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Outer London Commission: Initial Questions

Written representation by the Thames Gateway London Partnership

Summary

Introduction
- The Thames Gateway London Partnership welcomes the Mayor's interest in developing the economy of outer London.
- There should be an elastic definition of outer London reflecting economic characteristics, opportunities and needs rather than the traditional planning based designation; some boroughs which are officially 'inner London' manifest outer London characteristics, and as such should benefit from Commission proposals. TGLP would be happy to work with the Commission to develop a set of criteria to underpin such a definition, and to support this with data from our Knowledge Platform.

On overall approach
- The Partnership notes that the concept of a super hub has not been clearly defined, and nor is it clear what super hub status would confer on a place so designated. We do not support the concept of a super hub if it means a concentration on one particular place to the exclusion of or disadvantage to others
- This is partly because we do not believe a single super-hub could serve the entire outer London Thames Gateway area, particularly with current transport provision.
- We must therefore ensure that any super-hub based solution which involves identifying differing growth potential is consistent with efforts to generate growth across the whole of the sub region.
- We must ensure that what is decided for the London Thames Gateway builds upon the regenerative potential of Crossrail.
- It needs to be borne in mind that Stratford has an inner London economic and demographic profile; given that it is located on the boundaries of inner London the elasticity argument also applies in this case.
- We therefore suggest that given the social and economic geography of the area, and issues with connectivity, an approach which recognises Stratford's potential but which is also based on the wider regeneration of our town centres and other business and residential locations, playing to their particular strengths, would be most appropriate for our sub-region.

On the economy
- The major barriers to growth in outer East and South East London include poor skills, degraded business environments and a lack of connectivity across the river.
- Areas with potential for growth include retail, logistics, green industries and creative industries, and in general knowledge-led employment is expected to grow.
- It is essential that outer London Thames Gateway attracts its share of higher paid

knowledge led employment if it is not to settle into a low-skills low-wage equilibrium.

- It is also essential that local residents are given proper access to upskilling to ensure they benefit from these opportunities, particularly given the likely “opening up” effect of Crossrail
- We must take advantage of increased environmental awareness by providing high quality business premises accessible by public transport.

On quality of life

- Greater prosperity in itself would enhance quality of life; improved amenities, services, cultural provision and built and natural environment are also important.

On transport

- Improved public transport provision is essential to growing the economy of outer East and South East London, depending on the implications for a sub region of designating one areas as a super-hub, this could be particularly important if a super-hub policy is pursued.
- Specifically we need an early, positive decision on river-crossings and the reinstatement and early funding of transit projects.

Introduction

The Thames Gateway London Partnership welcomes the initiative of the Mayor in establishing the Outer London Commission. The majority of our member authorities fall within the government definition of Outer London: namely Barking and Dagenham, Bexley, Havering, Newham, Redbridge and Waltham Forest and while we are pleased to see a renewed focus on their economic success, it is important to note that our other member boroughs often demonstrate more outer London sub-urban characteristics. This is particularly true in Greenwich and Lewisham.

The Government’s Thames Gateway growth area covers a large proportion of our sub-region and, in part as a consequence of this, considerable resources have already gone into analysing the performance of local economies and developing policies and programmes to support growth. We also maintain a special observatory for the sub-region, the Knowledge Platform which has been used to provide up to date information on economic performance and to support the Commission in its analysis. We are very happy to share these resources further with the Commission for the purposes of this enquiry. Supplementary information which complements the evidence prepared for the Commission by GLA Economics is attached at Annex A

In welcoming the Commission we must make the proviso that we cannot envisage a one size fits all solution to the challenges facing Outer London. It is a diverse area, and Outer East and South East London especially so – ranging from one of the most deprived districts in the country – Newham – to areas more prosperous than the national average – Bexley, Havering and Redbridge. It is also the only area to cover both sides of the river, and this presents particular issues for the super-hub approach which we discuss in more detail later.

