

Out of the ashes

The Mayor's Regeneration Fund

August 2014



Regeneration Committee Members

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Regeneration Committee

The Regeneration Committee is tasked with monitoring and reviewing the Mayor's regeneration functions and spending decisions. This includes oversight of the London Legacy Development Corporation (LLDC), the Mayor's powers through the London Plan, which he can use to promote particular areas for regeneration, and the Mayor's regeneration funds.

This report follows the Committee's review of the Mayor's Regeneration Fund, which the Committee carried out in the 2013/14 Assembly year. In 2014/15, the Committee's work programme will include investigating stadium-led regeneration, a site visit to the Royal Docks, and follow-up reviews of the GLA's regeneration funds, and the LLDC.

Further information about the Committee's work is available on the GLA website.

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Chairman's foreword



Three years ago this month riots ravaged town centres across London. From Tottenham to Croydon, and from Ealing to Hackney, high streets came under attack. Businesses bore the brunt of the disturbances, but the riots also brought into sharp focus the longer-term decay some of these places had experienced.

The Mayor's Regeneration Fund (MRF) was a timely response to these events. While the riots may have happened for many different reasons, it was clear that affected areas required swift help. Town centres also needed support to become places where people would want to spend their time and money. The Mayor injected £50 million into these areas via the MRF. On top, £20 million more came from central government and over £20 million from the boroughs – creating a much-needed pot worth almost £97 million to improve the quality of life in riot-affected areas.

Partway through its delivery, our report examines lessons for the Mayor's Regeneration Fund. In our review, we have learnt about many of the projects that will make a long-lasting difference to the areas where the GLA has allocated funding. Our meetings and site visits with project managers and beneficiaries of the MRF show that the MRF has the potential to make a real difference in turning around these areas with long-standing needs.

Nevertheless, there is further work for the Mayor and GLA to do to ensure that these significant regeneration funds are spent wisely and help to deliver lasting change to areas of London long neglected. This report sets out our findings and we would like to thank everyone who contributed to this review.

Gareth Bacon AM
Chairman of the Regeneration Committee

Executive Summary

The Mayor's Regeneration Fund marks a new level of collaboration between the GLA and London boroughs in rejuvenating London's town centres. The MRF has proved successful in several ways. In common with other regeneration programmes, there are signs that it is triggering new conditions for regeneration; it is accelerating local regeneration schemes; and it is displaying a dual focus on both economic and social growth.

However, the Regeneration Committee's review suggests that three issues remain critical to the MRF's future success.

First, the GLA needs to communicate the Fund's purpose and progress to local communities more clearly. The Mayor announced the Fund in response to the August 2011 riots, but it built on his pre-existing objectives to regenerate areas experiencing long-term decline. As a result, local communities received mixed messages about what the MRF would fund.

The MRF funds a range of activities, but the balance of funding is skewed towards transport and other projects to improve the public realm. It aims to deliver locally appropriate projects, but some local communities have complained that the Fund has not responded more directly to the needs revealed by the riots. We call on the Mayor to clarify the aims and potential of the Fund and how the GLA is spending it, by the end of the year.

Second, the programme needs to be delivered more quickly. Almost three years after its launch, the GLA and boroughs have spent only a small proportion of the MRF. Indeed, the GLA has extended the timeframe for spending the Fund, and there are risks of further slippage. We recognise that robust leadership is critical to delivering projects on time and gaining buy-in from stakeholders. The GLA should learn from the high-profile business leaders whom it recruited to spearhead and advise on the MRF: Sir Stuart Lipton in Tottenham, and Julian Metcalfe in Croydon. The GLA should require boroughs to establish robust leadership vehicles before the GLA allocates funds in future.

Third, the GLA should develop creative ways to support regeneration teams in managing projects. The regeneration environment is changing: regeneration officers no longer simply manage grants; they require entrepreneurial skills to maximise their returns on public investment, by attracting and managing a diverse range of investors. The MRF provides

opportunities for boroughs to create strategic partnerships with private sector organisations. Some boroughs have established several successful partnership strategies. The GLA should use the London Enterprise Panel to encourage and support cross-sector partnerships, to accelerate projects, promote community relations and attract more public support.

In light of this learning three years into the MRF, the Mayor now needs to reaffirm his commitment to Londoners that the MRF can deliver sustainable regeneration in the areas of London that need it most.

Introduction

Origins of the MRF

Rioting in August 2011 caused damage to town centres and businesses across London. The Mayor responded with a pledge to support regeneration in the worst affected areas through the Mayor's Regeneration Fund (MRF).

The Committee's review

Three years after the Fund launched, the Regeneration Committee has examined:

- the MRF's objectives;
- the places selected to receive funding;
- progress of the programme to date, the risks and challenges it faces; and
- key issues for the Mayor and partners over the remaining delivery period, and lessons for future GLA regeneration funds.

We gathered evidence through two site visits to Croydon and Tottenham in February 2014, a formal meeting with expert guests in March 2014,¹ and written evidence from boroughs in receipt of MRF monies.² As part of our ongoing work to review the Mayor's regeneration funding decisions, this report presents the Committee's conclusions and recommendations to the Mayor. The Committee plans to review the Fund's progress within the next year.

Overall, we find that the MRF is having a positive impact on bringing forward and supporting local regeneration that will make a difference to communities. There are a number of key lessons, however, which – if implemented – would improve the GLA's effectiveness in communicating, disbursing and sustaining the impact of its regeneration funds in future.

¹ The guests at the Committee's meeting on 18 March were: Fiona Fletcher-Smith, Executive Director, Development, Enterprise and Environment, GLA; Sir Stuart Lipton, Chelsfield Partners LLP; Neil McInroy, Chief Executive, Centre for Local Economic Strategies (CLES); and John Comber, Director of Regeneration, Enterprise and Skills, Royal Borough of Greenwich.

² A full list of the eight boroughs that received funding is provided in Appendix 3. The Committee wrote to the MRF boroughs following its formal meeting.

