

Regeneration Committee - Tuesday, 11 July 2017**Transcript of Item 9 - Can Regenerating London's Town Centres Deliver Good Growth?**

Navin Shah AM (Chair): Can we get on to our main item on the agenda? It is, "Can regenerating London's town centres deliver good growth?"

Can I now welcome our guests to the meeting and invite them to introduce themselves?

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): Hi, I am Denise Beedell. I am the Development Manager for the Federation of Small Businesses in Greater London.

Mark Billington (Head of Economic Development and Enterprise, Harrow Council): Hi, I am Mark Billington. I head the Economic Development Team and Adult and Community Learning at Harrow Council.

Jonny Birkett (Chief Executive, Nightworks): I am Jonny Birkett. I am the Chief Executive of Nightworks and I am also the Managing Director of Place Engine.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): Good morning. My name is Gerard Burgess. I am a Senior Strategic Planner in the Greater London Authority's (GLA) London Plan Team.

Erin Byrne (Senior Project Officer, Greater London Authority): Hello, I am Erin Byrne. I am a Senior Project Officer from the GLA's Regeneration Team.

Navin Shah AM (Chair): Once again, thanks very much for coming along this morning for your input. If I can start with the opening couple of questions, they are generally on the situation with town centres and how they are faring. The last Mayor's report we had in 2014 talked about the performance of town centres and the assessment indicated that there was a mixed picture when it came to how regeneration was shaping them. If we can start with Gerard, how has London's town centre situation fared in the near decade since the financial crash in 2008?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): Thank you very much, Chair. At this very moment in time we are undertaking a Londonwide Health Check, looking at health and vitality of town centres across London. More than 200 town centres are contained within the data sets that we are currently analysing. We have a range of data sets that look at issues around floor space, around vacancy, financial performance, community safety and environment, and we are currently very busy analysing all of that data across London's town centres.

Now, today I would like to give you some very tentative initial findings on two of the key metrics that will feature among the Health Check report. Those two metrics that I would like to discuss are vacancy rates, which are a very useful indicator of town centres' health, and rental levels, which are another good indicator of the financial performance of different town centres. As I say, these are very early indications - the data still needs to be verified and tested - but I would just like to share with you some of these emerging findings.

If I start first of all with vacancy rates, it is always nice to start on a positive note and that is that as a general proposition, on average, vacancy rates have been falling across different types of town centres since the financial crisis in around 2008/2009. What the data is showing is that there is the strongest reduction in

vacancy rates amongst the international and metropolitan town centres in London. The larger and stronger town centres have tended to see the greatest reductions in vacancy but, on average, the smaller district centres have also seen an average decline in their vacancy rates. I must stress that although this is an average measure, it does mask differences between certain centres, which may have seen vacancy rates rise, and others which will have seen their vacancy rates fall. That responds to your point right at the start that each centre is different. When we look at the data on the individual centres, which we will in the Health Check report, it will highlight some of those differences across the centres.

Now, another interesting fact that we are seeing coming forward from the data is that it is suggesting that vacancy rates for retail are higher on average than the vacancy rates for non-retail uses. This might suggest that those centres that are adapting to the challenges in the retail environment - in other words, those centres that are moving from some retail floorspace into leisure, culture and other uses - appear to be performing better than those that have retained a larger retail floorspace and may have higher retail vacancy rates. That is one thing that is coming out across the international, metropolitan and major town centres for vacancy [rates].

When we look at the rental levels between the different types of town centre in London, in the international centres and the West End we have seen huge growth in rentals. They have outperformed almost all of the other centres in London, particularly the West End, whereas the metropolitan, major and district centres saw huge reductions in their rental levels between 2008 and 2009. It appears that, on average, the districts and the major centres have recovered their rental levels and they are back to pre-crash levels, whereas the metropolitan centres, on average, do not seem to have recovered as well as we might have expected.

Now, again that masks differences at centre level. For example, Croydon, Ealing, Kingston, Sutton, Stratford and Shepherd's Bush have all seen very strong growth in their rental levels; appear to have weathered the storm of the crash very well indeed and are performing strongly on that metric, whereas Harrow, Romford, Ilford and Hounslow, and to some extent Wood Green, have seen reductions in their rental levels over that period. From a purely financial performance point of view, those centres have performed less well than the counterparts I have just mentioned. It is a very mixed bag across the different types of centres.

The next part of your question is, "Is there a difference between inner and outer London?" The data at first is suggesting that the gap between the vacancy rates in the centre of London and outer London is narrowing. Both inner and outer London centres, on average, have seen their vacancy rates come down by roughly about the same proportion. They have not come down so much in central London but I think that is partly because central London vacancy rates were much lower than those in inner and outer London. Again, this is masking differences at centre level. Around 75% of centres in both inner and outer London have seen their vacancy rates go down but 25% have seen their vacancy rates go up. Again, we will be looking at the data at a more specific centre level to identify which centres have struggled relative to others.

In terms of the rental picture, again central London and inner London have weathered the storm very well and have seen strong growth in their rental levels. Outer London [centres], on average, have not recovered their rental levels relative to the pre-2008 crash. There is a difference there between the inner and outer London centres when we are looking at rental levels.

Then finally, just to touch on whether there has been a difference between perhaps higher income areas and lower income areas, what we have done for this Health Check is we have identified which town centres in London overlap with the Index of Multiple Deprivation highest 20% most deprived in England, just to give a sense as to those centres which are very close to or lie within the most deprived areas within London. On average, the vacancy rates in those regeneration centres are higher than for those centres which lie outside, perhaps in higher-income areas of London. On average, reflecting the Londonwide picture, vacancy rates have started to fall within the regeneration centres but they have not fallen by as much as those of centres which

are in the higher-income areas. There is a slight difference in the rate at which some of those centres have recovered.

Finally, on rents, looking at the regeneration centres, again rental levels tend to be much lower in those areas where the centres overlap with the Index of Multiple Deprivation but it does appear that, on average, those centres have recovered almost as well as those centres in the higher-income areas in terms of their rental levels. Still, the rental levels are much higher in the areas of London that fall outside of the regeneration centres.

It is a very mixed picture. There is some good news in there in terms of the falling vacancy rates but as I say, the picture will vary depending on which town centres we look at. We will be delving into this data in a lot more detail over the coming couple of months and we will be presenting it in a report, which will be the London Town Centre Health Check, which we intend to publish as soon as we can in the autumn.

Navin Shah AM (Chair): Thank you for that. The picture, from what I can see, seems to be pretty optimistic in that we seem to have, from 2008, reached a situation where the decline is gradually being reversed here. That is the true reflection?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): That is right. On average, that is true to say.

Navin Shah AM (Chair): On average, yes.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): As I say, at different centre levels there will be a different picture. About 75% of centres appear to have seen their vacancy rates fall, whereas 25% of centres have seen their vacancy rates rise in the last four years. It is mostly good news but there are some centres that are perhaps not adapting as well as others.

Navin Shah AM (Chair): Will your report also give us borough-wide figures when it is published in the autumn?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): We usually go down to centre level. What tends to happen is that at the borough level you will be masking differences between, say, a strongly performing metropolitan centre and a district centre or a major centre that may not be performing so well. We will be analysing the data at centre level, which will give you a much more fine-grained level of information.

Navin Shah AM (Chair): One more question. Will this report give us any idea of change in those town centres in terms of the mix of uses, compared to, traditionally, what we see town centres as being?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): Absolutely. The Health Check data will break down into retail floorspace and we will even be giving data on comparison of goods retail versus the convenience/food-related retail and service-type retail, as well as different types of leisure functions and hubs. What we found in the last Health Check, when we looked between 2009 and 2012, was that a lot of centres were moving away from retail. In some centres retail was declining but leisure was growing. We have all witnessed it, the growth in the café culture, the rise in restaurants and eating out, and the leisure experience of town centres. That was a feature in the last Health Check and we will look again this time to see if that trend has continued. We are expecting it probably will.

Navin Shah AM (Chair): Thank you.

Andrew Dismore AM: I have three issues but to pick on the one that Navin raised with you last and then move on to the other two, you are talking about non-retail being the growth area. Where do bookies and pawn shops fit into that? Are they classed as retail or are they classed as non-retail? If the growth in some of the more marginal places is simply one bookie opening after another - I have seen that in parts of my constituency where you get three or four or five bookmakers in a street, which seems a bit peculiar but that is what happens - I would not necessarily class that as good growth. When you do your breakdown, will you be trying to draw a distinction between some of these different uses as well? I think they are a *sui generis* use class.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): That is correct, yes. The betting shops have now been removed from what was previously class A2, which was estate agents and financial and professional services, and are now in the *sui generis* use class, which means that local authorities are better able to manage applications for betting shops to support the diversity of their areas. Within the Health Check we will have a separate field or information on the numbers of betting shops and floorspace within town centres. We will be able to see, at a centre by centre level, whether there has been a trend towards an increase in betting shops since that time.

