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Dear Secretary of State,

Post-riots regeneration funding for London

I am writing, on behalf of the London Assembly's Economy, Culture and Sport Committee, to urge the Government to provide revenue funding to support the regeneration of the areas of London affected by the riots in August 2011. This letter draws on our recent discussions with experts exploring the implementation of the post-riots regeneration capital funding that has been announced to date. Further details of this work can be found online.¹

At the outset, we wish to express support for the capital funding which will support the physical regeneration of the affected areas. This includes the: £20 million for the London Enterprise Fund which the Government is providing for use in Croydon and Tottenham, the £50 million for the Mayor of London's Regeneration Fund which provides for large scale schemes in other town centres that were affected by the riots, and the £40 million from the Mayor's Outer London Fund which will provide for smaller scale improvements to town centres in London Boroughs less seriously affected.

Whilst this capital funding is welcome, we are concerned that, without any revenue funding, it will fail to deliver the necessary improvements in the affected areas. We have heard from a range of people, including regeneration experts and representatives of London Boroughs, that the areas need social interventions as well as physical redevelopment. For example, representatives from the London Borough of Haringey reported that Tottenham High Road was a vibrant place with lots of small businesses but its local residents had little money to spend because of high levels of deprivation and worklessness. Consequently it was necessary to address social issues such as the high level of unemployment if the area was to be regenerated effectively. John Low of the Joseph Rowntree Foundation went further. He told us:

"all the research we have done shows that capital [funding] on its own will not do the trick, even if you are successful in creating jobs. That will not solve it either because you need outreach. People who have been out of work for two or three generations, families, need a lot of support."²

The Mayor's Office has advised of steps being taken to try and secure wider benefits from the capital funding. Sir Peter Rogers, the Mayor's Adviser for Regeneration, Growth and Enterprise has advised of the aim to link it back to the public sector programmes in the local areas which deal with social problems such as unemployment. He has said that the GLA is working with London Boroughs to ensure the expenditure is not "just about painting buildings and putting streets back to where they were." In particular, the GLA and London Boroughs are working together to see if European

¹ http://www.london.gov.uk/who-runs-london/the-london-assembly/assembly_investigation/august-disturbances

² Transcript of informal Economy, Culture and Sport Committee meeting on 14 October 2011, p21

Social Fund (ESF) money can be obtained to support skills and employment schemes for local residents in the affected areas.³

However, the Mayor's Office remains of the view, which we share, that securing the maximum benefit from capital investment will be difficult without revenue support. Sir Peter Rogers told us that there was a real case for changing the nature of some of the funding and creating an ongoing pot of money. He said that revenue applications for the funding would only be possible at the margin and that was why ESF funding was now being sought to help address social issues.⁴

Last year, the Mayor made a clear case for funding for schemes to deal with youth unemployment and youth crime in his submission to the last Comprehensive Spending Review.⁵

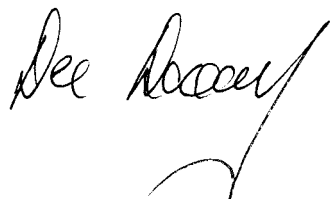
"Over the last few years, the LDA has pioneered the introduction of cost-effective innovative approaches to tackling these entrenched issues, particularly the use of outcomes-based commissioning, a focus on long-term unemployment and a 12-month sustainable employment target. These innovations are now at the heart of Coalition Government policy for reducing worklessness and unemployment. Given adequate funding, we can continue both to implement these policies and to develop further pioneering initiatives. I am therefore determined to continue with projects for young Londoners. These can be some of the most cost effective social programmes, as they can change the direction of people's lives, helping them become responsible citizens, making positive contributions in various ways."

In light of these ongoing problems, we are concerned about the extent to which capital funding alone can deliver improvements in the riot affected areas. It is, therefore, vital that the Government provides revenue funding so schemes can be put in place to support local residents. These schemes could sit alongside the schemes that will deliver physical improvements and help local residents to obtain jobs and maintain employment over the long-term. The schemes would ensure a full range of regeneration measures are put in place and help to maximise the impact of the capital funding.

The riots were a shocking event that highlighted some major social issues in areas of London. It is imperative that the capital now gets a fair deal from Government in terms of funding so that it can address these issues effectively. The capital funding announced by the Government and the Mayor to date is a step in the right direction. However, without revenue funding for schemes that directly support local residents in the affected areas, there is a risk that the capital funding will only have limited success. At worst, such investment risks, as one of our experts put it, simply leading to tidier deprivation.

We look forward to hearing from you.

Yours sincerely



Dee Doocey AM

Chair of the Economy, Culture and Sport Committee

³ Transcript of Economy, Culture and Sport Committee meeting on 8 November 2011, p1-2

⁴ Ibid, p3

⁵ The Mayor of London's Spending Review Submission to HM Government August 2010, para. 7.2