Chapter 1: The purpose of the Mayor's Regeneration Fund

The MRF was announced following the riots

The Mayor announced the MRF in the wake of the August 2011 riots. He stated that the money would further the GLA's long-term aim to improve town centres:

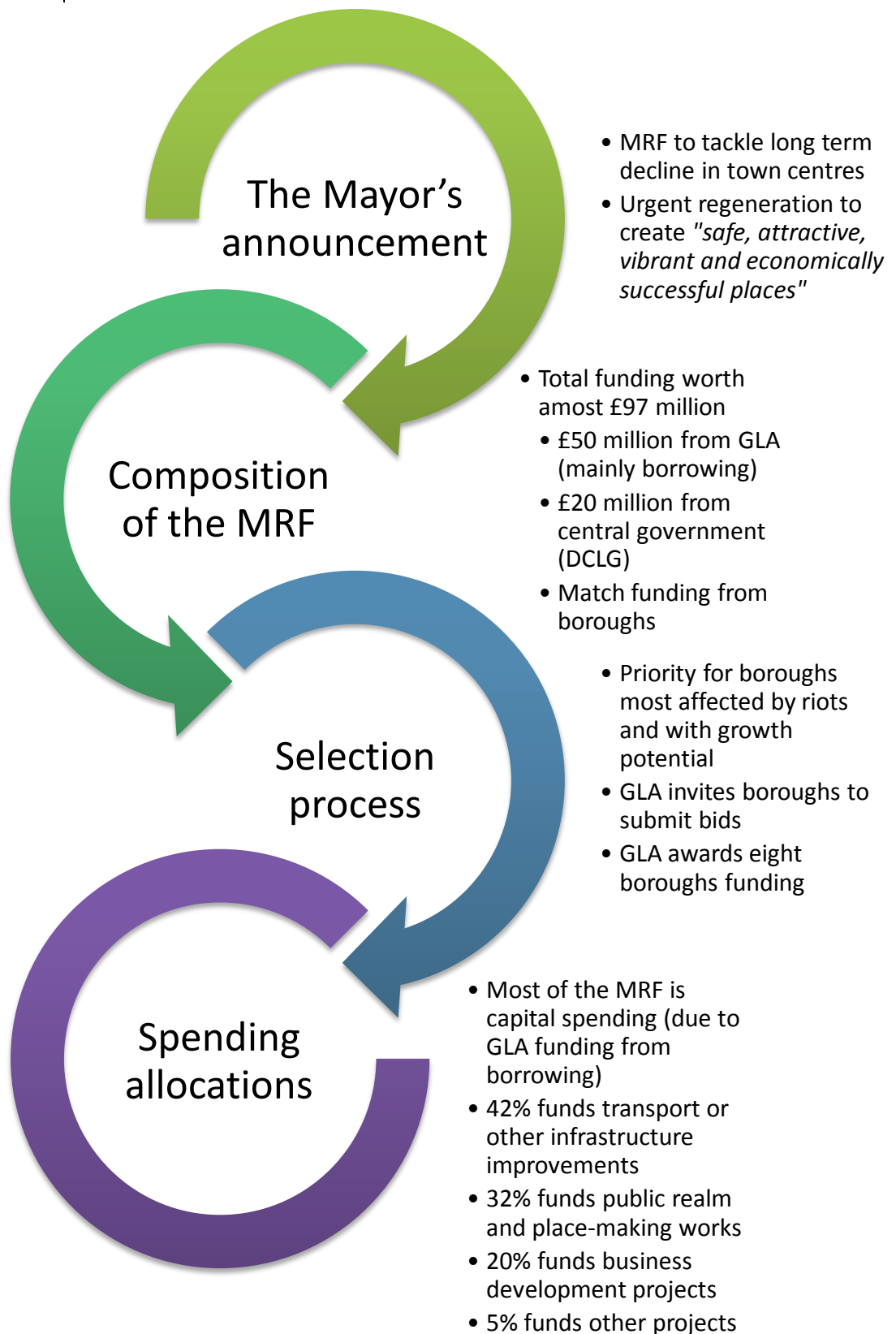
*"We have always recognised the importance of improving London's town centres and clearly after the destruction caused by the recent events across the city this is a bigger challenge than ever. That is why I am allocating £50 million to ensure that these areas are regenerated quickly and transformed into safe, attractive, vibrant and economically successful places to live, work and invest in."*³

The Mayor's statement above gave the impression that the MRF would target the places affected by the riots. He also conveyed a sense of urgency to use this funding quickly to turn around riot-torn areas. Speaking to the London Assembly a month after the riots, the Mayor suggested that the MRF would be available to businesses as well as boroughs. He explained that boroughs affected by the riots were entitled to pitch *"for the £50 million that we put together for general riot recovery"*, adding, *"we hope very much that businesses and shops will come forward and apply for that."*⁴

The flow diagram on the following page shows the development of the MRF. We set out more detailed information about what the Fund set out to achieve, its composition, the selection process and how the GLA has allocated the Fund in Appendix 1.

³ Mayor's press release, 11 August 2011, *Mayor to invest £50 million in long term regeneration of capital's damaged town centres*

⁴ London Assembly (Mayor's Question Time) meeting transcript, 14 September 2011, p. 22



The MRF responds to both the riots and pre-existing regeneration priorities

The Committee questioned the GLA's Executive Director, Development, Enterprise and Environment, Fiona Fletcher-Smith, about the rationale for allocating MRF funds. We asked in particular how the MRF responded to some of the regeneration challenges posed by the riots. She told the Committee that it was not the job of the MRF to address the *causes* of the riots but to support regeneration activity in those areas affected by them.⁵ The GLA responded to the immediate aftermath by working with the insurance industry and police to ensure that businesses had access to short-term assistance.⁶

Our review has found that the MRF has funded many pre-existing proposals, such as transport and public realm improvement initiatives. Before the riots happened in August 2011, the GLA had started to talk to some boroughs about local regeneration priorities. The MRF was used to accelerate such projects. For example, in Croydon and Tottenham, the GLA and central Government had already been developing proposals for enterprise zones. Croydon had been identified as an Opportunity Area in the London Plan.⁷ The Committee heard that the GLA and boroughs have all benefitted by working collaboratively to develop MRF projects, as well as securing much-needed investment for local areas.

The GLA has therefore allocated MRF funding according to a combination of two sets of criteria: those areas with tipping points for regeneration,⁸ and those areas most affected by the riots. The selection procedure also took into account the resilience of town centres to recover by themselves (without funding from the GLA). As a result, the GLA selected places such as Southall in Ealing, but not Wandsworth.

⁵ The Executive Director, Development, Enterprise and Environment added that understanding of the causes would be the result of longer-term research such as Darra Singh's work, which the Government commissioned immediately after the riots (the Communities and Victims Panel)

⁶ For example, the GLA contributed £0.5 million to the charitable High Street Fund that the Mayor and Sir William Castell (Chairman of the Wellcome Trust) established after the riots. This fund provided emergency financial assistance worth £2,000 and more to 500 small and micro businesses affected by the riots; Letter from Executive Director, Development, Enterprise and Environment to the Chairman, 2 May 2014

⁷ Regeneration Committee meeting transcript, 18 March 2014, p. 7

⁸ The London Development Agency (LDA) had previously undertaken work on town centres, entitled *Good to Grow, Ready to Go*. Regeneration Committee meeting transcript, 18 March 2014, p. 2

The GLA could communicate the purpose of the MRF more effectively

The rationale for allocating MRF funding seems to be well understood in the GLA. But some Londoners may be less clear about its role.

