal OJEU competitive dialogue process. This ongoing engagement between parties, and a negotiation process, enabled flexibility to be built into the Development Agreement. This flexibility has allowed the Partnership to be agile in the delivery of the developments at East Plus and respond to change. Agility, together with a collaborative and pragmatic approach have been key success factors. This has helped maintain momentum on the project, despite significant macro and micro changes that have occurred during the period, not least Covid-19 and considerable political and economic volatility. The Partnership’s collaborative relationship has kept the scheme moving forward and ensured key outcomes, both in terms of physical delivery and social value, have been achieved.



#### 5. Wider infrastructure investment

Outcomes of East Plus can be enhanced by the bringing forward of planned strategic transport infrastructure investment, for example Beam Park Station. This will improve accessibility to the sites and assist with the wider regeneration of the area.



## 6. Preferred partnership route

Both GLAP and SEGRO have identified clear benefits to developing in partnership over bringing forward the sites as individual disposal plots, and at the mid-point, the Partnership and the project can be declared a success based on outcomes already attained.

For GLAP, a development partnership was a well-trodden path, given its experience and approach previously adopted for the residential sector. However, for the industrial focus of East Plus, clear advantages included the pace of delivery. A further advantage for GLAP was the opportunity of 'stewardship' over the area enabled by the creation of a long-term partnership with SEGRO rather than short-term transactional relationships based on individual site sales.

For SEGRO, the development partnership enabled access to 86 acres of land in East London in a single process rather than a series of separate open market acquisitions. It also allowed SEGRO to invest in a new region of London where it had not had the opportunity before. SEGRO's partnership with GLAP reflects shared values that go beyond physical development of property, to also engage with local communities and support employment and training initiatives.



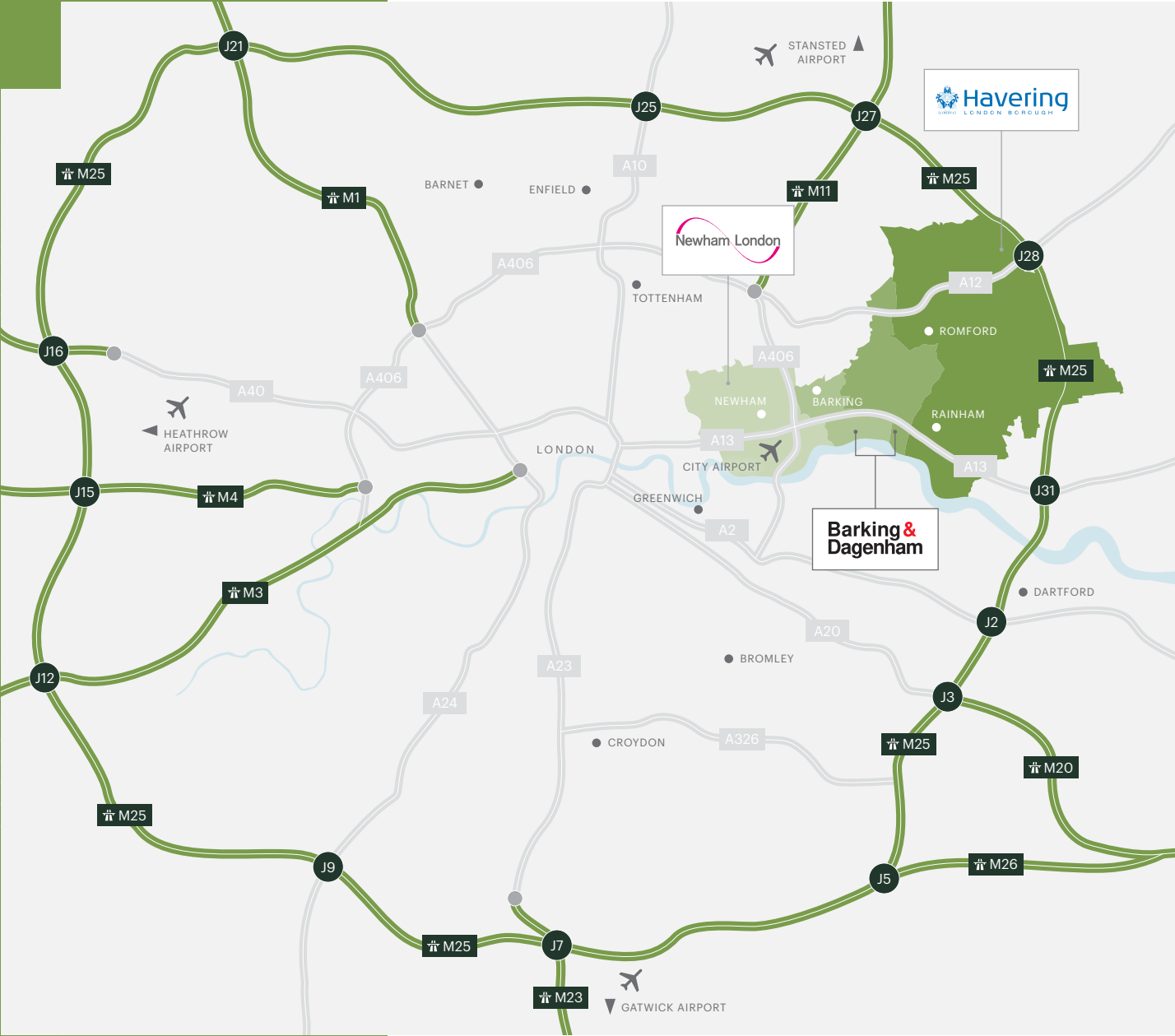
## 7. Wider stakeholder engagement

The Partnership between GLAP and SEGRO was the overarching partnership but this is only one of the many stakeholder partnerships in place that have contributed to the success of East Plus to date. These wider partnerships include the London Boroughs, TfL and the employment and skills training partners including CEME and ELBA. This wider network of stakeholders has maximised the long term regeneration benefits of the project.

# The East Plus sites

The East Plus Project covers 86 acres of land across the London Borough of Newham (approx. 10% of East Plus), London Borough of Havering (approx. 60% of East Plus), and London Borough of Barking and Dagenham (approx. 30% of East Plus). The sites and the borough boundaries are illustrated on the map (right).

86  
acres of land  
across three  
London  
boroughs



# An area ready for regeneration



The 86 acres of land covered by East Plus span three separate local authorities within East London. Prior to the Partnership, the London Boroughs of Newham, Havering, and Barking and Dagenham all faced similar problems associated with the steady decline of heavy manufacturing. These challenges can be summarised as:

- Extensive loss of manufacturing industries.
- Poor quality environment with many sites being under-utilised and left in an unsightly state with extensive fly tipping and unauthorised activities.
- Permanent loss of industrial land to alternative uses, predominantly residential.
- High levels of economic inactivity and low levels of education attainment.
- Limited connectivity across the boroughs, especially by public transport traveling north-south within the East Plus area.

The following visuals act as both an overview of the portfolio of sites and an indication of the scale of the challenges the area faced at the start of the project.



It's a key part of our agenda to really make sure the employment space in the borough is set for the future, to help support growth industries, modern industries



David Harley, Development Director,  
Be First (Barking & Dagenham)



2015 unauthorised traveller encampment with fly-tipping. Plot 4 SEGRO Park Dagenham (aka 'East Plus Plot 62').



Plot 5 SEGRO Park Dagenham (aka 'East Plus Plot 63'). Former redundant cement silo ('hopper') on part of East Plus Plot 63 being demolished by GLAP's contractor.



Phase 1 SEGRO Park Rainham (aka Beam Park 5) 2015.



SEGRO Park Ferry Lane (aka Plot 17 Ferry Lane) formerly used as a shipping container storage yard.

## Summary

Across Greater London in 2020 the total industrial land was 6,798ha of which 63% was designated as core industrial land, 33% wider industrial uses and 3.9% vacant.

This has changed significantly over the last 20 years with 1,483ha of industrial land lost between 2001 and 2020.

Across the three boroughs covered by East Plus (LB Newham, LB Barking and Dagenham and LB Havering the total designated amount of industrial land was 1,064ha in 2015 of which 82ha was vacant land and buildings.

Over the next 7 years, as part of the East Plus project, LB Barking and Dagenham will benefit from a further 3.65ha of land (in addition to the 0.55ha already developed coming back into economic use.

LB Havering has witnessed a significant reduction in the amount of vacant industrial land of almost 25ha of which, over 4ha has been delivered directly through East Plus.

LB Havering will benefit from a further 3.54ha of industrial floorspace in the next phase of East Plus. LB Newham has seen a total of almost 19ha of vacant industrial land being brought back into use, and of this, 1.26ha were delivered directly through East Plus.

These statistics demonstrate the significant decline in London's supply of industrial land over the past 20 years especially in the period between 2010 – 2015. However, the change of focus on industrial land in the London Plan policy, combined with the setting up of East Plus has made a positive impact in terms of bringing forward the redevelopment of vacant industrial land in London. East Plus will continue to have a positive impact on the vacant industrial land rates across the three boroughs as further sites are developed under the Partnership.

1,483ha

industrial land lost to non-industrial use. 18% from 2001 to 2020.

3.65ha

as a result of the future delivery of East Plus sites, Barking and Dagenham will benefit from new development currently anticipated to total 3.65 ha.