Andrew Dismore AM: Pound shops as well?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): I am not sure if we have payday loans. I am not sure if we have that. There may be a difficulty in the use class around whether we will be able to extract that data.

Andrew Dismore AM: 'Pound shops' in terms of heavy discount stores.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): We will have data on charity shops. We may have some data on discount stores. I will need to double-check that for you.

Andrew Dismore AM: Yes, charity shops are also --

Gerard Burgess (Senior Strategic Planner, Greater London Authority): For charity shops we will have a separate measurement.

Andrew Dismore AM: The next question is the timing for the monitoring of the trend. Do you have a date you are monitoring this from or is it a period compared to a previous period? Obviously, it is a moving feast and shops open and close all the time.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): That is right, yes.

Andrew Dismore AM: How are you benchmarking before and after?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): We have data going back to 2012 on that. We will be measuring a snapshot of 2012 with a snapshot at 2016, which is when the data will actually be available.

Andrew Dismore AM: So, the same data level?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): -- That is right, yes. It will be a snapshot between those two and it will be at centre level.

Andrew Dismore AM: OK. The last question. You talked about rent. I was just going to ask about business rates because obviously that is a big issue in the current financial year. If you are looking at 2016, presumably the huge increase in business rates plus the rather slow business rate relief schemes coming through will have an impact but that is not going to be reflected in your 2016 work. We are going to be behind the curve a bit with that.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): That is right, yes. We will not have information on business rates at that town centre level. We will have data on the rents but it is only for a limited number of centres because it is very difficult to get rents data for all of the districts. We have it for a good number.

Andrew Dismore AM: Business rates are public.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): Yes, but we do not have it, unfortunately.

Andrew Dismore AM: When will you next do this? For 2017? Is it an annual thing?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): No, usually it is on a four-yearly cycle to inform the changes to the London Plan.

Andrew Dismore AM: The problem is that we will not actually know what the impact of the business rates is, assuming there is an impact, until it is far too late to do anything about it, unless there is some sort of supplement to your work for 2017. That could be a major impact. I know that on Oxford Street they were talking to someone whose rates had gone up £1 million or something like that. I forget the exact figure but it was an astronomical sum. Some of the smaller shops further out are seeing huge increases as well. Unless we can monitor the impact of that, plus the mitigating factors, such as they are, of any temporary rate relief scheme, it could have a major impact on this work that we cannot do anything about until it is far too late. Is there any prospect of doing some sort of supplementary work to look at the impact of business rates?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): I will not make a commitment now but what I can say is that we will look into the potential for doing that and whether it is going to be possible for us to do it. Clearly, that is a big issue for businesses.

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): I am listening with interest. Business rates are of big concern to our members and I have had lots of calls from ones that are just horrified at the rate of increase that some of them have been subject to, on top of all the other increases that they have received. I do not want to interject into this because I think there is still a bit more to go.

Andrew Dismore AM: I am just trying to get Gerard to think about doing a bit more work on this. Otherwise the work could be completely outdated and irrelevant because it has such a huge impact.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): Absolutely. I appreciate your concerns and in light of that I will go back and we will look into the feasibility of doing that at centre level. I do not want to make a definite commitment now but I would like to look into the possibility of doing it.

Navin Shah AM (Chair): Andrew's point is well made on business rates. During the whole process of the new London Plan there will be a window of opportunity, given another three to six months, for you to put a submission in to reflect what the impact is of the business rates, as they are planned to grow.

Nicky Gavron AM: On that last point, you may be able to do some sampling. It is absolutely crucial that we get a much more up-to-date picture because to have a London Plan based on something that is out of date does not really work. I was wondering - I do not know what other Members would say - if maybe you could look at a sample among the Business Improvement Districts, because they have a very good handle on what business rates are doing to their areas. I am just trying to think of ways you could do it quite quickly and that would be meaningful. Anyway, that was one thing. I do not know if other people have other ideas as to how you might do it but, Gerard, you are used to this, are you not?

I had one more question. That was on the back of the last question. You said that in a quarter of all the town centres - and that is presumably across all the different kinds of town centres - we are not doing very well. Right?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): That is right, yes. That appears to be --

Nicky Gavron AM: Now, that quarter, does it straddle? Is it mainly districts? What sorts of centres are they, mainly districts or leisure? What kinds of centres are they?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): It spans across all of them, I think. What we have not done is looked at specifically whether it is the internationals, metropolitans, majors or districts, how many have increased or decreased, but it does appear that, on average, the internationals and metropolitans have fared better than the districts.

Nicky Gavron AM: Fared better. So is it more likely to be majors and districts?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): It is, but as I noted from the rents data there was a complete split between the metropolitan centres of Croydon, Stratford and Shepherd's Bush, which have performed very strongly, and other centres like Ilford, Romford, Hounslow and Harrow. We will be looking at those very closely. I cannot say definitely at the moment what impact the vacancy rate has had in those. I only have data on the rents to check.

Nicky Gavron AM: You also said that, on the whole, the centres that were doing less well, the quarter, were mapped according to the Multiple Deprivation Index. Yes?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): Yes.

Nicky Gavron AM: You did.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): They had a higher vacancy rate, yes.

Nicky Gavron AM: What I am wondering is how much there is a fit. A good town centre - well, if it is international it is a bit different - relies on the neighbourhoods around it, does it not?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): Absolutely, yes.

Nicky Gavron AM: We need to examine that. Good growth in neighbourhoods, healthy neighbourhoods, are going to be able to support a town centre, whatever its size, better.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): Absolutely, and that is critically important for the district and smaller centres. The larger centres tend to have a much bigger catchment so they can draw in spend, tourists and other visitors from a much wider area, whereas the district and local centres tend to depend much more on their local catchment.

Nicky Gavron AM: Yes. For sustainable London, we need local centres.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): Absolutely.

Nicky Gavron AM: I have always been very worried about what is going to happen to the local centres, given some of the Government policies. It would be good to get more information about the factors that are affecting the local centres. If we do not have good local centres then we have a much less accessible, sustainable London.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): That is absolutely right. The Health Check will have data but only down to the district centres. Working with the boroughs, there are something like 1,000 local and more neighbourhood centres. Within this strategic Health Check we simply do not have the capacity or the data sets to be able to analyse those very small neighbourhood parades that provide the walk-to facilities for local residents. They are the responsibility of the boroughs. Boroughs, in conjunction with our strategic Health Check, should be looking in much more detail at their local parades and their local centres, and develop policies to try to support them in that way.

Nicky Gavron AM: What we need to look for is whether there is a correlation between a district centre not doing very well and perhaps the local centres around it, but that would be something for the borough to pick up on.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): Exactly. The local centres, yes. That is right.

Nicky Gavron AM: OK. Thanks.

Erin Byrne (Senior Project Officer, Greater London Authority): I just wanted to talk about some of the work we have been doing in the Regeneration Team because we have just recently commissioned a study that we are calling High Streets for All, which is a qualitative piece of research we are doing with We Made That, an architecture practice, and LSE Cities [research centre, London School of Economics and Political Science]. It is quite interesting, looking at the qualitative data that we have collected alongside the quantitative stuff that underpins the Health Check. We chose to do a deep-dive into three High Streets in London and then to zoom out and try to understand what the London story is.

As part of that work, we wanted to understand what the challenges are that High Streets are facing. It is no surprise that the majority of the businesses reported that they were very anxious about business rates and the increases that are forecast. What was very interesting is that in the study we did in Burnt Oak, many of the businesses we surveyed - we ended up speaking to over 300 businesses as part of the survey; it is one of the largest of its kind - reported that they were struggling with rates, occupancy costs and rents, and for those reasons keeping their business going was essentially taking all of their time.

What was interesting is that in those low-income areas where businesses were struggling, they found it very difficult to participate in the traditional infrastructure that supports them, for example business associations. Where business associations might play a role in helping them to share information between businesses, pool knowledge and help with form-filling, those sorts of things, that kind of social capital was missing. As part of the study we are looking at what the Mayor's role is in releasing those barriers to participation because a lot of the time within a High Street there is a whole wealth of knowledge that could be shared better between businesses.