Moreover while areas of outer London Thames Gateway, particularly Newham, demonstrate ‘inner’ characteristics in terms of demographics and deprivation, others manifest more outer London aspects, in the connectivity and characteristics of their outlying areas, and the performance and functions of their town centres. Such places risk slipping through the net.

We would argue for an elastic definition of 'Outer London' which reflects opportunities and needs rather than being strictly governed by borough boundaries.

We recognise however that this would not be straightforward to develop, or to support with data on an alternative basis. The Partnership would be happy to work with the Commission to develop a set of criteria, based on "inner" and "outer" London characteristics and to use data from the Knowledge Platform to support this[1]

The remainder of this response takes the following structure:

- Observations and comments regarding the super-hub concept
- More detailed responses on the three themes: economic, quality of life and transport.

Super-hubs

We are concerned that the consultation document does not go far enough in defining exactly what the designation as a super-hub would confer on the area, what facilities it would require or what the implications for surrounding boroughs would be. The Partnership would not support an outcome which concentrates solely on one area disproportionately in relation to the rest of the sub region.

We would add a number of further issues for consideration:

- There are a number of concerns about the position of South East London. Accessibility to Stratford from outer South East London: Bexley, South Lewisham and East Greenwich, is poor, and will remain so unless the recent decision not to fund the Thames Gateway Bridge is mitigated by an early decision on an alternative river crossing which can be implemented within broadly the same timescale. Residents of these areas will typically be at least one hours' travel by public transport away from either Stratford or Croydon, the only potential designated super-hub south of the river.
- It would also be of concern if the designation of a super-hub undermined the potential to densify development around a number of Crossrail stations including Woolwich[2], Ilford and Romford where improved connectivity may, if supported by other investment, help revive office employment and support enhanced leisure and retail offers. The recent Colin Buchanan report on the benefits of Crossrail estimates the line to be worth circa £175million annually to Greenwich, Redbridge and Havering, and future GLA policy needs to acknowledge this potential.
- It may also serve to further damage private sector confidence in Barking town centre and London Riverside, already hit by delays to the DLR Dagenham Dock extension. Given that these two areas are targeted to deliver 15,900 new homes by 2016, this is of serious concern.

We would therefore argue that before a final decision to proceed with this approach can be taken, the concept of a super-hub needs to be more clearly defined, and policy and investment implications spelt out, in order for local authorities and partnerships to understand its potential impact. A second consultation could then be required prior to implementation.

Theme I: Economy

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[1] Data on the Knowledge Platform is held at a number of geographical levels, the smallest being Lower Super Output Area

[2] As previously mentioned, while officially inner London, Woolwich shares characteristics with outer London town centres

Causes of underperformance
The causes of the relative underperformance of the outer London economy include the agglomeration effects identified in the GLA's Office Policy Review of 2007. This identified a 20-year trend for major employers either to cluster together in the West End or City/ Canary Wharf, or to seek new build premises in OMA locations, made more accessible by new road infrastructure, principally the M25. In Thames Gateway this has manifested in the loss of major employers such as Citibank and the Woolwich to our town centres, in addition to the loss of traditional manufacturing and river based industries over many years.

In East and South East London, evidence suggests that Bluewater and Lakeside shopping centres and out of town retail parks have had a damaging effect on town centre retail. The development of super hubs could further damage some sub-urban town centres still struggling to survive the laissez-faire planning policies of the 1980s.

Barriers to revival and growth
In the Thames Gateway area skills deficits remain one of the major barriers to growth. These include both lack of literacy, numeracy and customer service skills for entry level roles, and a relatively low proportion of residents qualified to Level 3 or 4, limiting their ability to access better paid employment.

As a consequence, worklessness is high and incomes low, even for people in work. Of the outer East and South East boroughs, only Bexley and Havering exceed the national or London average employment rate, and early evidence from partners suggests they are experiencing the fastest increases in unemployment as result of the current economic downturn. Low resident incomes further depress the economy by limiting the market for high-value added goods and services locally.