3.54ha

further industrial floorspace to be delivered in LB Havering by East Plus.

120ha

reduction in the level of vacant industrial land between 2015 and 2020 across London.

25ha

reduction of vacant industrial land in LB Havering of which 4 ha was delivered directly through East Plus.

19ha

approx reduction in vacant land in LB Newham between 2015 and 2020. 1.26 ha directly through East Plus.

## Positive triggers for change

While poor-quality physical environments were clear drivers for regeneration, other factors acted as positive triggers including:

- GLAP inheriting land from the London Development Agency (LDA) and the London Thames Gateway Development Corporation (LTGDC).
- Mayoral term tenure timings and the desire to demonstrate progress across the portfolio as a comprehensive solution.
- London Mayor support for Public Private Sector Partnership and utilising private sector skills and experience.
- A political drive to facilitate regeneration and development on public sector owned land to maximise land receipts.

//

We know developers are going to create new housing, but what we've got to do is to provide employment opportunities.

//

Neil Stubbings, Director of Regeneration,  
London Borough of Havering

A final and significant driver for the creation of East Plus and the bringing forward of cross-borough, portfolio development was repeated enquiries from potential occupiers and developers which did not meet the Mayor of London and GLAP's vision for the area.



# Moving forwards together

The East Plus Partnership was seen as a solution to bring on board a private sector partner to work with GLAP to deliver the vision and aspirations at the pace sought by the London Mayor and other key stakeholders in the area.



What's clear is that each organisation has its own challenges, and only by working closely together are you able to find solutions to move forward.



Sarah Birt, Head of Development,  
Land and Development, GLAP



Babcock, SEGRO Park Rainham

## Choosing the right partner

The procurement of a partner on East Plus was undertaken via OJEU (Official Journal of the European Union), which commenced with the publication of the initial Prior Information Notice ("PIN") in 2014. Initially, it had been intended that the procurement process would be via a Restricted Procedure, however, the route adopted was a competitive dialogue process. This more interactive competitive dialogue process was a preferred route as it provided transparency for all parties and allowed for the potential partners to ask questions and help shape GLAP's commercial understanding of the process.

The Pre-Qualification Questionnaire (PQQ) and Contract Notice were issued in December 2014 and GLAP reviewed the responses against their evaluation criteria. The Outline Solutions and Detailed Solutions Stages followed and GLAP assessed the responses against Quality and Financial and Legal and Commercial criteria.

Competitive dialogue meetings and legal meetings progressed during this procurement process. These discussions focused on the Legal and Commercial workstreams and included discussions on the Heads of Terms and proposed delivery strategy for the project. This ongoing dialogue formed the basis of what would be captured in the Development Agreement (DA) with the selected partner.

The Mayor of London approved SEGRO as a Development Partner in late 2015 and the Development Agreement ('DA') was signed on 31 March 2016. This prompt progression of the DA reflected the fact that discussions on the key principles were undertaken during the procurement process.

Some key principles from the East Plus DA are highlighted below. These principles enabled the Partnership to facilitate and accelerate regeneration.

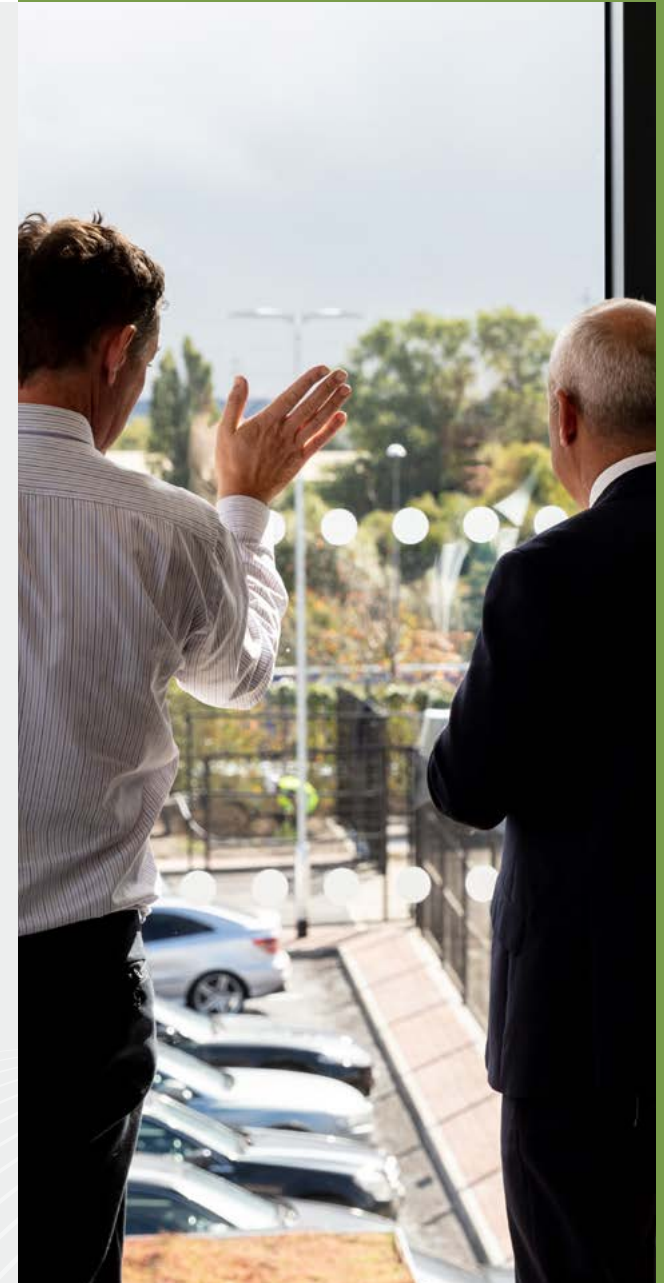
1. The ability to extend the time frame of the project to respond to the impact of market dynamics, which can impact the pace of delivery of sites, and provide a **flexible approach to site drawn down**.
2. Adopting a **portfolio approach** with the grouping of sites. Recognising that there will be a phased delivery of the sites but ensuring the DA includes provision to ensure that sites are not "cherry picked" and that the portfolio approach results in a range of product types and locations.
3. **Building in controls over delivery** – the DA sets out that the initial draw down for each site is a 250-year building lease at a Land Premium approved by GLAP, and then at practical completion SEGRO is able to draw down the freehold for a nominal sum. This means that the GLAP retain control of the development until practical completion and have step in rights to complete the development in the event of default.

4. **Achieving tenure mix** – the DA approach allows selective freehold development to those customers who want to be owner occupiers. This facilitates a tenure mix across the portfolio.

5. **Setting a Minimum Land Value**

The price GLAP receives for plots is market value, with appropriate reflection for proven abnormal costs in the value paid. This ensures that GLAP is receiving best consideration for its land interests, and also allows any high remediation or enabling costs to be accounted for.

Following 2-years post completion of the development, overage is then calculated and paid (in the form of a further land premium plus stamp duty). This mechanism ensures redevelopment of the site in accordance with an agreed design, whilst also ensuring best value for the land. It allows GLAP to recover surplus land value if market conditions have improved or if SEGRO's actual development costs come in under budget.





## Successes of the Partnership approach

GLAP considered that its wider regeneration objectives would not have been met by bringing the sites individually to the open market in 2015/16 and then ceasing its ongoing involvement after their sale. The Partnership approach was chosen to enable wider benefits and accelerate delivery, given a mix of unit sizes and tenures that would appeal to a range of customers, and sites which could be brought to the market at the same time without competing with each other.

For SEGRO, the portfolio and partnership approach enabled access to 86 acres of land in East London as a single process rather than a series of separate open market acquisitions. The Partnership also opened a part of London where SEGRO had limited investment before East Plus. The Partnership expressed both parties' shared values that go beyond physical development of property, namely to also engage with local communities and support employment and training initiatives.

A fundamental part of the success of the East Plus Partnership to date has been collaboration, flexibility, and agility.

The Partnership facilitated a significant upfront investment at the outset of the project, to deal with infrastructure costs including site remediation, removal of fly tipping and enabling works. This has been used on problematic sites, for example removing £1m of excess arisings / landfill at SEGRO Park Dagenham, to prepare sites for development.

Given the patchy site information available for each of the portfolio sites prior to the commencement of the Partnership, some sites had higher than anticipated abnormal costs associated with their remediation and redevelopment, however a flexible approach to Site Specific Development Plans and the structure of the agreement ensured redevelopment.

The Partnership set up a £300,000 communities fund from the outset of the project which helped to win the confidence of stakeholders and provide a legacy for the community. The fund, which was established to support grass roots projects across the three boroughs, sat outside of any S.106 planning obligation contributions related to specific sites.

The procurement process and partnership approach adopted allowed for sufficient flexibility for these initiatives to be proposed. From GLAP's perspective, these initiatives, and the approach taken by SEGRO, was a clear differential between them and other developers and contributed towards SEGRO being appointed as GLAP's partner on East Plus.