Just to second what Gerard [Burgess] was saying about the diversification of retail, the other thing we found was that a lot of those businesses are responding to changes in local need. What we found was that businesses that looked, from their shopfront, to be a traditional shop were actually starting to provide almost social services, things like credit to local people, informal childcare arrangements and all kinds of very interesting social offerings that meant there was another reason for people to visit their business. It was in those areas that we found that they were more resilient. Those areas were able to adapt to change because they were capitalising on their localness and had a really good understanding of their catchment, a neighbourhood back from the High Street, this ecosystem. If businesses are able to respond to that, it basically means that they are able to be more resilient and sustainable.

Andrew Dismore AM: Almost 300 businesses in Burnt Oak?

Erin Byrne (Senior Project Officer, Greater London Authority): No, it was across the three High Streets. It was Lewisham, Burnt Oak and Upper Clapton. Those were the three areas.

Tony Devenish AM: I agree with both my colleagues' points. We need to focus on where we can add value, which is the smaller High Streets. We do not need you to look at Westfield, the West End. They have people that do that all the time, and Saville's and everyone else support those strong retail offerings. It is how we are going to focus on the smaller High Streets, understanding them. The general view most people have, and this is just anecdotal, is that the smaller High Streets are going to die, effectively. We all know that most of them are struggling. You are right to make the point about a destination rather than just retail. Most of them, if they are surviving, are becoming food and drink only, or they are becoming all the other things that Andrew [Dismore AM] mentioned. We need some real evidence rather than just politicians' anecdotes about this. Smaller, smaller, smaller, would be my plea to you. I do not care what the big ones are doing because I know them well, they are doing a great job and they will survive whatever happens.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): Hopefully, the Town Centre will help on that. We are not just monitoring the West Ends, the Stratfords and the bigger centres, although that is still important in terms of future strategic planning for London. We are also looking at those much smaller district centres, Palmers Green, Beddington and all the much smaller centres that local communities depend upon for access to goods and services. I think they will still have a retail role in the future but that will be part of a much broader mix of uses. Those centres that are able to adapt, to find new uses on the High Street, new commercial uses, will be able to thrive in the longer term but it will be a challenge and it will be a particular challenge for some of those smaller centres.

Tony Devenish AM: That is really optimistic. I can see even in Westminster, the ones that are not the prime ones are struggling and parts of them are being turned into residential. You are being very optimistic. I hope you are right.

Navin Shah AM (Chair): OK, if we can leave it at that for now, do any of the other Members have questions? Mark [Billington] has indicated that he wants to come in.

Mark Billington (Head of Economic Development and Enterprise, Harrow Council): I am from Harrow Council and we do collect the sort of data you are looking for. It is interesting because our picture is different, probably, from yours. Our local centres have been more resilient than the town centre. The shopping offer has changed but it has not just been food and drink, it has also been in the context of leisure. I am talking about gyms and also a lot of healthcare, including laser surgeries and beauticians.

I am quite a fan of low rent levels because they do offer opportunities for entry into the market, and entry into the market in areas where you cannot go off and buy something online. We have an Afghan bakery. I cannot buy Afghan bread online. They are responsive to new communities but you almost do need to try to depress costs, eventually. It is not just business rates that are an issue, it is rent levels. You do not necessarily want your regeneration to increase rate levels to the stage where you cannot get new entrants into the market. That is really important.

I looked at my notes as I was listening to you, and two things you did not mention. One relates to the loss of office use, which is not just an impact on metropolitan town centres but some of our district centres like Pinner and Stanmore are dependent upon offices. In all the statistics we have, the percentage of occupied office use was going up and up like that over the last ten years. In 2016, bang, suddenly it stopped. I am talking about the percentage of occupied space. It is interesting when you talk about vacant space. If you look at the percentage of occupied space it gives you a different picture because your vacancies may be shrinking because you have a smaller retail base, or your vacancies may be shrinking because you have a smaller office base. Just looking at vacancy does not give you the whole picture. You need to look at the quantum of space that you have and how that is filled.

The other thing that you did not pick up - and it is not just in Harrow; I have looked around other town centres - is the British Home Store (BHS) effect. The impact of BHS in our area, 6,500 square metres, is equivalent to 300 jobs. That store has been empty since whenever they closed, which was what, 18 months ago? I cannot remember. Everywhere I have been - not many places but St Albans, Norwich, Harrow - those BHS stores are empty and they have a significant impact on vacancy rates. You need to factor in, sometimes, the impact of big chain closures. We are fortunate that our one is going to be filled within six months or so. There are some additional things I think you should be considering, and we would be more than happy to share data with you on district centres.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): Just to respond to that, Chair, the Town Centre Health Check will have analysis on the impact of office to residential permitted development (PD) rights at town centre level, we just do not have the data to be able to share with you today. We will be looking at that very specific issue.

Navin Shah AM (Chair): OK.

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): The other people have made some extremely good points. Obviously, the social value of small businesses in any community is something I think is widely recognised, but underneath all of that you have to remember that the whole point of being a business, whether it is a shop, an office or any small business operating and providing, possibly, jobs, is that they should make a profit. The reality is that for small businesses right across London over the last two to three years, that has been against a backdrop of rising costs. We have heard from members whose rentals have gone up by 30% or 40%, or sometimes even doubled. This is against a backdrop of rising employment costs. Our research shows that every small business has had an average of £2,600 additional employment costs because of Government policy and regulation, and those include auto-enrolment in pensions, increases to minimum wage and the introduction of the Living Wage.

Obviously, that is quite a broad statement and different sectors have responded and been affected in different ways, but certainly for those sectors that run small businesses in a given area with very small margins - and the retail sector is falling more and more into that, particularly at the smaller end - they have been less able to weather those cost increases and they are really struggling. Then your comment about the rates revaluation, which has had a significant impact as well. We are currently undertaking research to look into that impact, and also how London relates to the rest of the United Kingdom (UK). I am sorry I do not have any results to share with you today but we will be releasing that in due course, when they are available.

The other thing I wanted to point out is that small businesses are extremely adaptable. I am quite optimistic that small businesses will always be there because exactly as has been said by other panellists, the entry into business as a way of providing a livelihood, particularly for certain cultural groups, is still a very valued one for many sections of London's diverse community. We do need to make sure, though, that those costs of entry are kept proportional. That is another aspect of the business rates situation because it is putting an increasing burden of cost on those businesses operating with commercial premises, particularly on our High Streets, to find a greater and greater contribution to the pot. Those are the points I just wanted to make.

Jonny Birkett (Chief Executive, Nightworks): I just wanted to support the rest of the panel, if nothing else. The biggest challenge I wrote down here was diversifying the sectors, particularly in Havering and Romford. It is a major problem we have because the gap is growing with the decline in retail, which nationally is masked by the strength of e-commerce, which is growing at about 15% year on year. What we are finding is that the cost and the value of the spaces we have where we really want to be growing in terms of leisure, where there is significant growth, it cannot be achieved because the rents are too high. That added to the shrinkage in office sector space, as Mark [Billington] pointed out, is a significant problem. You tend to find that a lot of local government, particularly, still have outdated thinking in terms of trying to secure and protect retail when that is encouraging 18-hour leisure growth is where the opportunity lies. There is a significant imbalance in terms of the value of the properties and the accessibility of those businesses.

In the smaller centres, what we are seeing is quite a growth in social enterprise and that is an area that we need to encourage as well. It is not just purely commercial, it is about engaging with communities. That is where we are trying to show as much support as we possibly can because that is where the smaller district centres can still offer both convenience and also engaging activities as well. Again, in terms of resilience, we appear to be relatively resilient in Romford as a metropolitan centre but with things like BHS and those elements, alongside whether business rates shift or change, we are going to start to see, over the next three or four years, our town centres starting to shrink and not be as economically strong as they have been for a while. That will have a residual impact on the district centres as well because it is the central point for quite a large proportion of our community. I would just like to support a lot of things that have been said along the panel.

Erin Byrne (Senior Project Officer, Greater London Authority): I was just going to go back to your point about the necessity of looking at local centres, the shops that you can walk to, the parades. Every Londoner has their own High Street, essentially. In a way, it is interesting that the title of today's discussion is around town centres because what is missing from that is High Streets. So often, when you look at the boundary of a town centre it takes in the High Street. There are also these interstitial frontages that travel between town centres, that have a lot of local value and that Londoners rely on. Some of the work we have been doing as a result of the *High Streets For All* study is looking at the potential, when boroughs are doing their local plan or are thinking about a strategy for town centres, for that to also take into account High Streets, so that the language is not just about town centres, it is also about those interstitial frontages and parades that so many people rely on.

Because of their innate accessibility, they also encourage active transport. You can walk to them. You can cycle to them. You do not need to get on a bus. You do not need to drive, necessarily. In a way, looking at that on that local level is going to be important for London's environmental future as well.