In part this seems to be because the GLA's messaging about the purpose of the MRF was muddled. The Mayor branded it as a response to the riots. At the same time, it has been used to fund pre-existing objectives to regenerate areas that had experienced long-term decline. As a result, expectations were raised about what the MRF would fund, when, and for whom.

On our site visits, it was apparent that some groups expected the GLA to respond more quickly to the places affected by the riots. In Croydon, for example, some business owners expressed disappointment that while they were aware of plans for improvements to shop fronts in the London Road area, MRF-funded works had not yet begun.⁹

Evidently, there is scope to improve how the GLA and boroughs communicate the aims of the MRF. Both parties could explain more clearly the aims of the MRF, and how it is delivering funds, by using local engagement channels more effectively. For instance, the impact of longer-term, transport and public realm improvements (which together account for almost 75 per cent of the Fund) may not be immediately obvious; however, improving the look and feel of town centres can have a long-term influence on local confidence and wellbeing.

The GLA could learn from good practice across London. Ealing Council told us how it drew on public consultation it had initiated in 2011 called *The Big Conversation*, which gathered the views of residents and businesses about local priorities in Southall. This process helped identify priorities – which appeared to strengthen the perceived legitimacy of the selected MRF projects. Initiatives such as the employment of a Community Engagement Officer in Hackney can also be seen as generating positive short and longer term impacts. The borough observed that, in addition to gaining community buy-in for MRF projects, the presence of a Community Engagement Officer will help maintain the legacy of its regeneration projects.¹⁰

⁹ Croydon Advertiser, 13 February 2014, *Assembly to visit Croydon to see whether Boris' £23m has made difference in riot-torn areas*

¹⁰ Written submission from LB Hackney

Recommendation 1

Three years after the riots and into the MRF programme, the Mayor should refresh his efforts to deliver the MRF.

To achieve this, he should undertake a programme of communications activity – working with the boroughs – to update Londoners about the role of the MRF and its progress by the end of December 2014. This should clearly explain:

- The purpose and focus of the MRF;
- The projects it is funding, where, and when;
- Reasons for the delay in spending the MRF;¹¹ and
- When Londoners can expect the projects to complete.

When announcing future regeneration funds, the scope and complexity of projects involved should be reflected in the Mayor's proposed delivery timetable.

Early evidence suggests the MRF should have a positive impact on regeneration

Although it is still early days, there are signs that the MRF is emerging as an important component of efforts to regenerate deprived areas of London. At the Committee's March hearing, expert guests discussed common features of regeneration funding. While these characteristics are not necessarily unique to the MRF, the GLA told us that these features have informed the MRF.

Encouraging other investors

We heard that public funding should act as a "trigger" to create new conditions for regeneration and a "tipping point" for investment from other groups. Evidence from the MRF boroughs suggests that the Fund has potential to do both. In Tottenham, we heard how relatively small amounts of funding have helped to leverage larger sums of public and private funding. For example, using the MRF, Haringey has influenced partners such as Network Rail to redevelop Tottenham Hale Station. A similar effect is evident in Merton, where the MRF has facilitated other projects, *"most notably [...] closer working with the private sector to*

¹¹ Including where this is due to timescales determined by projects managed by other partners

*refurbish the Brown and Root tower that sits in the heart of our regeneration area and that has blighted the area for the last decade.*¹²

Enabling acceleration of regeneration projects

At our site visits in Croydon and Tottenham, Committee Members heard that the MRF had enabled boroughs to bring forward programmes that would otherwise have taken far longer to complete. In Croydon, for example, the MRF facilitated a High Streets project that links with the previously planned *Connected Croydon* programme, to improve the public realm.¹³ Writing to us, Hackney told a similar story, observing that: *“The Fashion Hub Development and the MRF funding has brought forward regeneration by several years, as other key strategic sites in the town centre have become viable much earlier than originally anticipated.”*¹⁴

Economic and social regeneration

We also heard that regeneration funding should have a dual focus. Neil McInroy, Chief Executive of the Centre for Local Economic Strategies, highlighted that *“it is important for regeneration funds generally to be about economic growth but also social growth as well.”*¹⁵ He stressed that funds should help communities to work well together, support individuals’ self-esteem, and help people to feel part of the local community. Enfield’s market gardening project, which brings together a diverse range of community groups and businesses, demonstrates how the MRF is being used to support community cohesion.¹⁶

Locally determined regeneration priorities

Local authority and community priorities must be able to influence what to fund. Regeneration funding should support activities that “snuggle” into the existing local context,¹⁷ and administering authorities should avoid imposing rigid outputs on bidding organisations. The evidence we have received suggests that the MRF aims to deliver locally appropriate projects. For example, boroughs’ engagement with local communities – as discussed above – helped inform which projects would receive the MRF.

¹² Written submission from LB Merton

¹³ Croydon site visit summary, 13 February 2014

¹⁴ Written submission from LB Hackney

¹⁵ Regeneration Committee meeting transcript, 18 March 2014, p. 3

¹⁶ Written submission from LB Enfield

¹⁷ Regeneration Committee meeting transcript, 18 March 2014, p. 4

The GLA's evaluation must assess the difference the MRF is making to riot-affected areas

Our review of the Fund's potential is based on early testimony about its design. Assessment of its impact will depend on thorough evaluation, which should focus in particular on establishing how the Fund is addressing the regeneration challenges faced by riot-affected communities. We are aware the GLA will be commissioning an evaluation and we would welcome a clear timetable for its delivery.

Chapter 2: Delivering the MRF

Spending the MRF has been slower than the GLA expected

Almost three years after its launch, the GLA and boroughs have spent only a small proportion of the MRF. Across the MRF programmes, they had spent just 19 per cent by March/April 2014. Some communities affected by the riots would have welcomed quicker delivery to kick-start regeneration. Boroughs have spent varying proportions of their allocation, and the table in Appendix 3 shows spend as at year end for 2013/14 across the MRF programme.

The GLA has extended the timeframe for spending the MRF since drawing up its funding profile in 2011. It planned originally to spend the MRF between 2011/12 and 2013/14; however, in November 2012 it extended the spending profile to 2016/17. Under the revised scheme, the GLA planned to spend over half (£35.5 million) of its £70 million allocation by the end of 2013/14. Table 1 shows the original and revised funding profiles.