## East Plus governance and working protocols

The Development Agreement set out the approach to governance and the working arrangements for East Plus. The governance operates as a two-tier structure with different but related terms of reference. The two-tier structure comprises:

- **Working Group** – The group dealing with day-to-day development and estate management matters. Representation on this group (from SEGRO and GLAP) includes all those responsible for the day-to-day delivery and implementation of the development. This group, which meets monthly, reports on development management, including health and safety and partnership engagement matters, and communicates on an almost daily basis.
- **Steering Group** – The group (from SEGRO and GLAP) dealing with strategic direction. Representation is made up of the senior key personnel at GLAP and SEGRO with overall budget responsibility for the project. The group meets biannually to review and agree the development strategy, the development programme, governance, and new development opportunities.

This two-tier structure and partnership approach has facilitated a transfer of ideas and experience.

SEGRO were able to bring their experience of delivering industrial and logistics facilities and GLAP were able to apply its previous experience of other, predominantly residential partnerships.

# Responding to a world in flux

The years since East Plus was announced in 2016 have been a period of significant change and challenges at a local, national and global scale.

Many of these events and factors could not have been anticipated. The extent to which East Plus has been able to adapt and maintain momentum, as evidenced by the successful delivery of sites and wider community projects, has been testament to the underlying resilience of the Partnership.

The major external forces and circumstances that have had an influence on the project to date can be summarised under five key themes.

The last 20 years has seen a significant loss of industrial land to alternative uses

**18%** industrial land lost to non-industrial uses between 2001 and 2020 across London



## Regional and UK wide political transitions

Extensive political changes since the start of the project include, at a macro level, Brexit and four UK Prime Ministers since 2016. In London, Sadiq Khan became Mayor, succeeding Boris Johnson, who had led the preparation of both the 2011 and 2016 versions of the London Plan. This change, and the shift from a Conservative to a Labour administration, has resulted in a continued focus on industrial land and jobs in London.

The 2021 London Plan acknowledged that London had released industrial land three times faster than planned. As a result, an approach has been adopted of no overall loss of industrial floorspace capacity, before industrial land can be released, within designated Strategic Industrial Land (“SIL”) and Locally Significant Industrial Sites (LSIS”) (Policy E4). The London Plan actively supports intensification of industrial sites and encourages co-location in certain circumstances in London Plan Policy E7.

## Demand and Supply pressures, including impact of the global pandemic on industrial warehouse market

The last 20 years has seen a significant loss of industrial land to alternative uses. The 2017 SEGRO commissioned Report “Keep London Working” highlighted the fact that, compared to the GLAP’s target of 37ha a year, the capital had experienced a loss of industrial land at 106ha a year and that in some Boroughs that rate was much higher.

The focus at both the national and local level had been on delivering new homes. This residential-oriented policy, combined with high land values for residential and alternative uses, meant a large number of previous industrial sites were permanently lost, and many other sites came under threat. Lack of available industrial space was a key issue highlighted by the Partnership at the start of the East Plus project, with the lowest available supply recorded in 2015.

During this shortfall of supply an increase in demand for urban logistics hit the sector due to growth in e-commerce, the pressure for warehouse space was compounded by on-shoring due to the Brexit referendum in 2016 and then by the Covid-19 pandemic, which ‘turbo-charged’ demand.

## Climate change and the urgency of coordinated sustainability initiatives

The challenges of climate change have become central themes over the last decade and will remain so. The 2016 London Plan acknowledged this shift with further updates in the 2021 London Plan and the Mayor of London's target for London to be net-zero by 2030. The three local authorities where the East Plus sites are located have all declared a climate emergency. Both SEGRO and GLAP have sought to respond positively to these declarations:

**Newham** declared a climate emergency on 15 April 2019. While its action plan does not directly refer to the industrial and logistics sector, it places emphasis on building a greener economy and transport infrastructure.

**Barking & Dagenham** declared a climate emergency on 29 January 2020. The Partnership has sought to respond positively to these declarations. A new carbon offset policy to incentivise developers to achieve the highest levels of carbon reduction is outlined in the Borough's latest Corporate Plan. The Council recognises that the main source of pollution in the area is from road transport.

**Havering** is the most recent local authority out of the three to declare a climate emergency, officially announced on 22 March 2023. The Havering Climate Action Plan 2021 recommends that the Cabinet commit to becoming carbon neutral by 2040. The Council recognises that transport is currently accountable for almost 50% of all CO<sub>2</sub> emissions and the need for improved public sector transport in the Borough.

## Russia-Ukraine conflict; its impact on commodity prices and global supply

The effects of the pandemic on warehouse capacity and container availability had just begun to recede when this conflict started. The conflict has impeded the flow of goods, fuelled cost increases and product shortages, and created food shortages around the globe. Prices of core exported goods from Russia and Ukraine, such as agricultural goods, metals, and energy have been increasing since the conflict began. Surging oil and gas prices coupled with geopolitical risks from the conflict have affected global supply chains, especially in energy-intensive logistics sectors. Europe has struggled with the availability of energy sources and sharp price surges. Globally, several ports were shut down due to the war. This led to a rise in ocean shipping costs, with many routes rerouted causing congestion and delays in cargo flows which worsened the global supply chain conditions. The significant increase in commodity prices has been felt most in construction cost inflation and supply side constraints, particularly for steelwork.



### **Global inflation, interest rate changes and increased borrowing costs.**

Inflation and the rise in fuel prices (oil and gas), brought on by the war in Ukraine, has pushed up costs of transportation and shipping and firms have looked to generate efficiencies to maintain profit margins as well as passing on costs to the consumer.

Following a period of instability, the Bank of England's Base Rate has increased on 14 consecutive occasions between 2022 and 2023, and is currently at 5.25% (October 2023). Business occupiers are undergoing strain from increases in property costs, wage inflation, energy prices and transport costs. These pressures are likely to persist and will have ongoing implications in the wider Industrial and Logistics sector as well as for East Plus and other similar projects both in London and nationally.

The timeline on the following page visually illustrates this changing context and also shows that, notwithstanding these extensive – and in most cases unpredicted – challenges, East Plus has moved forward with pace and momentum. This has only been possible because of the flexibility embedded in the Partnership and the collaborative approach adopted.

While progress has been positive and the momentum maintained, the embedded flexibility in the Partnership has allowed the parties to extend the project beyond the original 10-year completion target to the 15-year delivery programme permitted by the Development Agreement.



## Progress Through Partnership Timeline

The timeline and the positive momentum illustrated at East Plus clearly demonstrates the progress that can be made through Partnership, despite global and domestic geo-political uncertainty.

While progress has been positive and the momentum maintained, the embedded flexibility built into the Partnership has allowed the parties to extend the project beyond the original 10-year completion target to 15 years (to 2031) and adapt to changing economic conditions.

2016	2017	2018	2019
<b>FEB</b> £300,000 East London Community Fund Launched.	<b>JAN</b> Start on site for speculative development at Phase 1 SEGRO Park Rainham.	<b>JAN</b> First letting at Enterprise Quarter, Phase 1, SEGRO Park Rainham.	<b>FEB</b> New deals at leasehold small unit scheme at Enterprise Quarter, Phase 1, SEGRO Park Rainham (The Date Company London, Noor Chand Electrical Solutions, KK Inspiration and C-Tec London).
<b>MAR</b> East Plus Partnership signed with GLAP.	<b>APR</b> Start on site at Phase 1 SEGRO Park Newham.	<b>JAN</b> Travelodge signs for £12M development at Phase 2 SEGRO Park Newham.	<b>MAR</b> Mitsubishi Electric signs at Phase 1 SEGRO Park Rainham.
<b>MAY</b> Sadiq Khan sworn in as Mayor of London.	<b>NOV</b> SEGRO 'Supply Chain Initiative' launched.	<b>FEB</b> MEP Hire signs at Phase 1 SEGRO Park Rainham.	<b>SEP</b> Completion of Phase 3 SEGRO Park Newham for DHL.
<b>JUN</b> UK Votes to leave European Union.		<b>MAR</b> Practical Completion at Phase 1 SEGRO Park Rainham.	<b>OCT</b> Commencement of £17M speculative development at Phase 2 SEGRO Park Rainham.
<b>NOV</b> 'Gateway to Skills' launched to fund one thousand students to study STEM in collaboration with CEME.		<b>MAR</b> DHL signs an Agreement for Lease for £18M development at Phase 3 SEGRO Park Newham.	<b>DEC</b> Wanis Cash and Carry Ltd sign Agreement for freehold turnkey development at Phase 1 SEGRO Park Ferry Lane Rainham.
<b>NOV</b> Groundbreaking event to mark start of £34M speculative development at Phase 1 SEGRO Park Rainham.		<b>APR</b> 'Havering Works' job brokerage scheme launched.	
<b>DEC</b> Planning Permission granted and DPD signs Agreement for Lease for £12M design and build development at Phase 1 SEGRO Park Newham.		<b>APR</b> Finch Electrical sign at Enterprise Quarter, Phase 1 SEGRO Park Rainham.	
		<b>MAY</b> Completion of development at Phase 1 SEGRO Park Newham, pre-let to DPD.	