Navin Shah AM (Chair): OK.

Andrew Dismore AM: I was going to come back to the thing Erin [Byrne] mentioned about the missing social capital and the fact they do not have time to engage in business associations. If I compare and contrast, say, Camden Town, the Camden Town BID has been very effective.

Erin Byrne (Senior Project Officer, Greater London Authority): Yes, absolutely.

Andrew Dismore AM: It works because there are sufficient large businesses to fund it, the small shops do not have to pay anything but they get the benefit from it. That is a very effective organisation with a very dynamic leader. Contrast that with, say, Edgware, where there is a town team and whenever I go to a meeting they are all very depressed that they cannot do anything about it. They do not feel they are getting support from anybody. They do turn up, there is a meeting coming up soon and I suspect it will be much the same as any of the other ones. That is where they have tried to come together but they just do not feel they have the support, knowledge, experience or expertise they need to try to move things on, plus a resistance to change. A lot of the shops are rather outdated and outmoded but shopkeepers are somewhat resistant to change. Contrast that again with the third one I will put into that, Burnt Oak, where there is absolutely nothing and I cannot see there being anything because there is just no resource there to support it.

Part of it is how we can find a way of capitalising, say, on Edgware, where people do want to do something but just do not know how to go around doing it, or do not feel they are getting support from the council or anybody else for that matter, and the Burnt Oak one, where there is just nothing. Part of that is also maybe where people live, because a lot of the shopkeepers now do not live in the areas where their shops are. If it is a question of locking up the shop and then coming back for a meeting after trading or whatever, they are not going to do it.

Erin Byrne (Senior Project Officer, Greater London Authority): Just to respond to that, the story you have just described is exactly what we have witnessed. There are two things, in a way. One is the role of boroughs. Boroughs like Harrow play a really important role in High Street stewardship. It is so important that town centres within a borough can learn from each other. If there are town centres where they have managed to create a good governance structure and are having innovative ideas about how to address some of these issues, then part of the role of the borough is to make sure that those lessons learnt are being shared. I do also think, looking at the Camden precedent, that there is a role for the private sector, particularly BIDs, and a kind of mentoring, potentially. In those smaller centres, you do not necessarily have the large retail providers or chain shops who might come with more experience or more resource in order to attend those kinds of meetings and be part of those sorts of organisations. If BIDs could potentially work across borough boundaries --

Andrew Dismore AM: I tried that.

Erin Byrne (Senior Project Officer, Greater London Authority): You tried that?

Andrew Dismore AM: It did not really get anywhere because again it comes down to critical mass. The Camden one works because you have sufficient big businesses who have put their hands in their pockets.

Erin Byrne (Senior Project Officer, Greater London Authority): Exactly. There is a cross-exchange.

Andrew Dismore AM: If you do not have those big businesses to help fund it, as in Edgware or Burnt Oak, it does not happen. That is the problem.

Erin Byrne (Senior Project Officer, Greater London Authority): We do a lot of work with Team London at the GLA, for example, and sometimes you have people living within the catchment area who work for bigger businesses. It is not necessarily their professional role on the High Street. It is trying to tap into the professional capital or the social capital within an area, drawing on that so that it is not just thinking about traditional business organisations but also stewardship in terms of citizen-led regeneration. At the same time it is very difficult, especially with the receding of the state.

Andrew Dismore AM: That was the next point I was going to come to, which is the social capital. Because of the pressure on local authority budgets, we have seen the libraries close and we have seen the local service offices close, all of which are usually in or near the High Street or town centre. You cannot go to the Council library to borrow books so there is one reason fewer to go to the town centre. The Council office has closed down where you used to go and pay your rent or your parking fines or whatever. It is all done online, another reason not to go to the town centre, and so it goes on. It is not just the Council, it is public services generally that are withdrawing and that, again, reduces the demand to go to these places. If you go to the town centre to the library, you may as well go to the coffee shop or other retail.

Erin Byrne (Senior Project Officer, Greater London Authority): I think we are going to move on about the Good Growth one so I can talk a bit about that, but just in terms of Crowdfund London, which is the Mayor's crowdfunding programme, we have done two other rounds of crowdfunding and we have done a lot to try to learn the lessons from those previous rounds. What we have realised is that you need to do a lot of capacity-building.

Andrew Dismore AM: Yes. I asked you about this before, did I not? There is a concentration in certain boroughs and virtually none elsewhere, for example --

Erin Byrne (Senior Project Officer, Greater London Authority): With crowdfunding?

Andrew Dismore AM: Yes.

Erin Byrne (Senior Project Officer, Greater London Authority): Yes. What we have done this time is rather than using the pot of funding that we have available to focus on projects, we have held back a portion of the money in order to do capacity-building. This time around, we have done a lot more work on trying to help people grow their ideas so that it is more of a level playing field and you are not just getting ideas from places where the people are well-organised and have the time and resource to set up citizen-led regeneration projects. In turn, that takes resource as well. To do inclusive regeneration, it is about deciding how to get the most out of the funding that you do have, making sure you do have the resource in place so these sorts of systems can work.

Navin Shah AM (Chair): I am just going to take one more contribution in response to Andrew's question.

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): It is mainly in response to Andrew's comment about businesses that do not want to make any adjustments, amendments, upgrades or anything like that. I do not think it is always such a simple point that they do not want to.

Andrew Dismore AM: No, No --

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): They may have restrictions. They may have terms in their leases. In some leases for rental properties, they are actually responsible for the full maintenance as well as everything else that goes on so their pot is spread very thinly. You do need to look at some of the reasons behind why they are not doing that. They may be restricted.

Tony Devenish AM: Yes. My first question is to Erin. Obviously 'Good Growth' was launched recently. What is good growth and how would you define it, please?

Erin Byrne (Senior Project Officer, Greater London Authority): It certainly is Good Growth Week, is it not? That is what you just pointed out earlier on. The Mayor made a speech last night at LSE Cities talking about good growth. We just launched our Good Growth by Design programme, and previously we had also just launched our Good Growth Fund. Good growth is everywhere.

At the heart of it, London is growing. London needs to adapt and change in order to meet the needs of Londoners. Good growth is about making London a city that works for everybody, so that London can grow in a way that is more equitable. Central to that, it is about making sure that people are able to share in London's prosperity, it is about making sure that growth is responsive to places and the local distinctiveness and character of those places. An intrinsic part of that is high-quality design. It is also about the point we touched on earlier, environmental sustainability and social capital, making sure that growth draws on the skills of Londoners and that Londoners are able to participate in growth and the benefits of growth.

Tony Devenish AM: Sorry, the question I should have also asked is: how is it different from previous regeneration programmes? Can you give me a specific example of what will be different?

Erin Byrne (Senior Project Officer, Greater London Authority): Yes, sure. A big part of what I just mentioned is social inclusion and thinking about the social impact of regeneration. This time around, because we have done at least four previous funding rounds and we have been keen to learn from previous funding rounds, we are keen to lower the barriers to entry. It comes back to something we have also touched on, which is that sometimes there may be a good idea but it needs some development in order for it to turn into a great regeneration project. What we have done is we have introduced an expression of interest stage so that the process of applying is easier. You just have to set out, in very simple terms, what your idea is. Then what we have developed is what we are calling a triage process, so that once we have all those ideas in we can then decide, "Yes, they are ready to go and we can support them," and they can get into delivery very quickly.

Then there are some others where potentially there are resources that are lacking or there is a great idea but it needs development. Then what we have done with the Good Growth Fund this time around is, as I said with Crowdfund London, we have kept back a proportion of our funding in order to develop those projects in collaboration with the delivery partners. We have also changed our process to be an online process. We have done a lot of work to simplify the language and simplify the process itself for applications.

Tony Devenish AM: Sorry, that is all on your end. Those are all processes in this building.

Erin Byrne (Senior Project Officer, Greater London Authority): Yes.

Tony Devenish AM: In London, what is the difference going to be between the previous regeneration programmes under the previous Mayor and this one under Good Growth?

Erin Byrne (Senior Project Officer, Greater London Authority): As I was saying, a lot of it is to do with how we measure the impact that we are making. Previously, our outputs have been quite simplistic, relating to

counting jobs. We were counting how many trees we planted, how many square metres of public realm improved and those sorts of things, but this time around we are much more interested in the social impact of our programmes. There is also participation, how the projects we invest in are getting Londoners involved and can evidence that. As part of the Good Growth Fund, we are potentially developing something that we are at the moment calling a Challenge Fund, basically calling for ideas about how we can do evaluation in a way that is more meaningful, so that we can demonstrate the environmental, social and economic impact of our projects. We are moving toward a more evidence-based approach to regeneration so that we can make sure there is a more equitable sharing in the benefits.