Table 1: Original and revised funding profiles¹⁸

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Original funding profile (MD895)	£10m	£30m	£30m	-	-	-	£70m
Revised indicative funding profile	£0.2m	£12m	£23.3m	£24.5m	£9.4m	£0.6m	£70m

Reasons for the slow pace of delivery

Some MRF projects have been slow to start because of the types of projects the GLA and boroughs chose to fund. We heard that many of the projects will be delivered over the long term, such as those that directly or indirectly support infrastructure. The GLA emphasised that, in these cases, the delivery of the MRF projects depends on the longer timeframes of other schemes. Examples include works to support Crossrail at Ealing and Woolwich where the MRF delivery schedule is contingent on pre-defined timetables for the large-scale programmes they support.

¹⁸ Totals exclude match funding; MD1092, p. 5

Other factors may be responsible for delays in some MRF projects. The Investment and Performance Board (IPB)¹⁹ noted recently that the Innovation Centre project in Croydon is being re-scoped and that the funding agreement for the project has been delayed by approximately five months.²⁰ In June, the Board noted that Croydon had not found a premises for the Centre, and the borough and its partner were seeking an alternative location.²¹ In Southwark, the Gateway to Peckham project at Peckham Rye station is also behind schedule, due to *“delays to the projects and many of the variables of the project remain[ing] to be agreed.”*²² In response, a programme of local engagement has been put in place²³ and Southwark is establishing a strategic governance board bringing together representatives from the borough, the GLA, and Network Rail.²⁴

Future spending

There are risks of further slippage in the MRF spending profile. In reality, the GLA has spent just £11.4 million of its £70 million Fund so far.²⁵ Given that this is less than a third of the amount it had expected to spend by the end of 2013/14, there are questions over whether it will spend the MRF within its revised timeframe.

The GLA could have more successfully managed stakeholder and public expectations about project timescales. We accept that many MRF work streams involve long timescales because of the strategic and large scale nature of the projects they are dealing with. However, it is unclear why the GLA did not acknowledge the longer-term nature of these projects in designing, revising, and communicating timeframes. Knowing that the MRF would fund long-term capital projects, the Mayor should have reflected a much longer delivery timetable in press announcements. This would also have conveyed the purpose of the MRF more effectively.

Effective leadership is key to successful regeneration

The Mayor invited expert advisors to support MRF programme leadership in Tottenham and Croydon. They are the two highest profile MRF

¹⁹ The GLA Regeneration Unit reports the performance of the MRF to the Mayor’s Investment and Performance Board at quarterly intervals, with projects RAG-rated (Red, Amber, Green) according to their progress against time and budget.

²⁰ IPB, 24 July 2014, Project Performance Report - July, Appendix 1, p. 2

²¹ IPB, 12 June 2014, Finance and Performance Monitoring Report, Quarter 4 2013/14, Appendix 1

²² IPB, 24 July 2014, Project Performance Report - July, Appendix 1, p. 2

²³ IPB, 24 July 2014, Project Performance Report - July, Appendix 1, p. 2

²⁴ Written submission from LB Southwark

²⁵ The remaining £6.2 million that had been spent by the end of 2013/14 was spending from match funding. Figures supplied by GLA Regeneration Unit, June 2014.

programmes, receiving £28 million and £23 million respectively. 'The Mayor charged these advisors "with spearheading the major and long-lasting transformation of Tottenham and Croydon." Their roles aimed to bring together stakeholders, and develop local masterplans to restore and improve both town centres.²⁶

In Tottenham, property developer Sir Stuart Lipton led the Tottenham Taskforce, which published a report in December 2012. One of Sir Stuart's key findings was that plans for the regeneration of Tottenham lacked coordination, and he recommended new leadership structures to take them forward. The taskforce suggested that a regeneration body involving senior representatives from local government, a central government department, the Mayor, and local businesses, would help drive transformation of the area following decades of decline. Its report suggested that decision makers could draw on Liverpool's model of a council-based Mayoral Development Corporation (MDC), which the city had adopted as part of its City Deal.²⁷

Following the taskforce's report, the Mayor established the Tottenham Joint Strategic Forum (TJSF) – a new partnership between local and London-wide government. He appointed Neale Coleman CBE (Deputy Chairman, LLDC) to co-chair the Forum alongside the leader of Haringey Council in December 2013. The new structure for leading regeneration in the area does not go as far as the model outlined in Sir Stuart's report. Rather, it represents a hybrid between the report's recommendations and the borough's position on new governance structures for the area.

The launch of the TJSF should mark a new chapter in the regeneration of Tottenham. The TJSF's longer-term effectiveness will be judged by whether it provides leadership to maintain momentum and secure commitment from private sector partners for regeneration in Tottenham.

In Croydon, the Mayor appointed Julian Metcalfe OBE, co-founder of the Pret-a-Manger group, to lead the Croydon taskforce. The Committee were informed that Mr Metcalfe took a different approach, focussing on supporting brokerage with businesses on London Road. We heard that he advised Croydon Council on bringing together local businesses to discuss the implications of the redevelopment of the Whitgift shopping centre.

²⁶ Mayor's press release, 4 October 2011, Sir Stuart Lipton and Julian Metcalfe to help lead regeneration in Tottenham and Croydon

²⁷ Mayor of London's Independent Panel on Tottenham (December 2012) *It Took Another Riot*, p. 54

These discussions aimed to help local businesses prepare for the impact the development would have on the local trading environment.²⁸

Strong leadership is essential to promoting regeneration. Leadership should spearhead change and help to establish and communicate clearer expectations about realistic timescales for project delivery with local communities.

Recommendation 2

In future, the GLA should require boroughs to set up a leadership and governance structure as soon as they make successful bids for regeneration funds. Boroughs should also set out how they intend to use expert advisors.

²⁸ Regeneration Committee meeting transcript, 18 March 2014, p. 27

Chapter 3: Sustainability and lessons from the MRF for other regeneration partnerships

Delivering the MRF has been a new test for the GLA

The Localism Act 2011 enhanced the Mayor's role in regeneration. The Act provided for the Homes and Communities Agency (London) and the London Development Agency (LDA) to merge with the GLA. Outlining the benefits of bringing both the HCA (London) and the LDA into the GLA, the Mayor signalled that taking responsibility for housing and regeneration would improve his *"ability to make joined up strategic decisions about the major infrastructure for which he is responsible – on social housing, transport and economic development."*²⁹

The GLA was gradually taking over responsibility for delivering regeneration programmes when the riots happened in 2011. The MRF allocation process coincided, therefore, with the winding down and transfer of the LDA's economic development and regeneration functions to the GLA.