Although there have been many improvements to public transport provision and the public realm in the Thames Gateway area (in part due to GLA family investment) some town centres still suffer from a degraded public realm and low quality retail, deterring private sector investment. The Commission's Review offers the chance to rethink policy towards established town centres which are struggling with the economic changes which have been underway in the past ten to twenty years. Further improvements would create positive trading conditions and attract higher value businesses. This could potentially create a virtuous circle for the local economy if employees of these firms moved into the area.

Outside of our town centres, transport and infrastructure also remain an issue, increasing operating costs for businesses and reducing the attractiveness and viability of business locations. More river crossings would greatly increase the potential of our area to develop existing strengths in manufacturing and logistics. There is no doubt that the economies of east and south east London are severely hindered by a lack of transport accessibility across the river, both for those seeking work and those conducting business.

Future directions
Looking to the future our strong preference is to develop a mixed economy, including retail, manufacturing and distribution, and higher end knowledge-led employment built around activity in town centres and strategic business locations across the sub region.

Evidence from one of our neighbouring districts, Thurrock in Essex suggests that high employment is not in itself enough to create a prosperous area: in fact, a dominance of retail and/or logistics employment can perpetuate a low-skills low-income equilibrium and reduce aspirations amongst young people.

Positively, across London Thames Gateway, improving school performance and increased staying on rates mean that in 10 years time a far greater proportion of our resident workforce will be Level 4 qualified. The challenge is therefore to create an attractive environment and the appropriate employment opportunities to retain these new young graduates in the area.

We have identified a number of sectors with the potential to develop over the next twenty years. Creative industries already have a real foundation in the area, with Newham ranked 16th nationally for proportion of businesses in the creative sector.

Newham have also identified the potential for Stratford City to provide UK headquarters for European businesses (eg French-led energy firms), maximising the potential of the Eurostar service at Stratford International.

In Greenwich, the confluence of The O2 and Ravensbourne College of Design and Technology will drive a creative and digital media cluster on the Peninsula within the immediate reach of designated Outer London boroughs such as Newham, Bexley and Bromley.

Similarly, Woolwich with its exceptional and growing transport links is well placed to emerge as a major hub to serve south east London in a way that neither of the proposed super hubs at Croydon or Stratford could do.

Green industries of course offer great potential, and since many of these are likely to involve product manufacture then development is unlikely to be in town centres. It is challenging to reconcile out of town locations with sustainability because of transport issues, but the Sustainable Industrial Park at Dagenham Dock has the potential to do this, provided the DLR extension goes ahead.

In CEME the area also has a centre of excellence in advanced manufacturing and engineering which is now well established and generating innovative start up firms with potential for expansion, while the Thames Innovation Centre supports technology-led firms south of the river.

In the medium term greater awareness of sustainability may also start to work against OMA business locations accessible solely by car. To take advantage of this trend, Outer London business areas will need to offer high quality, well designed premises, supported by effective and reliable public transport.

Between 49% (Redbridge) and 36% (Newham) of residents in the outer London Thames Gateway travel more than 10 kilometres to work.[3] We aspire to reduce this figure to 35% across the board provided that we can generate well paid employment locally.

However, the full economic benefits and development capacity will not be secured without residents and businesses enjoying greater accessibility across the river as is the case in the more prosperous areas of west and central London.

[3] 2001 census figures

Theme II: Quality of Life

Current issues
As acknowledged in the consultation document, Outer East and South East London is not all green and leafy. The area contains lots of run down social and private housing, and new properties are often of insufficient design or build quality. Moreover housing need remains acute, with Newham, Redbridge and Barking and Dagenham in the top 30 nationally for proportion of households on council waiting lists.[4]

Diverse and impoverished communities also put pressure on local services, particularly health and education and, while funding for these is not in the gift of the GLA family, it will remain important to present a consistent picture to central government when lobbying for greater investment and acknowledgement of London's peculiar challenges.