## 2020

JAN	Start of UK Covid-19 Pandemic.
FEB	SEGRO Park Newham completes following completion of Travelodge.
APR	SEGRO launches the £10million Centenary Fund to support local communities.
SEP	Capital Dairies sign for a £6.5M freehold turnkey development at Plot 5 SEGRO Park Dagenham, to facilitate residential development at Thames Road, Barking.
SEP	SEGRO facilitate sale of Plot 5 SEGRO Park Dagenham to the City of London Corporation, to provide future wharf facilities for City Markets.
SEP	East Plus project (GLAP & SEGRO) commended by judges for RICS Social Impact Award 2020 (Greater London region).
NOV	Completion of development at Phase 2 SEGRO Park Rainham.
DEC	Momentum continues at Enterprise Quarter, Phase 1, SEGRO Park Rainham (inc. lettings to Heart and Soul nuts and Mount Valley Beverages).
DEC	SIG trading sign a new lease at Phase 1 SEGRO Park Rainham.
DEC	Planning Permission granted for freehold small unit scheme at SEGRO Park Reef Street Dagenham.

## 2021

JAN	Planning application submitted for multi-storey development at Plot 2 SEGRO Park Dagenham.
MAR	London Ambulance Service NHS Trust signs at Phase 2 SEGRO Park Rainham.
APR	Practical completion at Phase 2 SEGRO Park Rainham.
MAY	Practical completion of £12M development at Phase 1 SEGRO Park Ferry for Wanis Cash and Carry Ltd.
JUN	Practical completion of road upgrade of Hindmans Way Dagenham and freehold design and build development for Capital Dairies at Plot 5 SEGRO Park Dagenham.
JUL	End of Covid-19 lockdown measures.
JUL	Planning application submitted for multi-storey development at Plot 3 SEGRO Park Dagenham.
AUG	Planning application submitted for £20M development at Phase 2 Ferry Lane Rainham.
SEP	Construction of £8M speculative freehold small unit scheme at SEGRO Park Reef Street Dagenham commences.

## 2022

JAN	Commencement of Phase 2 SEGRO Park Ferry Lane remediation works.
JUN	Completion of freehold small unit development at SEGRO Park Reef Street Dagenham.
OCT	SEGRO Park Courier Road Planning application submitted to the London Borough of Havering.
NOV	Completion of Phase 2 SEGRO Park Ferry Lane remediation works.

## 2023

JAN	Progress through Partnership Review of East Plus Partnership commences.
FEB	Detailed planning permission granted for proposed multi-storey development at Plots 2 and 3 SEGRO Park Dagenham.
MAR	SEGRO Park Reef Street Dagenham is 85% sold to SME London businesses, including a number of City Markets traders.
MAY	Planning permission granted for Phase 2 SEGRO Park Ferry Lane Rainham.
JUN	London Borough of Havering resolves to grant planning permission for proposed £100M speculative development at SEGRO Park Courier Road Rainham.

# What has been delivered so far?

The Partnership's vision to deliver not only physical regeneration and transform a long forgotten, left behind and neglected industrial zone and area of Greater London has and will have a far reaching impact; not just in terms of providing new industrial buildings but also wider community outcomes and social benefits. This aspect has been a key driver of the project to date.

The Partnership is committed to providing genuine social value, job creation and ultimately elevating the standard of local residents' lives close to the East Plus sites. From the outset, the Partnership was able to invest significant capital and resources into the project to deliver positive outcomes and accelerate delivery.

This section reviews the extent to which the East Plus project's aspirations have been achieved across several key themes:

- Employment & Training
- Environmental Improvements and Sustainability
- Employee wellbeing
- Equality, Diversity & Inclusion
- Social Value
- Physical Development
- Transport and Infrastructure

## Employment and training

At the start of the project, the Partnership set out a number of aspirations for employment and training including:

- Creation of new job opportunities for local residents
- Upskilling the local workforce
- Enabling construction pathways
- Launch of a £300,000 community fund for grassroots project



SEGRO Park Ferry Lane Rainham

The launch of the £300,000 Community Fund was implemented immediately on SEGRO's selection as GLAP's partner and prior to any of the portfolio of sites obtaining planning permission. The fund was initially distributed via the London Communities Foundation (LCF) via a single year application process and went on to fund a number of very diverse projects between 2015 and 2020 ranging from employability programmes for ex-offenders, supporting children in vulnerable circumstances, to survivors of domestic abuse. These funded projects were spread across the three London boroughs that make up East Plus and sought to reflect the specific needs and characteristics of the area.

Wanting to hone and improve the process of supporting local, grass roots East Plus community organisations, the Partnership refined the grant giving programme and developed Community Investment Plans (CIPs) where the focus was on specific themes pertaining to community focus.

The CIPs focus on three key themes:

- Employment and skills
- Education
- The environment

Prior to the change in the selection process for funding to CIP's, the East Plus partnership had invested in just under £172,000 via The Community Fund across more than 20 diverse community projects in East London from 2015 to 2018.

To date the fund has been extended to £613,000. The change in approach to the community project funding responded to a lessons learned and that the new CIP approach allowed for longer term relationships to be cultivated with each of the CIP community partners with the aim of ensuring the programmes work as effectively as possible for the programme beneficiaries.

The Partnership has worked with a number of the key stakeholder interviews undertaken by Gerald Eve in preparing this report and their views and examples have informed this mid-point report.

The following case studies and testimonials convey the impact of the investment made as a result of the East Plus project and partnership.

## Supply Chain SME

Drawing from experience elsewhere in its portfolio, SEGRO has recently introduced a new Cloud based platform which enables contractors to upload work packages and for local SMEs to bid for them.

The platform therefore connects its customers to wider businesses in the area that could support their supply chain. It does not guarantee that SEGRO's customers will employ the local business, but it makes the process transparent and more accessible to local SMEs.

The scale of the project and the portfolio of sites included made this initiative viable for SEGRO.



Gateway to Skills, CEME

## East London Business Alliance (“ELBA”) and the Stepz programme

SEGRO has provided support to the East London Business Alliance (“ELBA”), an East London based charity founded by the business sector over 30 years ago. ELBA’s mission is to engage with the business community to promote social mobility and fight poverty in East London and beyond. ELBA’s mission is underpinned by three key pillars: Education, Community support, and Employment.

SEGRO has funded a bespoke project called Stepz operating across the three boroughs. This is delivered by ELBA and focuses on supporting local unemployed residents with the development of key work-place skills to enable them to access sustainable employment. The Stepz target audience has no restriction on age, ethnicity or barriers to employment.

First tranche of funding

**8 secured roles**  
from 20 unemployed local young people offered support to access employability training.

Second tranche of funding

**45 unemployed local people**  
to access employability training and be supported into work.

**5 SEGRO employees**  
are currently mentoring alumni from this initiative.

SEGRO’s support to the Stepz programme has included providing volunteers and workshops on topics such as CV writing, online job applications, cover letters and personal statements, and mock interviews. These sessions have also focused on soft skills including communication styles, how to overcome nerves in formal situations, and using positive body language in the workplace. ELBA returned very positive feedback on SEGRO’s engagement on the programme.

While the more established ELBA connections are with businesses at Canary Wharf and office-led administrative placements, the Industrial and logistics sector was of interest to a wider audience. Feedback from ELBA, a part of compiling this report, highlighted the advantages of the Partnership’s engagement and the sector it covers as being able to support those people more interested in practical jobs and working with their hands than the more white collar, office-based roles.

To date, two rounds of funding have been completed. With the first tranche of funding, the aim was to support 20 unemployed local young people to access employability training. The outcome was that eight secured roles. With the second tranche of funding, (recently launched), the aim was for 45 unemployed local people to

access employability training and be supported into work. There is a mentoring component to this initiative and five SEGRO staff are currently mentoring alumni from this initiative.

With programmes of this nature, participants come from a variety of different backgrounds, education levels and have differing levels of experience. It’s a complex process to support each individual into identifying what they might like to do for work and being able to secure opportunities that are a good match for their interests and abilities.

Working closely with ELBA, SEGRO have developed a programme that tries to adopt a more personalized approach. SEGRO employee volunteers have moved onto the mentoring aspect of the programme and the aim is to refine the programme further to ultimately positively benefit as many beneficiaries as possible.

A selection of case studies for the ‘Stepz’ programme, as captured in ELBA’s 2022 summary report, are included:

## Emerson Da Silva

Emerson is a 24 year old who attended university to study Economics, Psychology and Sociology. As a result of financial struggles, he was left with no option but to withdraw from university, he continues to be a driven individual with a strong interest in Banking and Sales. Emerson has been seeking and applying for job opportunities though is yet to gain success. With his minimum work experience history, Emerson joined Stepz with the ambition to develop general employability skills which in turn would help prepare for the world of work.

//

Attending the workshops has enabled me to be quicker in identifying different forms of communication styles and how to respond accordingly. I discovered that despite being the most effective, assertiveness is the least used within the workplace as the average person tends to shy away from coming off as confrontational. I feel I've been able to apply my learnings into everyday life as I've made an effort to constantly consider my peers feelings and opinions when presenting my own, which I believe will create a more productive working environment.

//

## Emmanuel Agunbiade

Emmanuel is a 23 year old recent graduate in civil engineering. Throughout his degree he learnt good technical and proficient abilities but found the need to develop knowledge surrounding employment and employability skills. Emmanuel was attracted to the Stepz workshops as the modules highlighted key areas for him to develop and be supported by corporate volunteers.