In addition to the Mayor's Outer London Fund (OLF – which was announced in June 2011), the launch of the MRF tested the GLA's capacity to design and deliver regeneration programmes. This was the first year that the Mayor had combined responsibility for strategic planning of long-term regeneration, and programme delivery.

The GLA can improve its support to local regeneration teams

The Committee heard that, in recent years, the work of borough regeneration teams has become less reactive and more entrepreneurial. John Comber from the Royal Borough of Greenwich observed how regeneration *"used to be all grant funded [...] you would set out why it is so difficult and you would want to get grant monies. Now it is more [...] about the opportunities and about generating land values and seeing the value come out of the ground."*³⁰ Experts suggested that this shift in approach is the result both of reduced funding for borough regeneration teams and a change in focus for regeneration officers.

²⁹ GLA (June 2010) *The Mayor of London's proposals for devolution*, p. 8

³⁰ Regeneration Committee meeting transcript, 18 March 2014, p. 11

Changes to the funding framework mean that local authorities need different skills to manage regeneration. We heard that, increasingly, boroughs need to act more like developers, for example, purchasing and then assembling land to realise longer-term returns. As a result, local teams increasingly need entrepreneurial skills to facilitate the *“halo effect that the MRF investment brings, drawing in private sector residential, retail and commercial investment.”*³¹

We heard that the GLA could provide greater support to boroughs applying for its regeneration funds. For example, Merton Council reflected on the benefit it could have gained from clearer guidance at the bid design stage. The borough would like the GLA to explain more clearly what economic data it requires to justify bids. Camden also called for greater clarity on TfL’s – a key delivery partner – decision-making process.³²

In the operational phase, there may be scope for the GLA to revise its approach to performance management and oversight of borough programmes. For example, in its written submission to the Committee, Ealing Council called for *“less bureaucracy in the monitoring process so as to free up officer time to manage the programme more effectively.”*³³ It observed that GLA representatives were involved in project monitoring through attendance at project board meetings, suggesting that some of the monitoring is duplicated.

The LEP should support borough regeneration teams to engage with private sector partners

At our meeting, Sir Stuart Lipton observed the potential for the MRF to bring together local strategic partners to promote the longer-term impact of the Fund. He noted that public and private partners committing to long-term regeneration in an area like Tottenham can send a strong message to local communities and potential newcomers – businesses and residents alike. Such commitment should help sustain momentum for the regeneration that the MRF initiates.

However, we heard that public sector organisations may not always marshal the private sector effectively. Neil McInroy noted that local government may perceive a profit-driven private sector as not caring about regeneration. He suggested that whereas private companies in other countries such as Germany, Japan, and parts of the USA, *“feel a*

³¹ Written submission from LB Croydon

³² Written submission from LB Camden

³³ Written submission from LB Ealing

sense of obligation and responsibility” for delivering social goods (e.g. education, training and social services), these responsibilities may be left to the state in the UK. The Committee heard that, typically, the UK public sector struggles to work closely with the private sector.³⁴

At the GLA level, the Committee heard that the GLA could do more to retain long-term collaborative relationships with experts in the private sector. There is a tendency for public sector taskforces to generate constructive dialogue with partners, and draw in expertise, only to lose it later. Sir Stuart Lipton noted that the GLA does not always make the most of specialist advisers – citing architects, of which London has a wealth of expertise – as an example.

Local areas could also benefit from longer-term partnerships and a greater diversity of investors if closer working between the public and private sectors were encouraged. Fiona Fletcher-Smith noted that while the London Enterprise Panel (LEP) acts as a business-led advisory panel for London, *“the borough unit is the most effective way of doing [public-private partnerships].”*³⁵

John Comber provided an example of effective local partnership with businesses. Greenwich has designated Regeneration Boards that are responsible for local areas. The Boards have a specific individual who acts as a point of contact for questions about regeneration. This structure also provides for thematic groups in individual areas, which bring together private sector organisations to collaborate on regeneration priorities.

Local partnership approaches could promote community relations and public support for regeneration proposals. Southwark observed that it has not drawn on any private sector expertise at the project level. The Council has worked on developing an Area Action Plan for the Peckham and Nunhead Area – within which the MRF will be used to support the borough’s Gateway to Peckham programme – over the last six years. Despite long-term planning, however, delivery is at the early stages, and the Council is planning *“further research and opportunities for the community to have their say to help establish the key concerns and priorities.”*³⁶ Closer engagement with local businesses at an earlier stage might have enabled the project to progress more quickly.

³⁴ Regeneration Committee meeting transcript, 18 March 2014, p. 36

³⁵ Regeneration Committee meeting transcript, 18 March 2014, p. 32

³⁶ Written submission from LB Southwark

Establishing effective relationships with private sector partners will also help the MRF to have a sustainable impact. For example, Camden noted that one of its projects – the Collective Project, which helps incubate start-up businesses – has been successful, but that its future viability depends heavily on public sector support.³⁷ Close working with private sector partners may help sustain some of the MRF work streams beyond the current programme of funding, when levels of support from the public sector may be uncertain. For example, it could help boroughs such as Hackney to consider how the role of its Community Engagement Officer (discussed in chapter 1) could be sustained beyond the MRF.

In written submissions, we identified some effective business partnership models at the borough level. For example:

- Croydon is engaging with groups such as Croydon Town Centre Business Improvement District and the Federation of Small Businesses. They contribute to a range of activities including steering groups, and providing advice and expert technical advice.³⁸
- Hackney uses a Town Centre Partnership which brings together *“stakeholders from businesses, residents and other key organisations in the town centre.”*³⁹
- Haringey is also working with local businesses through stakeholder forums which involve councillors, community stakeholders and private businesses in the scoping and delivery of large capital projects in Bruce Grove town centre and Tottenham Green.⁴⁰

The GLA should review its role in furthering the links between public and private sector organisations. Several strategies have been successfully demonstrated. Supporting closer working could foster shared responsibility for regeneration, in which private companies meet Neil McInroy’s challenge to *“step up to the plate and use some of their acumen and skills in risk-taking and working in partnership with local government more.”*⁴¹

³⁷ Written submission from LB Camden

³⁸ Written submission from LB Croydon

³⁹ Written submission from LB Hackney

⁴⁰ Written submission from LB Haringey

⁴¹ Regeneration Committee meeting transcript, 18 March 2014, p. 24

Most obviously, the LEP could be tasked with examining ways to support engagement between public and private sector organisations. As we concluded in our review of the OLF, the GLA could use these partnerships to explore opportunities for match funding from local commercial partners, so that success is not reliant solely on match funding from public bodies.⁴²

LEP funding for the GLA's Special Assistance Team (SAT) could provide this support to boroughs. The LEP recently approved funding worth £250,000 to support further work on high streets and *Places of Work* (for example, addressing underused office space). The GLA has earmarked £140,000 of this funding for expansion of the SAT to support boroughs, and partners in the design and delivery of these projects.⁴³ Some of this funding should be put towards a skills-based training programme to support regeneration officers.