The other point is more specifically on process. The idea is that we take more of a rolling approach. Rather than projects having to fit in with slightly obscure GLA-based deadlines, we are able to plan and develop projects over the next four years so that it is not so much about quick wins; it is more about long-term relationships and partnering. We talk a lot about scale in our team. Sometimes it is about a locally based project on a small scale and sometimes it is about holistic change in an area. Both of those things take time and we want to be cognisant of that and make sure that we are not just choosing oven-ready projects that can deliver tangible outputs quickly. It is more about the longer-term outcomes that relate to good growth.

Tony Devenish AM: Thank you.

Nicky Gavron AM: This is more about the planning side of this. What are the lessons we have learnt from previous regeneration projects and previous funding for regeneration projects? How are they now going to inform the new London Plan? I do not know who to ask.

Erin Byrne (Senior Project Officer, Greater London Authority): I guess we can jointly answer that.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): Yes. As Erin was stating around this idea of good growth, around the London Plan one of the things we are looking at is how we can embed some of these principles in the London Plan as we go forward. It is around spreading the benefits of regeneration across all parts of London. There has been criticism in the past that things were focused very much on the centre of London. One of the things that we want to do as part of this as we are working towards the London Plan is to look at ways to spread those benefits much more widely across London. That will have implications for supporting growth in town centres as well as supporting our industrial areas and other employment areas throughout the capital. It is also around improving access to opportunities. There are a lot of other pieces of work around skills, removing barriers to employment and progression and supporting apprenticeships. There is a whole range of other aspects we are now driving forward as part of our preparation for the London Plan and indeed some of the other mayoral Strategies.

Nicky Gavron AM: It overlaps with the last question. What have you particularly learnt from the regeneration funding that you have given? Does any of that need to be reflected in the London Plan?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): One of the things that we want to bring out more strongly in the new London Plan, we currently have a policy around the regeneration areas, which are focused at the moment on the 20% most deprived areas within London. Because London has greater levels of need for regeneration than the rest of the country, we are now looking at potentially expanding that to take into account the 20% most deprived neighbourhoods within England. Because London has greater levels of need for regeneration than the rest of the country, there are more areas in London where there are particular needs for regeneration. We want to strengthen that policy. That, I hope, will also help guide our work looking at funding in terms of where we can target regeneration resources to have the maximum impact on those areas which are, from our work looking at the index, some of the most in need of regeneration across the country.

We are also looking at finer-grained work at the local level because the Index of Multiple Deprivation varies depending upon which indicator you look at. If you look at incomes, community safety or education, the map of the areas which are in need of regeneration changes slightly as you look at those different elements of the broader index. In our work with our colleagues in the Regeneration Team and also with Transport for London, who are looking at this very closely as well, we can look at how we can better integrate our planning but also the specific regeneration improvements within different parts of London. That is an area of policy that we are going to --

Nicky Gavron AM: You talked about these very deprived areas. Does that mean you are going to have special zonal approaches to those?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): As we have in the current Plan, there is reference to areas for regeneration where we encourage boroughs to develop more integrated approaches to support the improvements of those areas. What we want to do in the new Plan is to strengthen that policy, pick up the links with development in the Opportunity Areas to try to better link in the new development areas to benefit the communities within those areas which are some of the most deprived, and also to link them more strongly with the town centres that overlap those areas in terms of supporting access to opportunities and services for residents living within those locations.

Nicky Gavron AM: It is very difficult because we are dealing with such a vast strategic canvas. Can you give an example? "For instance, this very deprived area will benefit from there being an Opportunity Area around it or near it"? Just to segue for a minute, are these very deprived areas overlapping with Opportunity Areas?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): Absolutely. Absolutely right, yes.

Nicky Gavron AM: OK, so they are within the Opportunity Areas. How will they benefit? Is there a neighbourhood town centre or nearby town centre? Can you give us one example?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): The example would be the Upper Lee Valley and Thames Gateway. Throughout the whole of those areas there is a very strong link between areas that are some of the most in need of regeneration in the country, and those areas also being within Opportunity Areas. Barking, areas within Newham, Canning Town and East Ham are in areas that lie within those broad Opportunity Areas but are also in need of regeneration. Not only will those areas benefit from new housing, new affordable housing, access to new jobs and employment coming into those areas, but they will also be potentially benefiting from improvements to the public transport infrastructure which is being planned to link with those new development areas. That will also benefit the existing residents in those areas, not only bringing in opportunities for jobs and new homes but also improving access to the wider labour market in London and wider opportunities across the capital.

Nicky Gavron AM: Earlier someone was talking about the importance of low rents and low entry thresholds and the importance of that sort of ecosystem. How are you going to preserve that in the face of what you call good growth but may not always be good for some of these users?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): That is a huge challenge. As the Mayor has been clear in *A City For All Londoners*, he wants to do more work to ensure there is sufficient workspace, ensuring that there is enough supply of workspace, which by definition should help to keep some of the rents down in some locations within London. We are also looking quite closely at policy around trying to ensure there is sufficient supply of low cost workspace, which is workspace which is not necessarily

subsidised. I will come on to the affordable workspace in just a moment but this is workspace which is not subsidised in any way. It is just the fact that maybe by virtue of its specification or its location, it is affordable. It might be within an industrial area where rents tend to be lower than they are in town centres or in central London, or it could be at the back of the High Street, the sort of places that Erin [Byrne] was talking about earlier, where they are not on the prime frontage. The rents tend to be slightly lower at the back of the High street, or in some of the more peripheral areas of what are the core town centres, not in the prime retail area. They might be in the secondary or tertiary area where the rental levels start to drop off. Those areas provide great opportunities for businesses, new start-ups to find new space at levels that are much lower than the prime rents that are in the town centres.

Now, in some parts of London, and we are thinking in particular about areas around the city fringe, there are going to be cost pressures on business space, which - notwithstanding all those things I have just mentioned - are going to put a lot of pressure on businesses and opportunities to find new space. We are exploring, as part of our work now as we develop policy for the new London Plan, which we will be bringing out in the autumn, whether there might be certain circumstances where it might be desirable to require affordable workspace. That is where there is some form of cross-subsidy through business development and some of the space is kept at below market-level rents for a certain period of time and that gives an opportunity for cultural uses, for social enterprises or other enterprises where there is some broader kind of regeneration benefit, for start-up businesses to take advantage of some of that space.

Nicky Gavron AM: Can we just understand this? We used to require - it was an aspiration to begin with and then a target - 50% of all new mixed use developments, if they had a residential element, to have some affordable housing. This is just an analogy. In those areas where growth is going to drive out - it will, you know it will in many areas of London, I get letters that it is happening - some of the ecosystem which we have been talking about up until now as being very important, you are saying that you have to accept that, but on the other hand we will be able to sort of have some kind of planning policy which says we want affordable workspace. "You, the developer, are getting whatever you want, but we want X amount of affordable workspace out of it." Is that what you are saying?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): There are two things. First of all, we want to make sure that in those areas, new business spaces are provided as part of the development. We are not going to put a specific X per cent on it. That will vary in each given case. We want to make sure that development proposals for mixed use development are providing new additional housing but also providing some commercial space in those mixed use areas.

Where there are specific issues around the affordability of that space, there may be certain circumstances where it is appropriate to seek some affordable workspace where there is some level of subsidy that is subject to the overall viability. Clearly, one of the issues is going to be the balance between meeting the Mayor's objectives around affordable housing and also transport. It will be weighed amongst all the different planning objectives, which is why our initial thinking as officers, in working with the Mayor's team, is that the affordable workspace, the subsidised workspace, would not be a blanket requirement across all types of space but could just be required in certain circumstances. It could be where there are particular cost pressures or where, as you mention, there is that risk to businesses that contribute to the character of the area, thinking around the culture and the city fringe and all those types of areas. In some circumstances we might want to look for affordable workspace as part of the scheme, but probably not a blanket requirement.

Nicky Gavron AM: I am getting letters about Hackney Wick, for instance, Albert Island and these areas, where in fact development pressures - and they are GLA development pressures - are threatening the existing uses. Some of these are small businesses. Some are creatives. They are not meanwhile uses. I am just wondering. Will this be grant funding? Will this be how the regeneration funds might be used?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): The affordable workspace could be either by a benevolent developer or a land owner or a trust, or it could be secured through a Section 106 [agreement arising from a] planning application. That is one of the routes in which it could be secured. There are examples such as Hackney and Islington, who are currently running policies around securing a proportion of affordable workspace on certain commercial schemes to secure that affordable workspace within their area for a time period.