//

The strength and weakness workshop was super insightful because it allowed me to dive deep into the darker side to my personality and it helped me to understand who I am better. It gave me more confidence to be able to move to the work world with confidence. Through this programme it allowed me to get a glimpse of what it's like to work collaboratively and have a constructive discussion with others. I was able to identify the key areas that I personally need to work on to develop professionally and personally.

//

## Abraham Kombey

Abraham Kombey was recently released from prison after serving a two years sentence. As a convicted offender, he faced significant barriers to finding employment upon his release and had limited job experience.

//

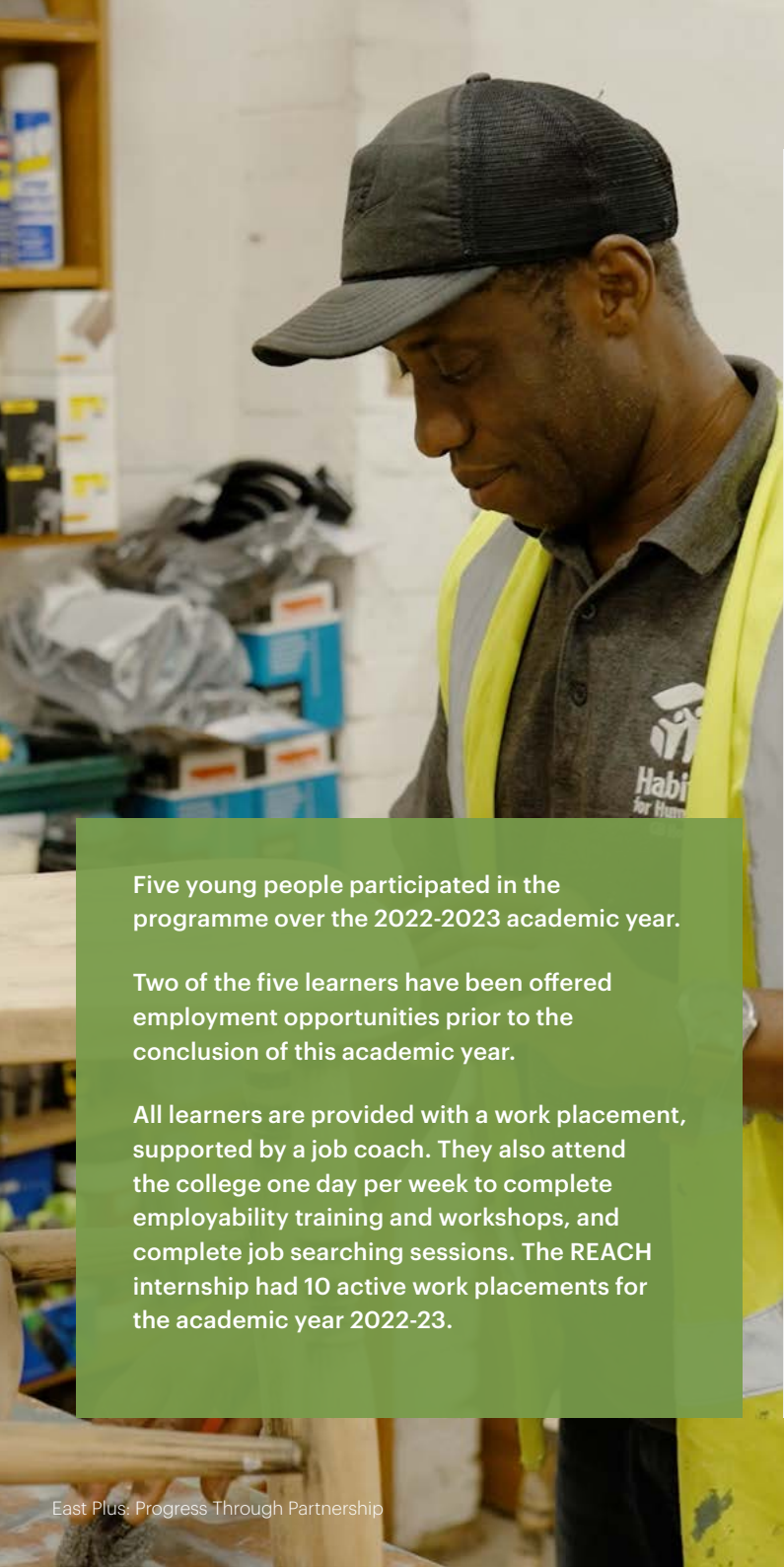
I enrolled in Stepz, an employability program offered by ELBA that focuses on helping individuals like myself improve our employability skills. The workshops covered different topics including job search strategies, communication skills, identifying my strengths and weaknesses.

I found the workshops to be extremely beneficial. I learned how to tailor my CV to look more effective to recruiters' and was taught various job search strategies that helped me to find job openings that were a good fit for my skills and experience. I also gained valuable interviewing skills that helped me to make a strong impression on potential employers.

I have been able to secure a job as a construction worker since attending Stepz. I am grateful for the opportunity to improve my employability skills and my confidence. I am determined to make the most of this opportunity and am working hard to build a successful career in construction.

//





Five young people participated in the programme over the 2022-2023 academic year.

Two of the five learners have been offered employment opportunities prior to the conclusion of this academic year.

All learners are provided with a work placement, supported by a job coach. They also attend the college one day per week to complete employability training and workshops, and complete job searching sessions. The REACH internship had 10 active work placements for the academic year 2022-23.

## Habitat for Humanity GB Homes

Habitat for Humanity GB Homes is involved in the micro regeneration of derelict properties primarily on high streets with view to providing affordable housing. They are therefore an organization that has many synergies with the Partnership's focus on regenerating disused industrial estates as part of the East Plus portfolio.

The Partnership has most recently funded the REACH Supported Internship Programme (SIP) which is a one-year preparation programme for students with learning disabilities. This programme is operated in partnership with the London Borough of Barking & Dagenham and Barking College. It provides on-site construction internships to simultaneously train young people in construction and create homes for 16 to 25-year-olds experiencing homelessness in the borough.

The Programme prepares learners for employment and adulthood, and Habitat for Humanity GB Homes (HFHGB Homes) has been able to provide a very high-quality training experience to support this in the 2022-23 academic year.

Over the course of the 2022-23 academic year, HFHGB Homes worked with five learners on workplace skills which optimise the possibility of success in future paid employment. Learners are supported on site by a Job Coach who monitors their progress and development of practical tasks, as well as the softer skills such as communication, interaction, teamwork, time management, and appropriate professional behaviour.

The SIP supports the learner's development through regular 1-1 meetings, liaising with parents, and meeting with the local authority, the team, and social workers to update the learners' Education Health and Care Plan (EHCP) progress, in conjunction with Barking & Dagenham Local Authority.

HFHGB Homes held a graduation for the learners from the 2022-23 academic year on 22nd May 2023.

Prior to funding of the HFHGB Homes Project, the Partnership also provided seed funding for their Empty Spaces to Homes project. The Partnership is currently discussing ways to further refine the support given to maximise the future young beneficiaries.

## Centre for Engineering and Manufacturing Excellence

The Centre for Engineering and Manufacturing Excellence (‘CEME’) is located in Rainham in the heart of the East Plus area. Set up 20 years ago as a charity dedicated to the regeneration of the Thames Gateway region in London. The Partnership has provided direct funding and volunteering hours to CEME’s Gateway to Skills programme. The programme provides an introduction and awareness to Science, Technology, Engineering and Maths (STEM) subjects at local schools across the three East Plus Boroughs. The funding has also facilitated ‘taster days’ for secondary school students at CEME to bring to life STEM topics in a relevant, fun and engaging way. Prior to the latest round of funding, taster days had been delivered to over 2,000 students from local schools, with 61% of those on the programme saying they would now consider a career in STEM. Feedback from students and teachers has been extremely positive.

Approximately

# 40%

of students come from homes where the median wage is below the national average.

Teachers feedback includes the following comments:

//

The students were engaged throughout and loved completing the challenge. Resources and delivery were excellent.

The events are always fantastic.

The event had clear learning outcomes and showed the wider context of learning these skills.

//

Students who participated said:

//

Thank you for helping me learn something new and discover how much I loved engineering.

We were able to build things that could help us in our future career.

Thank you very much it’s been the best school event ever!

//





## S106 planning obligations

In addition to the initiatives set out above, East Plus has also provided support to employment, training and wider community initiatives, as part of the formal planning application process. These commitments and contributions are captured in the S.106 agreements for the planning permissions of the individual development sites.

The current S.106 agreements include the following requirements:

Borough	S106 obligation
Havering	Contribution to Careers Service to provide guidance and work opportunities for people aged 13 – 19 years old in locality nominated by the London Borough of Havering.
Havering	Contribution to the Council's Job Brokerage service
Havering, Barking & Dagenham	Contribution to Jobsnet, a free recruitment services to provide greater opportunities for people and businesses in Barking & Dagenham, Bexley, Havering, Lewisham and Redbridge.
Havering, Barking & Dagenham	Local Commitment Scheme - a scheme to encourage the recruitment of local people living in the Borough's of both Havering and Barking & Dagenham, during the construction and operation stages.
Newham	Ensure recruitment for construction jobs includes local residents of Newham.
Newham	Achieve a construction target of 25% local employment.
Newham	Creation of new supply chain opportunities for local businesses in Newham.
Newham	Commitments to work with Workplace to help deliver Newham's Lloyds Bank Construction Education Programme through engagement activities.
Newham	Establish new links with Newham Education Business Partnership through contributions to work programmes. Brings together education, business and the wider community to raise aspirations and attainment of young people in Newham to develop skills, qualities and attitudes.