Recommendation 3

The GLA should work with the LEP to explore what support the LEP can give borough regeneration teams to engage with private sector partners.

The GLA should approach the LEP to allocate some of the funding for the Special Assistance Team to provide support for boroughs on engagement with the private sector. The LEP should publish a proposed programme of support by the end of February 2015, and the GLA should report on its progress to the Committee.

⁴² Letter from the Regeneration Committee to the Mayor, 29 January 2014, *The future of the Outer London Fund*

⁴³ London Enterprise Panel, 16 July 2014, Special Assistance Team and Programme Support Minutes of the, Item 6b

Conclusion

Our review of the MRF has highlighted three key issues that need addressing for the success of the programme.

First, the purpose of the MRF is not clear to all stakeholders. This has been complicated by the MRF's dual function: it is a specific response to the 2011 riots; but it has also been used to bring forward several transport or public realm projects boroughs already had in the pipeline. This dual purpose may not have been clear to some stakeholders and members of the public. The GLA must now renew its commitment to Londoners through a reinvigorated communications programme. It must also ensure it does not confuse the role of regeneration funds in future, by making the intended aims of the funds explicit from the start.

Second, the Mayor's ambition for the Fund to help areas be regenerated quickly has not been achieved. Delivery progress to date across the MRF programmes – 19 per cent in two and a half years – is disappointingly slow. It is therefore difficult to assess the extent to which the MRF has accelerated regeneration. Both the original and revised timeframes for delivery have been unrealistic and at odds with the types of projects the GLA has opted to fund. Furthermore, leadership is key to delivery. Having used expert advisors in Tottenham and Croydon, the GLA should reflect on the impact of Sir Stuart Lipton and Julian Metcalfe's involvement, and use this to inform its engagement with senior business leaders in future. The effectiveness of the GLA's partnership with Haringey through the Tottenham Joint Strategic Forum will be of particular interest to the Committee when we return to this subject next year. The GLA should make borough-level programme leadership a requirement of funding for future funding streams.

Third, our review finds that the GLA should offer wider support to boroughs to sustain the MRF's impact. The role of regeneration officers is changing, from managing grant funding, to working as entrepreneurs who can maximise returns on public investment. We would like to see the GLA develop creative ways of supporting capacity building within local teams, alongside the disbursement of regeneration funding. The extent to which the MRF's catalytic effect is sustainable in the medium to long term will depend largely on the capacity within borough regeneration teams to marshal and manage potential investors in the private as well as public sector. Therefore, the GLA should work with the LEP to examine what

resources it can use to support boroughs with cross-sector working in its regeneration programmes.

The Mayor launched the MRF to bring forward swift regeneration in areas the GLA had previously earmarked for support. In the MRF projects we have seen and heard about, it is evident that they have potential to accelerate regeneration. Three years on, however, it is difficult to see evidence of the regeneration that the Mayor promised. We understand why planning the MRF has taken time, but delivery of the programme should be further advanced by now. The Mayor now needs to re-affirm his commitment to Londoners to deliver rejuvenated town centres and efforts to improve the lives of those in areas affected by the 2011 riots.

Appendix 1 Mayor's Regeneration Fund background

Composition of the MRF

The MRF is a £70 million funding package comprised of £50 million from the Greater London Authority (GLA), and £20 million from the Department for Communities and Local Government's (DCLG) London Enterprise Fund. The £20 million from DCLG was designated specifically for Croydon and Tottenham. Overall, the GLA is funding regeneration activity in eight boroughs that experienced rioting during August 2011 and where its analysis showed potential for economic growth.⁴⁴ Combined with match funding from the eight boroughs, the MRF is worth almost £97 million in total.

Restrictions due to the nature of the funding (with the GLA portion made up predominantly from borrowing⁴⁵) mean that the MRF focusses mainly on capital improvements in local areas.⁴⁶ While 50 per cent of the Government's £20 million allocation for Croydon and Tottenham is revenue funding, less than eight per cent (£3.8 million) of the GLA's £50 million is revenue.

The MRF selection process and oversight

Following the riots, the GLA worked with affected boroughs to discuss how the MRF could support local regeneration. This process was designed to identify the areas "*most affected by the riots and with the highest growth potential from investment.*"⁴⁷ The initial prioritisation phase was agreed by the Regeneration Investment Group (RIG) – originally tasked with performance monitoring of regeneration programmes – in September 2011,⁴⁸ accompanied by an invitation to the worst affected boroughs to submit proposals for funding.⁴⁹

The GLA prioritised bids on the basis of economic criteria including: economic impact; deliverability; market failure; consistency with the Mayor's Economic Development Strategy; value for money; and the

⁴⁴ Appendix 2 shows the places that have received the MRF and project values

⁴⁵ £46.2 million of the Mayor's £50 million is prudential borrowing; MD895, p. 5

⁴⁶ Capital improvements are improvements to physical assets or parts of the physical environment. In the MRF programme, examples include works to buildings, roads, and public squares.

⁴⁷ MD895, p. 2

⁴⁸ MD895, p. 2

⁴⁹ MD1092, p. 2

robustness of analysis.⁵⁰ This resulted in the following eight boroughs being allocated funding from the Mayor's Regeneration Fund: Croydon, Haringey, Camden, Ealing, Enfield, Hackney, Southwark, and Merton.⁵¹ All eight boroughs have provided match funding to the GLA's funds to demonstrate their commitment to the projects identified as priorities to receive the MRF.

The GLA's Regeneration Unit administers the Fund, working closely with boroughs. An MRF Programme Board, chaired by the GLA Executive Director for Development, Enterprise and Environment, meets monthly. It has several responsibilities, including overseeing programme delivery, providing challenge to the MRF team, managing risks, agreeing variations to projects, and overseeing communications and publicity.⁵² Performance monitoring is reported at quarterly intervals to the Mayor's Investment and Performance Board (IPB), with projects RAG-rated (Red, Amber, Green) according to their progress against time and budget.