Navin Shah AM (Chair): That time period will be critical because if it is a short period it is not going to work. The biggest problem is affordability and how you sustain that use over a much longer period. That is generally the problem with artist studios and similar cultural with artists sort of offers.

Denise has been waiting patiently to comment on issues raised by Nicky [Gavron AM]. Denise?

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): There is an awful lot of emphasis on start-ups and, yes, we do need to make sure that there is opportunity for new businesses to enter and so on, but we do not need to lose sight of the existing and established businesses in an area, particularly if we are looking for good growth. Growth is about starting a business and building a sustainable business that will continue to benefit the community in years to come.

The biggest hump for most small businesses is when they go from that start-up phase and possibly take on their very first member of staff. However, when you get to the two to three year stage, that is where a lot of business deaths occur because they suddenly find that the lease that they have initially has reached the end of its discount period or preferential period, or it may be that the lease owners want to make sure it is always occupied by a start-up. Suddenly, they then are considered an established business and then have to go out in to the Wild West which is finding property for a growing small business.

Now, small businesses like the quirky spaces. They will go to the ones that are not shiny steel and glass necessarily. I have one member that has moved three times now in the last five years. She runs a theatre company. She is giving sub-contracted work to 50 or more out-of-work actors, which gives them an ability to develop their crafts. She is running a business. She has props, she has costumes, she needs space, and every time she's found somewhere that is suitable she has got it on a short-term lease and has to go through all the pain of moving every time. Sustaining her business is quite a battle. Of course added in to that, I know we are going to come on to it later but the permitted development (PD) rights issue is also a big concern and I would like to explore that at some point this morning. I do not know if now is the right time to bring that up.

Nicky Gavron AM: We are going to move on to that.

Navin Shah AM (Chair): Andrew [Dismore AM] wanted to raise that issue so you can comment on that later on.

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): OK, that is fine.

Mark Billington (Head of Economic Development and Enterprise, Harrow Council): We have used the planning process to create workspace and we have had a mix of starter incubator space, move on space and then move on again, on a housing-led development. We have also used the planning process to create space for creative and media use. Just designating something for a particular use does not mean it is affordable, so we did use some regeneration money to leverage capital funding from the GLA to reduce rent subsidies for artist space.

For me, the critical issue is that it is not just about cheap space, it is also about revenue funding for ongoing business support. One of the projects that we run, which was really successful, was not just about giving someone space to test their ideas from a High Street premises. Without a doubt, from the feedback, all of those businesses would have failed if they had not had someone holding their hand, giving them advice around access to finance, financial management and market research in sales and marketing. These are very much the entry level, but without that support they would have failed. I would say I am not a great fan of cheap space unless it is linked up with almost incubation, where you are giving some ongoing support as well. I would certainly use that planning process to help create a space, but by itself it could be vacant or you could just have the same people planted there for 10 years or 15 years and not allowing for churn and people to move.

Andrew Dismore AM: We are just coming on to PD rights, which Denise wanted to talk about as well. We have seen this huge - particularly office - switch to residential. The area I know best in this respect is Edgware, but it has also happened elsewhere in Barnet too and also in Camden. To my mind the impact is partly the customers that would use the local businesses as well, because you have people working in these premises who will use the local shops, sandwich shops or whatever during their lunch time. When they are replaced by residential, it seems to me that the sort of people who are moving into these places are using it as a dormitory and are not using the local businesses in the way that they did before. You have the loss of the support network for the retail as well. You are losing the accountants, the lawyers and all those people who provide the back-up to the small businesses. I do not know if those are the issues you want to raise or there are other ones as well.

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): Our research has shown that about 38% of businesses that were converted to residential were fully occupied at the time they were converted. There were a lot of businesses that were kicked out, and 18% of them were part-occupied. We estimate there has been a cost of about 2,500 jobs by doing that. One example is Carlow House in Camden. You mentioned Camden. Carlow House had creative and tech start-ups and there were about 500 employees based in those businesses there. Each of those employees had about £70 to £80 per week discretionary spend in the local area with the local businesses, which just doing the simple maths gives you a loss of £40,000 per week to the Camden High Street area. It is these knock-on effects.

The Federation of Small Business (FSB) would like to see a new policy brought in that any current B1A office or B1C light industrial space must not be converted if it has more than 20% occupancy. The PD rights were brought in with good intentions to bring back into use derelict and unused buildings, but for all sorts of reasons it has been a little bit of a developer's charter. There have been some tactics by landowners and landlords to remove small businesses from their premises, even though they were viable, established family businesses.

Andrew Dismore AM: I certainly saw this in Edgware with Premier House, where I think about 130 businesses, charities, what have you, fully occupied, were all kicked out for a conversion. The other problem with PD rights is they do not even have to provide a proportion of affordable accommodation, like any normal planning application would have to do. Also on that one, the local Council's environmental people said they would not have advised giving it permission because of the environmental aspects of it as well. It is a serious impact.

Partly, it is whether or not the local council applied for the exemption and whether those exemptions are going to be sustainable. Barnet did not. Camden did for part of it but could not get the whole thing. The point you make is that it is a good thing if you are going to bring in long derelict abandoned property, which may be the case in other parts of the country, but in London it has had this appalling effect, particularly in outer London,

and is impacting on local economies, yet the Government seems utterly impervious to the argument. Sorry, Gerard, you wanted to come in?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): Absolutely, yes. We have just published in the London Office Policy Review some evidence and a quite interesting map that shows the impact of office to residential PD rights across London, particularly affecting those areas in and around the Central Activity Zone, just outside the zone where they are not exempt from the rights, but also quite strikingly across town centres across London, mostly west and south of London but also to some extent in the north and east of London as well. Yes, we are seeing - as far as prior approvals are concerned - a significant potential impact and as we were talking about earlier, that will have a knock-on impact on the vitality and viabilities of those centres.

Andrew Dismore AM: What are you doing about it? We have produced reports. We have the data. How is that being presented to Government and are the Government listening to any of this? I have not seen it so far.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): Well, we have had several meetings with the Department for Communities and Local Government highlighting some of the concerns and our monitoring work, which we have done very closely with the London boroughs, drawing attention to all the disadvantages around the lack of a requirement for affordable housing and all the other environmental standards in which those developments are delivered and also the impact on jobs, but it does seem that our Government colleagues are very intent on the numbers. The numbers seem to be what counts, in terms of the number of units which are being delivered as part of the office to residential PD rights.

What we are trying to do in our discussions with Government is to take the tack that the Government are interested in the numbers for housing, it appears, and we are also interested in the numbers but also the quality and affordability of those housing units. Rather than converting poor-quality or even occupied offices into residential, it would be better to manage that through the planning system, through redevelopment to deliver some replacement business space, if necessary, so we are not losing the business space. We are also delivering significantly more houses through greater intensification and better formatting of developments. We will actually deliver more houses, better quality houses and more affordable houses but we are not losing the business space if we do it as part of mixed use development.

We have been trying to promote this approach that PD rights do not work for London because we can deliver better outcomes, not just the outcomes that we have been talking about but also meeting the outcomes that the Government are interested in, which seems to be the numbers of units.

Andrew Dismore AM: Are they listening?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): It seems not at this stage.

Andrew Dismore AM: Yes, exactly.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): Not at this stage, yes. We are doing everything we can and we are working with the boroughs as well to support them with evidence where we can and to encourage them to bring forward the Article 4 Directions which remove the PD rights. A number of boroughs have done so and have managed to at least try to safeguard some of their key town centres and their key office locations. For those boroughs that have not yet done so, we would still urge them to do so in light of the evidence that we have just published.

Andrew Dismore AM: Are these options still open? I thought they had been closed down now for those that had not bothered.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): No, the option is still open to boroughs to bring forward Article 4 Directions. Indeed for the central London boroughs - Tech City, Hackney, Tower Hamlets, Islington, the northern Isle of Dogs - which are currently exempt from PD rights until May 2019, we are now going to be working with those boroughs to ensure they will bring forward Article 4 Directions for those locations to ensure that those nationally significant offices are safeguarded when the exemptions expire in 2019.

Navin Shah AM (Chair): Gerard, do you think there is a stronger case for areas which are defined as Opportunity or Intensification Areas? If you applied for Article 4, are you more likely to be successful?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): Our feedback so far from the attempts that boroughs have made is that obviously the borough-wide approaches - even when very significant, as the Camden case highlighted - were not particularly successful when they went to the Government. Where they are very geographically focused, particularly on town centres and core office areas, there was some acceptance, where there is good local evidence to justify those Article 4s. Those do appear to have been successful.