It should be noted that the table above seeks to summarise the S.106 obligations covered by employment and training and wider community projects. The S.106 obligations relating to transport and infrastructure are set out in that specific section on the following page. The S.106 obligations are only identified when the S.106 agreement has been signed.

## Environmental improvements and sustainability

From the outset of the project, it was clear that GLAP was seeking a partner who shared its desire to bring forward sustainable development and to maximise the opportunity to incorporate sustainable initiatives across East Plus.

The Partnership's approach to sustainability has been one of the key successes. From the outset, SEGRO demonstrated leadership in this area, consistently providing buildings that outperform the industry benchmark, exceed policy requirements and deliver greater resilience to climate change through careful design. This outperformance springs from an innovative approach and the Partnership's long-term investor view.

Sustainability is now considered to be the single most important factor in occupiers taking new business space and a key success factor of the East Plus Partnership. At the time of entering the Partnership, London Plan policy did not stipulate net zero carbon development. Nevertheless, SEGRO has brought forward net zero carbon (EPC A+) development across East Plus, including freehold starter units and design and build development. SEGRO continues to lead by example; since 2022 it has also been seeking to reduce embodied carbon during construction and outperform policy and benchmarks.

The approach to sustainability at East Plus is illustrated by the case study at SEGRO Park Courier Road in the London Borough of Havering. It sets out the specific measures, targets and objectives included in the Courier Road scheme, which obtained a resolution to grant planning permission (subject to S106) at Strategic Planning Committee in June 2023.



SEGRO Park Rainham







## SEGRO Park Courier Road: A case study


This image was submitted as part of the planning application for the proposed Partnership development at Courier Road, Rainham.

Resolution to grant consent has been achieved on the site and the S106 agreement is anticipated to be completed shortly.

This is a visual summary of the innovation and options available to make buildings more sustainable and to seek 'future proof' them as far as possible. The partnership will need to continue to innovate, incorporate changing technology to new and existing buildings as well as balance competing demands for space within the buildings and wider site.

This approach to sustainability within the East Plus portfolio should act as a benchmark for other industrial and logistics development in the wider area.

	EPC 'A+'		325K kWh/PA saved in energy costs
	BREEAM 'Outstanding'		376kg CO <sub>2</sub> /M <sup>2</sup> in construction
	727,980 kWh/PA generated on site		Electric vehicle charging



<p><b>Improving internal air quality</b> Natural ventilation via stack effect in office and core areas</p>	<p><b>Improved U-values and triple-glazed windows</b> providing improved envelope efficiency</p>	<p><b>Reducing energy consumption</b> Reducing warehouse overheating by using north-facing rooflights and utilising brise soleil to minimise overheating within offices while providing natural daylight</p>	<p><b>EV charging</b> powered by energy generated on site. Car parking: 50% active, 50% EV ready, and 12 operational van charging spaces within the smaller units (one per unit)</p>	<p><b>Generating energy for use on site</b> 727,980 kWh/PA. PV generates 30% more energy than is required to power the base build over the course of a year</p>	<p><b>Sustainable construction</b> Timber structural frames in the small units to decarbonise construction</p>	<p><b>Employee wellbeing</b> Balconies, external roof gardens and green infrastructure provided for employees' wellbeing and enhanced biodiversity</p>
<p><b>Cement replacement</b> used in concrete to minimise CO<sub>2</sub> emissions</p>	<p><b>Employee wellbeing</b> Cycle storage areas, showers and changing facilities to all office areas</p>	<p><b>Reducing emissions</b> Air quality neutral scheme utilising air source heat pumps to reduce building emissions</p>	<p><b>Sustainable interior</b> Internal finishes minimising single-use and maximising use of recycled materials and embedding circular economy principles</p>	<p><b>Maximising biodiversity</b> 4.5 acres of landscaping (c.25% of site area) which maximises habitat creation, including re-providing existing habitats and creating new habitats on site</p>	<p><b>Future proofing</b> Versatile internal spaces can adapt to future occupier requirements</p>	<p><b>Soil rooting zones</b> Providing adequate soil rooting zones across the differing landscape types, utilising sandy soils and maintaining their uncompacted structure</p>

The portfolio approach at East Plus pushes the sustainability agenda across all the sites in the portfolio, not just those occupied by larger organisations or where the Partnership has retained the freehold. In many cases, including on those units where the freehold has been sold, this has resulted in customers having a more sustainable building than they had originally been seeking.

The Partnership continues to look for opportunities for innovation and routes to improve the sustainability of the East Plus assets, post completion. An example of this is at SEGRO Park Newham. The customer (for one of the three buildings developed) did not originally require photovoltaic (“PV”) panels on the roof of their building and therefore they were not incorporated into the original construction. However, due to occupational cost increases the PV panels have now been retrospectively installed on the building by SEGRO.

Stakeholder feedback from the interviews undertaken for this mid-point review is that the Partnership’s approach to sustainability should become the benchmark in the area and for sites developed outside the East Plus portfolio to match the East Plus buildings in terms of their sustainability credentials.

Climate change continues to be a major challenge and as such building specifications need to be under constant review. Additional requirements that will need to be accommodated in the immediate future include a minimum 10% improvement on Biodiversity Net Gain. At the same time as these additional requirements, viability on projects is becoming increasingly challenging. However the East Plus Partnership model, with the flexibility and agility it allows, makes it possible to adapt to policy change and continue to innovate. Building on this example, future schemes could include innovative uses of more sustainable materials (such as timber structures) not generally used in industrial development in London.



PV Panels at SEGRO Park Newham

## Wellbeing, Equality, Diversity and Inclusion

Related to sustainable development is ensuring the wellbeing of the workforce and the promotion of social value, equality, diversity and inclusion. Wellbeing is supported in the East Plus project in a number of ways, including good quality amenity spaces both internal and external. Within the buildings, inclusive welfare facilities and break-out spaces are integral part of design. There is natural lighting via roof lights and natural ventilation. Outside features to enhance wellbeing include trim trails and outdoor gym areas, seating spaces, cycle parking and EV charging spaces for staff have been incorporated. Wider opportunities to enhance wellbeing, such as rewilding landscape areas, beehives, etc. are also proposed on the remaining East Plus sites.

Diversity and inclusion is also boosted by the range of product types and tenure opportunities available to customers within the East Plus portfolio. This diverse product mix can accommodate different types of businesses, from large multinationals to local firms on both a freehold and leasehold basis. As a result, there is diversity in the businesses accommodated at East Plus, which supports a variety in the activities undertaken in the units and widens opportunity for and inclusiveness of job opportunities available.

The Partnership's approach to creating a diversity of product within the East Plus portfolio has to continue to adapt through the life of the Partnership. The early delivery of the Enterprise Quarter, an area comprising 42 small units at SEGRO Park Rainham, was part of the wider offering with costs offset by the larger units provided on the site. More recently, the S.106 agreement at SEGRO Courier Road (Rainham) seeks to secure the provision of flexible workspace to help local residents and small SMEs as part of the wider offering on this site, building on the success of the Enterprise Quarter. The S.106 seeks to not only secure their provision but allow for flexible lease terms, all-inclusive rents and access to job brokerage services, training and development support and meeting room facilities at the marketing suite.

Wellbeing and inclusivity form a key pillar for the partnership's approach at East Plus, although it's recognised that recording diversity and inclusivity in projects is challenging. A factor here is the relevance and appropriateness of collecting diversity data for East Plus customers when viewed as unrelated to their occupation and operation on site. For example, recent SEGRO customer surveys have been challenged by customers when information such as ethnicity, gender, age and so on has been requested. As such, establishing a baseline and demonstrating progress can currently lack robustness.

Inclusivity can also be considered in terms of access to transport and ensuring all have the opportunity to get to work, irrespective of whether or not they own a car. As previously identified, the East Plus area suffers from low accessibility by public transport with low PTAL ratings across all three of the London Boroughs of Newham, Havering and Barking & Dagenham. In some cases, this has been addressed by the customer directly organising staff lifts/ car sharing to local public transport stations (for instance at Phase 1 Ferry Lane, Rainham), but accessibility and connectivity still remains a challenge, as outlined in the Transport and Infrastructure section below.

## Social value

The term social value was not as commonly used at the start of the project and at the initial procurement stages. However, the objectives adopted through the Partnership, although not identified under the umbrella term of “social value” did seek to harness and deliver social good through the physical development by delivering positive social outcomes for the communities in East London. This is clearly demonstrated by the Partnership launching the £300,000 community fund at the outset to support grassroots projects, in addition to the social value created by the wider employment and training, sustainability and wellbeing measures as outlined above.

The S.106 commitments secured across the sites also capture contributions to achieving social value through environmental benefits, employment skills and training, and improvements to accessibility. Local people have been helped into employment during the construction and operational phases, underpinned by financial contributions to

training. Education and skills outcomes have also been embedded into the Partnership through S.106 legal commitments and contributions covering support for new start apprenticeships, establishing links with schools and colleges in the local areas, and working with the Education Business Partnership to empower work programmes. Business support, another strand of social value, is provided through projects such as Future Cube and the creation of Supply Chain SME which enhances supply chain opportunities in the East Plus London Boroughs.