How the MRF is being spent

The MRF is funding a range of activities across the eight boroughs. In order to illustrate how the MRF is being used, we have allocated MRF projects to one of four project categories, as shown in the chart below. A list of all MRF projects and a breakdown of project types is provided in Appendix 2.⁵³

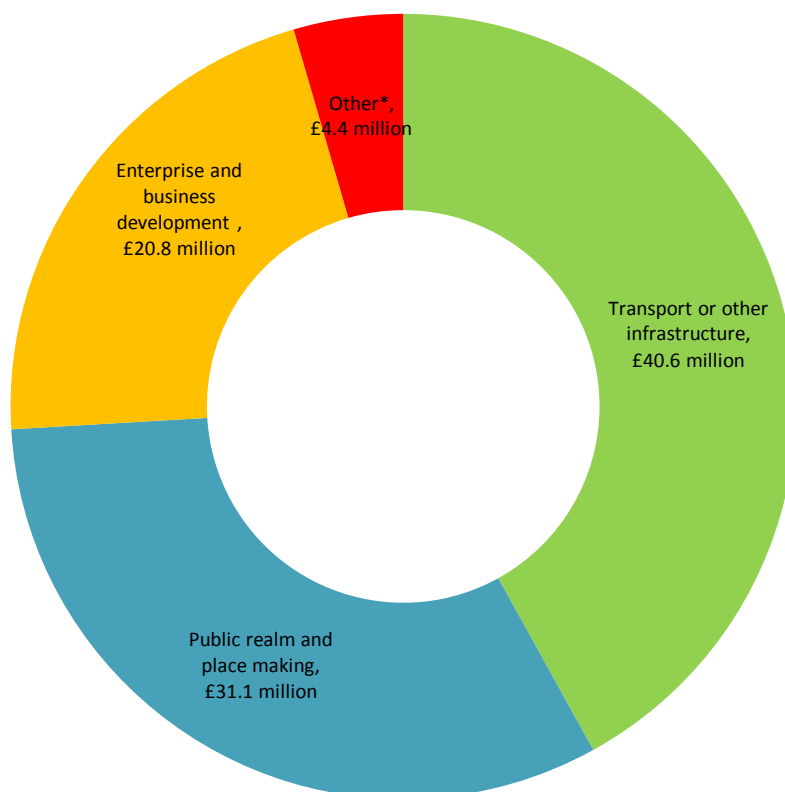
⁵⁰ MD1092, p. 2

⁵¹ In addition, the Mayor has allocated £5 million to the Royal Borough of Greenwich for the fit-out of the Crossrail station box at Woolwich. While it is funded separately (from the Mayor's budget for capital programmes), it is treated as an MRF project. Regeneration Committee meeting transcript, 18 March 2014, p. 9

⁵² MD1092, p. 3

⁵³ This analysis is based on assigning categories to indicate the main focus of the project; however some projects include other types of activity as well as that indicated by the category.

Chart 1: How will the Mayor's Regeneration Fund be spent?



*Projects in this category include general building improvements, local energy provision and planning support.

Source: GLA (figures include match funding)

Capital projects (transport or other infrastructure, and public realm and place making)

Since the GLA's contribution to the MRF is funded largely by borrowing, the majority of the MRF is for capital spending. The GLA told the Committee that this restriction posed a problem for the types of projects it could fund. While half of the money the GLA received from DCLG could be spent on revenue projects, it had to find other ways to be creative within capital financing rules.⁵⁴

42 per cent of the MRF is being used to fund transport or other infrastructure enhancement works. This includes projects such as improvements to Tottenham Hale Station, where the MRF is contributing

⁵⁴ Regeneration Committee meeting transcript, 18 March 2014, p. 6

£3.4 million towards the development of a “gateway” station, which will be key to maximising Tottenham’s position on the London-Stansted corridor.⁵⁵ In Croydon, the MRF is funding improved road crossings on Wellesley Road (£7.5 million), and the West Croydon Interchange (£4.6 million). The Gateway to Peckham scheme, in Southwark, is another example of how the MRF is being put towards improving transport infrastructure. At Peckham Rye, the MRF will help to restore the station and its forecourt and maximise the use of spaces in the railway arches.

Public realm and place making improvements account for the next largest component – 32 per cent – of the MRF. Examples of projects in this category include the ‘Shaping Southall’ project, which is investing in improvements to two major roads in Southall, High Street Regeneration projects in Croydon’s North End and South End, and Cobden Junction in Camden.

Enterprise and business development, and other projects

The GLA has allocated approximately 20 per cent of the MRF to enterprise and business development projects. This includes projects such as the Innovation Centre in Croydon (£8.8 million), and the 639 Enterprise Hub in Tottenham (£3.4 million), which provides subsidised rents to start-up businesses, skills training and shared workspace. Another example of how the MRF is supporting employment and training activities is the Good Food Matters project in New Addington (£0.7 million). Projects providing business and employment support may include both capital and revenue funding.

Other projects account for around five per cent of the MRF. Examples include funding worth £0.25 million for masterplanning in Croydon Old Town, £0.65 million for masterplanning reports in Tottenham, and £0.74 million for a Market Gardening project in Enfield.

⁵⁵ Presentation by Cllr. Strickland, LB Haringey, at the Regeneration Committee’s site visit to Tottenham, 27 February 2014