Navin Shah AM (Chair): Yes. Jon and Mark, what is your experience of that? Have you tried to venture through Article 4 Directions? What is your experience?

Jonny Birkett (Chief Executive, Nightworks): No, we have not. With us, obviously we have got a core office sector within the metropolitan centre of Romford. The other thing that will have an impact is the talent drain from the City. Being so close to the financial area, we are losing talent and we are obviously losing space as well. It is being converted to residential. We can learn from places outside of the City. Brunswick and Cornwall business districts, their strategy was incredibly strong where they had a very specific BID for their financial centre, but they also actively encouraged leisure into their business area, which equalled significant retention of the businesses within that area because it offered a full, rounded experience for people who work there and live there. As Gerard [Burgess] has rightly said, the problem is that this is not really suitable for particularly outer London boroughs or for central London because there are better ways of approaching mixed use development and encouraging a balance within the area. It is a significant issue that has been raised by most of the business community in Romford particularly. Outside of that, again, it is a common conversation.

Mark Billington (Head of Economic Development and Enterprise, Harrow Council): I do not work in planning but my understanding is that 1,000 or so housing units have been created through PD. It has been a huge loss to the daytime economy. Our estimate was around £65 million per annum. There has been a net loss of jobs. It was more than 20% of those businesses that were occupied. This is occupied space that we are talking about. We did go looking for Article 4 but were not successful. It is everything that you have said, Gerard [Burgess], around being able to intensify space far better through development and re-provide office accommodation or other workspace accommodation, as well as better quality housing as appropriate. We have also lost the Community Infrastructure Levy [on sites developed through PD]. There is fear that some of these places are going to be the slums of the future because of the poor quality housing. None of them address housing needs. We have a big housing need for larger families, we have high density levels, and the units that have been built through PD do not address any of those needs at all. We will welcome any support that you will give. We would be behind you or in front of you.

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): I just wanted to make the point that it is brilliant that there are policies being proposed that make sure that the

amount of commercial space and office space is protected, but in the drive to do those development deals, please do not kick out the established businesses because when a business has failed it is usually been secured by personal lending from the owner. They may have secured their business lending by their homes. If that business fails, it is a tragedy to that particular family because it affects everybody. It is not just about retaining the amount of space available. It is about retaining the businesses, not just the business space. Whatever policies that are developed need to make proper provision for continuity of existing businesses when those new developments are proposed by boroughs and not lose sight of it. Sure, London does have a higher turnover of business. It is a very competitive environment, but we do not need to have policies that exacerbate that any more than it is. We need to be looking after good, established, traditional family businesses that are employing people, filling social needs and providing community cohesion and value that you do not get from the much bigger organisations.

Nicky Gavron AM: What Denise has said was a bit what I was trying to emphasis earlier. I did not just mean the very early entry ones and start-ups. Businesses are - sometimes in the name of growth and good growth - not able to stay where they are and it is how we look after that, which is what you are talking about, and whether in fact there cannot be another way of doing it. I wanted to ask about your point, Denise, that it was about light industry as well.

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): Yes, it is not just about office space because 'light industrial' can include all sorts of things. I am thinking off the top of my head. It could be somebody that has some sort of textile business. It could be somebody that is doing picture framing. They are perceived as retail outlets but they do have an activity that is more than just sales. Those sorts of businesses do not impact in local neighbourhoods, they do not tend to make a lot of noise, but they are another additional type of business that needs to also be included in this. As I say, often in those old factory units that have lots of little units, which have lots of small businesses in, you do get a massive variety. It can be the tech business, right the way through up to the coffee maker. It can be the marketing agency. There are lots of things. One of our members is in public relations but they also produce the banners and the actual materials that wrap around things when they are doing the marketing and the merchandising that goes with all of that sort of activity. Therefore, technically, they are manufacturers as well as professional agents.

Nicky Gavron AM: Let me just ask you this, because in October the PD right for light industry is coming in. Exactly what we have seen for offices is being introduced for light industry. I was very aware the makers are light industry but you are saying there are some hybrid services.

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): It is the nature of small businesses that they often cross a lot of these nice little pigeon holes and this is where --

Nicky Gavron AM: How are they classified, then? Are they classified as light industry or are they classified as offices? Gerard might know that.

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): I am really sorry but I cannot answer that technical question. I will defer to the others.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): There is a blurring between the use classes order in this sense. They have the B1A offices versus the B1C light industrial. There may be some type of manufacturing or production process within a light industrial business. Where that can be carried out without detriment to the amenity or to residential areas, it is classified as light industry. It could be the marker spaces, the furniture, the fashion, textile designers --

Navin Shah AM (Chair): Similar use classes --

Gerard Burgess (Senior Strategic Planner, Greater London Authority): -- Yes, even some food preparation.

Nicky Gavron AM: Anyway, either way they are going to be clobbered now because of this.

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): That is right. That is why we are calling for --

Nicky Gavron AM: I can understand it, 20% should be occupied with offices. I am not so sure about that for light industry because a lot of what I understand is light industry is very small, like two, three or four people in a single premise and so on. Why can we not just say they should not be unoccupied? Why do we have to go for this 20%?

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): The reason we have done that is we understand that there is a dynamic flow of the tenants that are in there. They may not all have leases that end exactly all on the same date. We felt that more than 20% occupancy by floor space and the business use -- we actually did qualify it. I was trying to keep my answer simple and I paraphrased it. What we are saying is that if it is occupied by more than 20% by floor space and business use, it cannot be converted under PD rights for offices or light industry.

Nicky Gavron AM: There you are talking about a cluster of premises in one building, are you not?

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): Often these are the sort of businesses that are put forward --

Nicky Gavron AM: What you have just been talking about, OK.

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): Yes. For PDs, because it is the very small and microbusinesses that are the most impacted by the use of these development rights.

Nicky Gavron AM: OK. You are talking about a collection of microbusinesses in one building.

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): They tend to be, yes.

Nicky Gavron AM: Because a lot of these light industry premises are quite separate. They are not always clustered together.

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): Absolutely. They might be fully occupied because there is one business in it taking the whole space and that is a different kettle of fish.

Nicky Gavron AM: Sure, OK. I understand.

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): We do know of an awful lot of these clusters, which are essential to the health and sustainability of these very small businesses because those are exactly the sort of spaces that they need because they are often flexible.

Nicky Gavron AM: Yes. I am totally behind it. I am just trying to think of --

Navin Shah AM (Chair): -- This is something where the Mayor needs to find what can be done within London Plan policies to try to protect and make it difficult for those useages to disappear under PD rights.

Very quickly, Erin and then we need to move on.

Erin Byrne (Senior Project Officer, Greater London Authority): Yes. I was just going to say, related to the PD issue, it is so important to good growth that light industry still remains in the capital. If you look at, for example, areas like Old Kent Road, which are largely industrial areas and have a lot of different uses, including these quite fine-grained maker/light industrial uses, that is identified as an Opportunity Area and will be undergoing significant change. As part of the work that we are doing with Southwark in that area we are looking about being more ambitious about mixed use in terms of light industrial mixed use, because in some ways the planning use classes are quite a blunt tool for looking at the activities that businesses are doing. As you were saying, sometimes businesses are doing quite different things within the same premises. Through clever design you can make very interesting mixed-use developments that enable those uses to carry on. Therefore, as much as it is about protecting existing space, where we are bringing forward new development in Opportunity Areas and on High Streets it is about being more ambitious about including those uses in future development.

Nicky Gavron AM: That is very interesting. Could I ask one question about Article 4? A lot of boroughs, or a number of boroughs, have taken out Article 4 Directions anticipating the light industrial rule change coming up in October, [2017]. Does that mean they have been granted? Does anyone know? Have they been granted because they have taken them out in advance?

Gerard Burgess (Senior Strategic Planner, Greater London Authority): We do not have data yet on the status of all of those. We are aware that a number of boroughs have brought them forward, and it may be that a number of boroughs bring forward what is called a non-immediate Article 4 Direction, which means they allow for 12 months of consultation in advance of getting the Article 4 adopted and up and running. I think it is to overcome an issue around compensation with landowners who are affected. We will be doing some work over the summer with the boroughs to identify what the different status and progress is on each of those Article 4 Directions, which, as you say, will come into place in October.