Capturing social value was not formally undertaken as part of the East Plus project to date. However, there are various published social value model matrices that can be used to establish a baseline position and demonstrate social value generated as a result of a project. One of the findings from the mid-point review is start to capture data on social value moving forward and establish a baseline position to demonstrate progress through the future years of the Partnership.



## Physical development

COMPLETED	
Site	Floorspace (sq ft)
SEGRO Park Newham Phase 1	235,964 sq ft
SEGRO Park Newham Phase 1	45,207 sq ft
SEGRO Park Newham Phase 2	39,260 sq ft
SEGRO Park Newham Phase 3	51,474 sq ft
SEGRO Park Rainham Phase 2	106,470 sq ft
Ferry Lane Rainham Phase 1	100,120 sq ft
SEGRO Park Dagenham Plot 5	20,000 sq ft
SEGRO Park Dagenham Plot 1	39,090 sq ft
<b>Sub-Total</b>	<b>637,585 sq ft</b>
FUTURE DEVELOPMENT	
Site	Floorspace (sq ft)
SEGRO Park Courier Road	310,500 sq ft
SEGRO Park Dagenham, Plot 4	87,595 sq ft
Ferry Lane Rainham, Phase 2 (Plot 24/26)	71,010 sq ft
SEGRO Park Dagenham, Plot 3	110,000 sq ft
SEGRO Park Dagenham, Plot 2	185,190 sq ft
<b>Sub-Total</b>	<b>764,295 sq ft</b>
<b>TOTAL</b>	<b>1,401,880 sq ft</b>

The scale of the East Plus project and the portfolio approach meant that from the outset there was an overarching vision for the individual sites. This vision supported the bringing forward of a range of product types and tenures to meet the specific needs of the area, whilst maintaining a consistency of quality and branding so that the developments are very clearly read as a cluster of SEGRO's properties. The quality of the development, in particular the metrics around sustainability, employee wellbeing, and landscaping and biodiversity, represents a considerable improvement of existing industrial stock prior to the East Plus developments.

As part of the original procurement response, SEGRO set out that it wanted to provide a flexibility of layouts, to use landmark locations to promote a strong architectural presence, to have a core design strategy to provide a level of continuity across the estate, and to make the best use of landscape and public realm boundaries and orientation of the building to improve connectivity to the wider area

The Partnership has delivered a range of product types which extend beyond those which would have been likely to be brought forward by the market. These include freehold sites, and smaller innovation units, for example at Enterprise Quarter. It is unlikely these types of units or freehold tenures would have been provided had the East Plus sites been delivered separately and not as a partnership portfolio. This is recognised in the stakeholder interviews.

Maintaining a positive momentum in terms of delivery of development, notwithstanding the external changes and challenges set out earlier in this report, has also been helped by the scale of the project. Critically, sites could be developed and marketed at the same time as they were not competing with other sites within the wider portfolio approach. This positive momentum of delivery is illustrated by the key completion dates shown on the timeline on pages 24 and 25.

Delivery of development on the ground has benefited from the flexibility and agility built into the Partnership.



An example is SEGRO Park Dagenham. At the start of the project the adopted London Borough of Barking & Dagenham Local Plan allocated the sites at the London Sustainable Industries Park (LSIP) for industrial development with an emphasis on high technology manufacturing and processing industries and a focus on the environmental industries sector. These objectives, while laudable, restricted the pool of potential occupiers for the sites which remained vacant. Working in partnership, SEGRO, GLAP and London Borough of Barking and Dagenham introduced greater flexibility in terms of use to speed up delivery of sustainable development.

A further example of this flexibility and adaptability is illustrated by the proposals for multi-storey development at SEGRO Park Dagenham. Multi-storey units were not originally included in the East Plus bid, however, with the updated London Plan policy E7, seeking an intensification of industrial space, the Partnership took positive and proactive steps to look for opportunities to develop a multi-storey product at East Plus.

After investing into the design for the buildings and obtaining planning permission for two multi-level warehouses, as a result of the change in economic conditions these developments will not come forward in the short-medium term. However, future flexibility will be provided by implementing a planning strategy that allows both pre-let and speculative development in the short term.

Looking forward, the City of London purchasing the Barking Reach Power Station site in Chequers Lane, Dagenham Dock, as the new home for the relocation of two or three London Markets (Billingsgate Market and Smithfield Market, and potentially New Spitalfields) presents a significant opportunity for the East Plus portfolio. This purchase in December 2018 demonstrated a longer-term investment in the area and acted as a significant catalyst for change. This positive investment, transforming the area in the long term, provided a renewed interest in this East London location and the place where market traders could start to look to relocate. This has already generated demand for premises by related industries. Recent customers at SEGRO Park Reef Street Dagenham including meat traders and wholesalers [H Smith (Smithfield) Ltd, Kensington International, and Denton Bros]. The relocation of the Markets can also bring about opportunities to support skills, training and employment initiatives in this sector, and the East Plus Partnership can work with other stakeholder to support these activities. In addition, the Partnership is sufficiently flexible to enable further sites to be included within the portfolio in the future.





### Transport & Infrastructure

The A13 provides a linear connection through East London, but significant congestion on this road and at key junctions presents a serious transport challenge. Public transport provision, as illustrated by the PTAL ratings of 1a in 2015, which has only improved to 1b in 2023, is also poor for the area.

At the initial procurement stages of the project, there were a number of strategic improvements proposed to the network. These would help address accessibility and connectivity challenges and support the wider regeneration of the area for homes and jobs.

The aspiration was that these strategic improvements would occur alongside more localised mitigation and S.106 contributions delivered as part of the East Plus sites. While some direct highways and infrastructure improvements have taken place as part of the East Plus project, e.g., the upgrading and realignment of Hindmans Way (see case study), direct works by the Partnership have been more limited (to on-plot enhancements). In the main, the East Plus project has contributed via S.106 contributions attached to the planning permissions secured across the portfolio of sites to date.



Delivery of these strategic infrastructure projects is outside of the control of the East Plus Partnership. There have been delivery challenges on a number of these projects, for example Beam Park Station where conversations are ongoing but the new station has not yet been progressed or programmed for delivery, notwithstanding financial support via some S.106 contributions.

These strategic projects were part of an overall transport and infrastructure solution, one which also allowed site specific car parking restraints and other measures encouraging the use of public transport. But lack of central government commitment and investment on a number of these projects will have implications on the East Plus sites. It is important this is addressed in the coming years.

In terms of wider infrastructure, there remains a challenge with the availability and supply of power. This critical infrastructure is needed to support a number of the sustainability features required including EV charging, both for both customers and supply chain. One customer interviewed highlighted this issue and commented that “achieving power is more painful than planning”.

The situation at Courier Road illustrates the challenge of securing power supplies. While capacity is available, which is not always the case in London, there are challenges to connect the power to sites and it also depends on its timely provision by the statutory utilities provider.

The current S.106 agreements include the following requirements:

Borough	S106 obligation
Havering	Contribution to Beam Park Station, for a new railway station at Beam Park, or other public transport measures.
Havering	Contribution to towards junction capacity / civil works at the junction of Marsh way / A13.
Havering	Public Realm Improvement Works - enhancements to the public realm between the bus stops on Marsh Way and the entrance to the Site at the junction with the A13/Marsh Way roundabout. Package of works comprising of the provision of designated cycle ways, dropped kerbs etc. Improved accessibility via bus and cycle measures through provision of Beam Park Station
Newham	Provision of new infrastructure, including new foot and cycle pathways, site access junctions, highways signage and parking restrictions.

## Case study: Hindmans Way upgrade

**East London has historically suffered chronic infrastructure problems compared to West London. Whilst access to the area was enhanced with the A13, which attracted investment in the late 90s and early 2000s, it is currently very congested and needs further investment including wider connecting routes.**

Road infrastructure in the Dagenham Dock area was in a particularly poor state and roads such as Chequers Lane (south of the station) and Hindmans Way had little or no road markings, lighting, footpaths or cycle paths, despite being a key route for HGV traffic. These roads were part of the legacy transfer from the LDA and therefore fell within the GLAP's control but without a ring-fenced budget from Government.

Although not part of the East Plus portfolio, SEGRO (on behalf of GLAP) undertook a separate roadwork contract to upgrade Hindmans Way to an adoptable standard, prior to undertaking the development of a plot accessed from it for a local business Capital Dairies. GLAP realised that upgrading Hindmans Way was important to optimise the development potential of land within East Plus. This was possible thanks to SEGRO securing a pre-sold development to Capital Dairies and agreeing to contract manage the highway upgrade for GLAP.

This case study illustrates the strength of the Partnership: SEGRO was able to unlock an infrastructure issue with technical (design, engineering and project management) expertise that GLAP did not possess in-house.



Hindmans Way - before



Hindmans Way - after

# Lessons learned and the future

An important part of this midpoint review is to identify lessons learned and how these can be adapted for the next stages of East Plus. The lessons learned will also be relevant to other public sectors landowners and developer partners looking to bring forward similar partnerships in London and nationally.