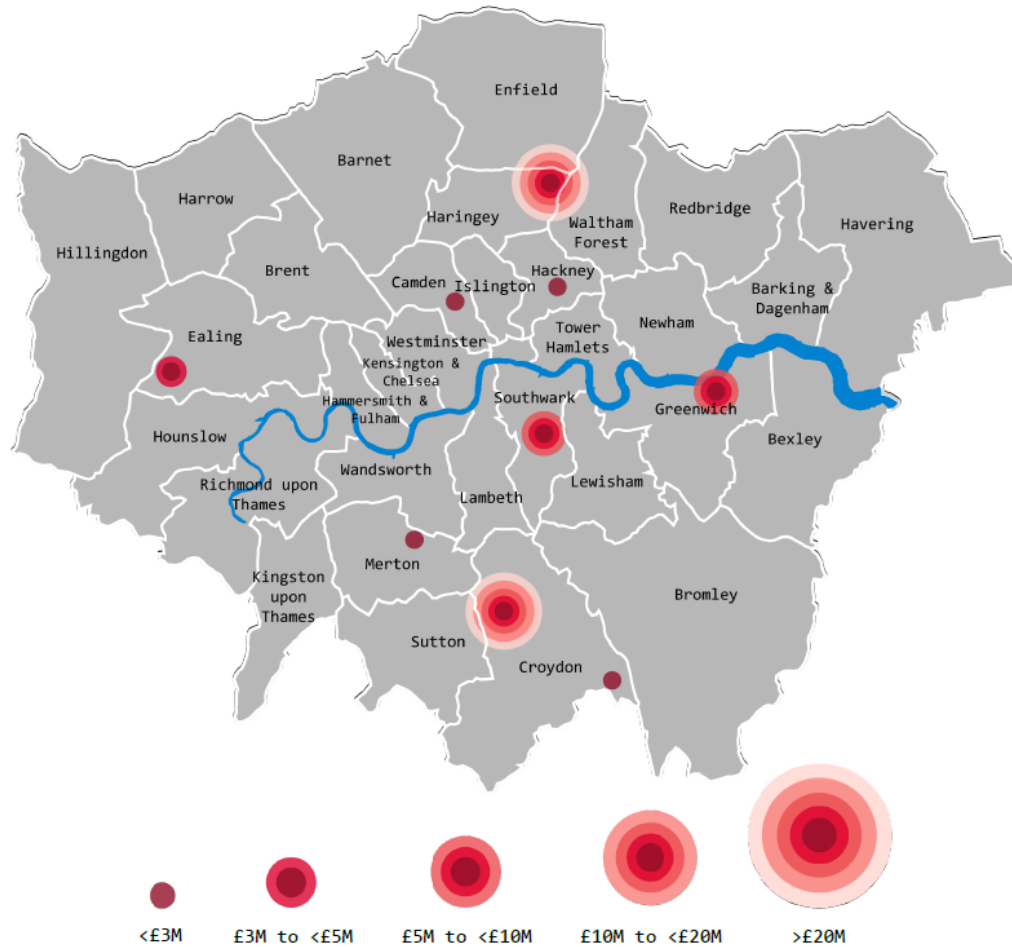
Appendix 2 MRF programme map

Map supplied by the GLA Regeneration Unit

MAYOR'S REGENERATION FUND - PROJECT MAP

BOROUGH PROJECT LIST & GRANT AMMOUNT

LB CAMDEN	
COLLECTIVE RETAIL & PROPERTY STRATEGY	£ 667,996
COBDEN JUNCTION	£ 1,535,000
TOTAL	£ 2,202,996
LB CROYDON	
WELLESLEY ROAD	£ 4,800,000
INNOVATION CENTRE	£ 1,499,540
BUSINESS RATE RELIEF	£ 1,114,118
WEST CROYDON INVESTMENT PACKAGE	£ 1,412,000
OLD TOWN MASTERPLAN	£ 250,000
WEST CROYDON INTERCHANGE	£ 4,600,000
HIGH STREETS	£ 8,000,000
NEW ADDINGTON	£ 956,000
TFL CO-ORDINATOR	£ 100,000
TOTAL	£22,811,658
LB EALING	
SHOPPING SOUTHALL	£ 3,500,000
DINE IN SOUTHALL	£ 850,000
TOTAL	£ 4,350,000
LB ENFIELD	
MARKET GARDENING	£ 600,000
TOTAL	£ 600,000
LB GREENWICH	
WOOLWICH CROSSRAIL STATION	£ 5,000,000
TOTAL	£ 5,000,000
LB HACKNEY	
SHOP FRONT IMPROVEMENT PROJECT	£ 500,000
FASHION OUTLET HUB	£ 1,500,000
TOTAL	£ 2,000,000
LB HARINGEY	
GRONTH ON THE HIGH ROAD	£ 2,505,000
639 EMPLOYMENT & ENTERPRISE CENTRE	£ 3,400,000
OPPORTUNITY INVESTMENT FUND	£ 2,700,000
EMPLOYMENT & SKILLS	£ 1,100,000
NORTH TOTTENHAM	£14,825,674
ACCESSIBILITY & PARKING	£ 2,520,000
CPZ	£ 900,000
TOTAL	£28,030,674
LB MERTON	
COLLIERS WOOD	£ 1,600,000
TOTAL	£ 1,600,000
LB SOUTHWARK	
PECKHAM RYE	£ 5,250,000
TOTAL	£ 5,250,000



Appendix 3 MRF spend by borough

Table 2: Proportion of MRF spent in MRF boroughs at 2013/14 year end⁵⁶

MRF borough	GLA value (£million)	Borough value (£million)	Total project value (£million)	Spend to date (GLA and borough) (£million)	Spend as percentage of total project value
Croydon	22.8	13.2	36.1	4.4	12%
Haringey	28.0	2.3	30.3	6.7	22%
Camden	2.2	0.9	3.1	1.0	30%
Ealing	4.4	3.4	7.8	3.1	40%
Enfield	0.6	0.1	0.7	0.2	30%
Hackney	2.0	2.5	4.5	1.6	34%
Southwark	5.3	6.6	11.9	1.0	8%
Merton	1.6	0.8	2.4	0.2	9%
Total	£66.8m	£30.0m	£96.9m	£18.2m	19%

⁵⁶ Figures supplied by GLA Regeneration Unit, June 2014

Appendix 4 Summary of recommendations

Recommendation 1

Three years after the riots and into the MRF programme, the Mayor should refresh his efforts to deliver the MRF.

To achieve this, he should undertake a programme of communications activity – working with the boroughs – to update Londoners about the role of the MRF and its progress by the end of December 2014. This should clearly explain:

- The purpose and focus of the MRF;
- The projects it is funding, where, and when;
- Reasons for the delay in spending the MRF;⁵⁷ and
- When Londoners can expect the projects to complete.

When announcing future regeneration funds, the scope and complexity of projects involved should be reflected in the Mayor's proposed delivery timetable.

Recommendation 2

In future, the GLA should require boroughs to set up a leadership and governance structure as soon as they make successful bids for regeneration funds. Boroughs should also set out how they intend to use expert advisors.

⁵⁷ Including where this is due to timescales determined by projects managed by other partners

Recommendation 3

The GLA should work with the LEP to explore what support the LEP can give borough regeneration teams to engage with private sector partners.

The GLA should approach the LEP to allocate some of the funding for the Special Assistance Team to provide support for boroughs on engagement with the private sector. The LEP should publish a proposed programme of support by the end of February 2015, and the GLA should report on its progress to the Committee.

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Vietnamese

Nếu ông (bà) muốn nội dung văn bản này được dịch sang tiếng Việt, xin vui lòng liên hệ với chúng tôi bằng điện thoại, thư hoặc thư điện tử theo địa chỉ ở trên.

Greek

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Hindi

यदि आपको इस दस्तावेज का सारांश अपनी भाषा में चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये गये डाक पते या ई मेल पते पर हम से संपर्क करें।

Bengali

আপনি যদি এই দলিলের একটা সারাংশ নিজের ভাষায় পেতে চান, তাহলে দয়া করে ফো করবেন অথবা উল্লেখিত ডাক ঠিকানায় বা ই-মেইল ঠিকানায় আমাদের সাথে যোগাযোগ করবেন।

Urdu

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Arabic

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فرجاء الاتصال برقم الهاتف أو الاتصال على
العنوان البريدي أو عنوان البريد
الإلكتروني أعلاه.

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