Further out, boroughs including Havering, Bexley and south Greenwich have increasingly elderly populations, also stretching and challenging resources in different ways, with issues such as service accessibility and fear of crime (actual crime is relatively low) to the fore.

Improvements to amenities, to the public realm and to service provision would all enhance quality of life in the area. More specifically work to embed healthy living into the environment, for example attractive, safe, walking and cycling routes, should be a priority. Proper youth provision would also bring benefits disproportionate to its costs: deterring antisocial behaviour, improving public confidence and safety and safeguarding the public realm. Over the medium term such work should also reduce numbers of NEETS, driving up skills levels and prosperity.

Impact of super-hubs
These considerations set out the scale of the challenge across the whole of outer East London, which reinforces our concern that the super-hub approach, if it is adopted, must be balanced by action to rejuvenate town centres and other business and residential locations.

Community cohesion and ownership
Poverty, and the strain it places on service delivery and on every day living, constitutes one of the biggest challenges to community cohesion and this offers another reason to try and enhance the economy of the area through a multi centre approach.

Cultural provision can also be of great value in place shaping and creating a sense of pride in place: the Theatre Royal in Stratford provides an excellent example of art which is embedded in the community and delivers relevant, accessible work without 'dumbing down'. In Waltham Forest, Redbridge, Havering and Barking and Dagenham Studio 3 Arts uses quality visual and performance arts as a means to empower local communities. However, we recognise that these cultural centres serve a wider area than just their local town centre. The O2, Greenwich Theatre, the Albany Centre at Deptford and Blackheath Concert Halls all provide a cultural offer which resonates beyond a narrow geographic location.

Theme III: Transport

[4] Government figures for 2008

TGLP is committed to the government's vision of Thames Gateway as a sustainable growth area, and our aspiration is for economic growth to be matched by a modal switch to public transport.

Making public transport the mode of choice requires greater frequency and reliability, and less crowding. Planned investments in Crossrail, the Underground in the DLR largely address these issues for our rail services, but peak time bus provision in Outer London remains crowded, and much radial provision is currently by bus.

Moreover a number of outlying areas, particularly in Redbridge, Dagenham, Havering and Bexley, remain poorly served overall, with services only supporting either access to local retail (bus) or traditional commuting patterns into central London (train).

To increase the proportion of Outer London residents employed locally requires greater connectivity between town centres and centres of economic activity. In the London Thames Gateway this means more river crossings. For Thames Gateway, this includes the need for a speedy and positive conclusion to the Mayoral review of river crossings, with a crossing located east of Woolwich, as well as at Silvertown.

We recognise that this may require a mature debate about road pricing to finance major strategic cross river connections. We continue to believe that a package of three crossings, including Woolwich, remains critical to successful economic development.

However, we believe the focus by the previous Mayor on just one additional road crossing raised the fears of opponents that too much traffic would divert from either Dartford or Blackwall or both. It is our view that only the full development of a package of three crossings will provide sufficient cross river capacity to enable new crossings to prove themselves as genuinely local.

Notwithstanding these comments the manufacturing and logistics industries (still major employers in some outer London boroughs) will continue to require road access and poorly maintained roads and ill designed junctions will deter investment. The timeframe for approval and delivery of highways projects is notoriously lengthy, and this is an area where a joint approach to central government would be valuable.

Additional material

The Thames Gateway London Partnership has argued that given the social and economic geography of the area, and issues with connectivity, an approach which recognises Stratford's potential but which is also based on the wider regeneration of our town centres and other business locations would be most appropriate for our sub-region. The Partnership has argued consistently for the importance of town centres to the development of the London Thames Gateway, and the Commission may find it helpful to see our most recent report "***Town Centres within the London Thames Gateway****: meeting the challenges of economic and structural change looking ahead to 2025"* published in 2008.

Thames Gateway London Partnership
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