## Understanding the benefits of the Partnership

For the Partnership to be successful it needs to be beneficial to both parties, when compared with a non-partnership scenario.

East Plus allowed GLAP to bring a portfolio of sites together to the market rather than a series of separate sites as open market transactions. Benefits of this approach included the ability to develop a long-term partnership and have a continued stewardship of the regeneration area. For SEGRO, the Partnership provided access to 86 acres of land which would have been difficult and time consuming to accumulate on an individual basis.

A further advantage for the Partnership was that the various sites worked in a complementary way to reach a diverse customer base. This resulted in a faster pace of delivery, with individual sites not competing with each other, and the development of units which would have been unlikely if delivered within the open market at that time, i.e. the Enterprise Quarter units at SEGRO Park Rainham and the freehold units at SEGRO Park Dagenham.

## Flexibility and adaptability are critical

Looking back on the changes that have occurred on a local, national and global level, it is clear that flexibility and adaptability have been fundamental to the project's success. A close working relationship built on trust and honesty between the parties has helped achieve this flexibility.

Moving forward, the Partnership must remain flexible and adapt to ongoing commercial and environmental pressures. These challenges are likely to include the balance between seeking to intensify the use of the sites and the current commercial issues with delivering multi-storey buildings in this location, challenges of availability and connectivity to power and infrastructure. The planned relocation of the City of London Wholesale Markets will also require ongoing flexibility to maximise future opportunities for East Plus. Market-related customers are already moving in nearby and there is potential for further integration, not only through providing accommodation but also support for wider employment, training and community projects.

### **A market leading approach to sustainability**

The Partnership's approach to sustainability has set a benchmark in the area and has been recognised by both the public and private sector as raising the bar and expectations for other developers and customers. East Plus must now continue to push forward and look at further options such as increasing net biodiversity gains to improve the sustainability of buildings and associated landscaping, not just on new buildings but on sites already delivered as part of the East Plus portfolio.

### **Transport and infrastructure need to go hand in hand**

Both for transport and wider infrastructure, central government intervention and delivery will be critical. Whilst S.106 monies have been contributed and committed to, not all of the wider strategic projects have been delivered as planned. GLAP has successfully acquired / traded land, extinguishing or varying problematic title covenants in the process, to enable new electrical substations and pumping stations to be built in time to support customers occupying new business premises on East Plus. GLAP has also directly built and opened a new Sustrans cycle path in Dagenham Dock that will in the future connect to Barking Riverside. GLAP is helping to reduce the amount of London's plastic going to landfill by accommodating a plastics recycling plant on the Mayor's first sustainable industries park, the London Sustainable Industries Park (LSIP) in Dagenham Dock.

The future success of East Plus, and the wider regeneration of the area, will need the ongoing delivery of planned infrastructure projects and a look ahead to support new initiatives.

### **Community engagement from the outset**

Early engagement with the community and financial commitment prior to any planning permissions being granted, was a significant achievement of the project. The community projects supported sought to address the specific circumstances and challenges in the East Plus area and considered diversity and inclusivity responsibilities. SEGRO has evolved how the projects for their community funding are selected, shifting away from a single-year application process to longer-term Community Investment Plans (CIPs). The CIP approach allows for ongoing relationships with stakeholders and support to projects for multiple years. In the future, the Partnership will continue to monitor and evaluate the outcomes of the investments and learn and adapt as required.

### **Employment and training opportunities can take many forms**

To meet the changing needs of the people in the local area, adapt to external factors, such as the Covid pandemic, and strive for better results, employment and training programmes need to evolve and partnerships need to grow in number.

The delivery of the remaining East Plus sites, especially those focused in Barking and Dagenham, will further support employment, training and placement initiatives. Our research indicates and ambition supports a drive to facilitate more training and work placement opportunities. Further development of the Supply Chain SME project as described on page 27 will increase future access to opportunities in the supply chain for companies to access contracts.

### Inspiring future generations will result in longer term outcomes

Over 2,000 secondary school children have participated in the Gateway to Skills project, sponsored by SEGRO and supported by its employee volunteers. As a result, an average 61% of those attending said that they would now consider a career in STEM. It may be many years before these course attendees enter the workforce, but whether the material results are recorded now or in the future, the scale of exposure to STEM through the project is significant. It is important that this work continues, and has the potential to expand, with more SEGRO staff and suppliers becoming volunteers and sharing real world experiences.

The Partnership's engagement with schools in the area has sought to increase awareness of the industrial and logistics sector and specifically the diversity of types of businesses and role and skill sets required to support those businesses.

### Capturing social value and outcomes

While it is clear that East Plus has contributed significantly to the social value in the area, to date it has been difficult to quantify. This is a lesson learned. Looking ahead to the next phases of the project, the opportunity should be taken to capture the social value created within a social value matrix and draw on supporting data and evidence. This will ensure that the full picture of social value outcomes is being captured and enables improvements over future years to be assessed. This recommendation should be taken on board by others considering entering into a public private partnership, so that the social value, and the significant and tangible benefits of the project, can be captured from the outset.

### Beyond East Plus

Several stakeholders are keen for their existing working relationship with the Partnership to continue beyond the East Plus area. They also want to see the approach at East Plus used as a blueprint for other Boroughs and public sector bodies looking to regenerate under-utilised land. For this to work effectively, it will be important for all partners and stakeholders to collaborate and communicate effectively and be able to dedicate the required resources, and provide a long-term vision, to ensure outcomes are maximised.

# Conclusions

- Significant progress has been made on East Plus, with the delivery of community projects, employment skills and training, and physical development on sites since the selection of SEGRO as GLAP's Development Partner in 2016.
- This positive momentum has occurred in the face of significant external challenges that have arisen at a global, national and London level which have occurred since 2016, many of which could not have been predicted at the outset.
- The reason for this momentum is the scale of the project, the portfolio approach to sites and the long-term nature of the Partnership. This has enabled more to be achieved in terms of community investment, training and employment and the variety of units delivered.
- The significant £300,000 community fund at the start of the project kick-started the benefits in addition to the individual S.106 contributions committed to and paid as the sites are developed out. The investment in community projects as a result of East Plus has now significantly exceeded this original amount at £613,000 to date.
- Same level of progress would not have been achieved without East Plus or if the sites had been left to be brought forward on an individual basis.
- Public private partnerships are a powerful mechanism for bringing forward regeneration projects of this scale and complexity. Both parties bring together the ingredients for success.
- Demonstrating social value has become much more important since the start of the project and the opportunity to further capture and quantify the activities that have taken place. Further areas of focus in the future will be an important part of the next phase of the Partnership.
- While the Partnership considers equality, diversity and inclusivity in all of their projects, this needs to evolve and deepen, learning lessons and best practices along the way. Actions will include practical measures to provide accessibility to an even more diverse base of occupiers.
- East Plus goes beyond just SEGRO and GLAP to encompass several other stakeholders in the area, many of whom contributed to this report through interviews and feedback.
- The delivery of highways and infrastructure, particularly strategic transport projects, has been outside of the Partnership's control. Therefore, notwithstanding significant S.106 contributions and commitments that have been made, delays or cutback to a number of these programmes have had an impact on the East Plus area. This is a key area to be addressed in the next stages of East Plus and requires central Government support. Strategic transport infrastructure improvements are essential to meet all key stakeholders sustainability targets as well as to maximise regeneration benefits of the East Plus developments.
- Whilst much has been developed by East Plus to date, there is still more to come. The remaining sites need to be brought forward through the planning process and may require planning amendments to allow for development to commence.
- Looking ahead for the next stage of the East Plus project it will be even more important for the Partnership to be agile and flexible, given the challenging macro-economic conditions. Current conditions may have an impact on the future development programme and the Partnerships ability to deliver multi-level schemes. The flexibility embedded in the DA and the collaborative Partnership approach will be needed to ensure the best developments possible are delivered in the context of the wider strategic policy objectives.
- Lessons should be taken forward to the future stages of East Plus and used to inform and inspire others looking to bring forward public private partnerships to regenerate under-utilised land. Communication, and raising the profile of East Plus as an example, will help share the benefits of this partnership model.

# Appendices

## Appendix A – List of Stakeholder organisations who have participated in this report

1.	MSA Architects
2.	Be First
3.	SEGRO
4.	Habitat for Humanity
5.	East London Business Alliance (“ELBA”)
6.	London Riverside Business Improvement District (“BID”)
7.	Wanis Cash & Carry
8.	DHL
9.	Capital Dairies
10.	DPD
11.	GLA Land and Property Ltd. (“GLAP”)
12.	Manufacturing Technology Centre (“MTC”)
13.	CEME
14.	City of London Corporation
15.	Electrical Distribution

## Appendix B – Summary of estate rebranding

Former Name Pre-Partnership	Estate	Local Authority
London Sustainable Industries Park, Dagenham Dock	SEGRO Park Reef Street	Barking & Dagenham
London Sustainable Industries Park, Dagenham Dock	SEGRO Park Dagenham	Barking & Dagenham
Beam Park 5	SEGRO Park Rainham	Havering
Beam Park 6	SEGRO Park Courier Road	Havering
Ferry Lane South	SEGRO Park Ferry Lane	Havering
Jenkins Lane, Beckton	SEGRO Park Newham	Newham