The other point to mention is that there are provisions within the regulations for light industry that give boroughs an opportunity to protect a light industrial space that is within larger industrial areas. We are hoping that, through that, boroughs will be able to protect their light industrial space within the strategic industrial locations and their locally significant business areas. It is the smaller-scale stuff that you were mentioning that is going to be more at risk. It is those areas where we will be keen for boroughs to look, in particular, at whether there are particularly value areas where they might want to bring forward the Article 4s to help protect those areas.

Nicky Gavron AM: How firm is an Article 4 Direction? It is an instrument, is it not? It is a signature.

Gerard Burgess (Senior Strategic Planner, Greater London Authority): Yes, that is right. It removes the PD right. It does not stop the landowner from putting in a planning application. They can still put in a planning application but the planning authority then has the decision-making power, whereas the PD removes that decision.

Navin Shah AM (Chair): Can we move on to two specific areas, which are Harrow and Romford? Both have very ambitious regeneration programmes. To start with, what does good growth mean to you in terms of what

you are trying to do both in Harrow and Romford? That is one question, and also if you can tell us what has worked and what has not in your pursuit of a strong, big regeneration programme and what are the challenges you are facing in trying to access funding that is available? Do you want to start, Jonny?

Jonny Birkett (Chief Executive, Nightworks): Yes, I will start. It is an ambitious programme in Romford in regeneration. What does good growth mean for us in terms of experience? It is not just thinking about it in terms of economic growth. That is the first thing. It is also looking at it in terms of two other factors. One is wellbeing of citizens, to a certain extent, and also looking at it in the context of reduction of crime as well. It is those three elements. Obviously, some of that is down to the fund and some of that work is done to support the work that is going on.

One of the challenges we face is infrastructure. When you have a really broad ambition for a regeneration plan, you are also looking at the infrastructure to support the significant increase in population. Something I mentioned earlier as well, is we do have a gap in terms of not just application but also in terms of understanding. Trying to get it working on a wholesale basis, getting people on the same page, is quite difficult.

When I first came to Havering, my first analysis was based on where the gap was in terms of the town centre and the growth in those activities. What we discovered was that the first element was centre management, as we did have the appearance of a town centre managed within the metropolitan centre and small-town growth in particular areas around it, but it was not up to the level of capacity required to support wholesale change in our centres and our areas. That is something we have had to look to address along with physical changes. It is also the above-the-line work as well.

We obviously have a perception problem in Romford as well, which we have to face up to and address. The political shift and the infrastructure change in terms of local government, to be honest with you, have not aided some of the delivery of the work we have been planning to do. We have had some successes, which is good. Application and methodology has improved as well as the understanding of good growth in the growth of the overall centre.

One of the focuses that we have had to address over the past particularly 12 months is the missing market. We have realised there is a gap in terms of the usage of our centres. It is very much a mono market, mono sector. What we are trying to look at now is gender usage, different ethnics and culture usage within the area. That missing-market improvement is coming to the town centre and that has impacted on the decisions we are making in terms of the physical developments and again in terms of the management as well.

Successes: the inclusion of the BID, which goes to ballot in September [2017]. It is quite an ambitious and well-rounded BID plan for the centre. The growth in terms of developing the management in areas is also coming to the forefront. Physical works: we have had some challenges in terms of the market, which is one of those elements that was absolutely key to Romford. If I am being brutally honest, the problem there was the consultation and the engagement with the community, as well as the political influence not being strong enough. That has caused an instability in terms of decision-making. The vision has been there but the confidence, in terms of taking the project all the way through that was originally placed, is not quite there at the moment so it has gone to reassessment.

In terms of the two physical areas, the New Homes Bonus work that we are doing as well is moving forward incredibly positively. The Bridge Close development in the Romford town centre has moved forward at an incredibly strong rate and the quality of the homes and the mix of that space is very, very good. I would not say it is future-proofed but it is looking suitable for the market in five and ten years.

The overriding issue that we face to a certain extent, which we touched upon in the first element in terms of growth, is that gap. We have quite a strong retail resilience and we have done, which to a certain extent has made us quite confident as we move forward to some of the plans and decisions we have made. As that has progressed since 2008 we have seen that gap in the leisure market for us.

We aim to create an 18-hour economy. That is what we are focused on. We cannot be a 24-hour economy, we will have to be an 18-hour economy, but a balanced one and a diverse one. Some of the challenges we have been facing for a long time we are now trying to pick up and deal with. The gap is one, and even our economy and usage. Our local district centres do very, very well to a certain extent in terms of usage. They are relatively resilient, but our centre has that gap within that three or four hours. There is the cost of starting a business and sustaining a business. It is not just new business. We are very good there. It is about retention of the businesses we have, helping them evolve, adapt and develop to suit that need. We face that issue both in terms of retail and very much so in terms of leisure and office sector specifically.

Navin Shah AM (Chair): In your opening comment on challenges, you mentioned infrastructure.

Jonny Birkett (Chief Executive, Nightworks): Yes. With the significant increases in population, things like accessibility to our centres, hospital usage, education, those elements, we have to look at how we are going to tackle that. We have a responsibility to increase the population of the town. That is a very, very positive element in terms of economy and usage, looking at how these new spaces that we create or these new residential areas that we create access the town centre, so that we do not just create either a ghetto or an element that is outside, and to make sure that we do have the infrastructure, the support and the services necessary for that growth in population and the type of people that we are going to get within the centre. Otherwise, obviously, we will not attract --

Navin Shah AM (Chair): How can the Mayor and GLA assist with this structure of general capacity if that is an issue?

Jonny Birkett (Chief Executive, Nightworks): Support. There are two elements. Firstly, the funding creates a cycle of opportunity. If I am going to be brutally honest, a lot of the centres need to understand firstly what type of centre they are, who their market is and who they are looking to attract, and get a real genuine understanding of that. Not what the centre wants to be but what the centre actually can be in five or 10 years. Then it can make a solid plan. Therefore, the opportunities when the funding comes through and the GLA support is there, it is not just, "This seems a great idea, this is what people are saying they want", either at community level or political level. It is, "This is a necessity and a requirement", which will make the argument for the application for funding a lot stronger. Also the measurement of the key performance indicators that we place down there should not be just to get the money, it should be to meet the actual need of where we are going to be in five or 10 years.

That harks back to what I said at the beginning. It is understanding what good growth is going to be and where your place needs to be in five, 10, 15, 20 years' time and looking at the lifecycle of the citizens within the place.

Navin Shah AM (Chair): As to other resident/stakeholders with you in terms of what division of regeneration the Council has --

Jonny Birkett (Chief Executive, Nightworks): There are two elements. Firstly, again, that gap that we saw in terms of that capacity, the engagement in terms of BIDs. We only have one in the entire Borough, soon to have two. Are the community aware of this? We have just done a recent survey in Collier Row. It was an online survey just generally about the feelings of the place and what they would like to see happen. Within a

period of four days we had a response rate of 200 to 300 communities and residents, and it was not incredibly negative, it was actually incredibly realistic. That has given us a good identification of the kind of work that we are going to take back to them to do, and that can be quite short.

In terms of the actual business community themselves, what we have seen over the development of the BID in the metropolitan centre is really good engagement, but they feel neglected in terms of the use. They feel that they can only control 50% of the business. The 50% outside of their door the international/national environment impacts, and also locally.

Therefore, the short answer to your question is potentially no, I do not think they are and we have to get a lot better. This is across the whole piece about engaging with communities and really getting an understanding of what they require and what they want, but also our responsibility to manage expectations. It is good to be aspirational but they obviously have to be realistic in what they are going to get and what they can deliver.

Navin Shah AM (Chair): You said the interesting issue about engagement of small businesses within that infrastructure or regeneration. Do you think you have that engagement with small businesses for empowerment when it comes to improvement of the district centre, how those are run?

Jonny Birkett (Chief Executive, Nightworks): In terms of business improvement, we are getting that now, but where we have had significant success is with social enterprise. That has been one of the most positive things that has come out the crash between there and now is there are organisations that have grown literally about wanting to change and do something really, really positive for a centre or a place. We have to ask ourselves the question of whether we are investing into those organisations and we trust them to do some of the bigger work, because what we are seeing there is better engagement, more innovation, more aspiration. They are creating gaps within centres that we as local authorities cannot actually deliver. That is where the secondary support - and I think you touched upon it Erin [Byrne, Senior Project Officer, Greater London Authority] as well - is that broad base built between those organisations that have grown. We have to get a lot stronger engaging those and using those arm's length, cultural generation companies, community-based regeneration companies. Things like town teams.

I was part of the Portas Pilots for the Department for Communities and Local Government; I was one of the advisers on that. A lot of enthusiasm but not a lot of structure and not a lot of planning because they did not feel that the money was going to come to invest into the projects to see the change. There is a gap there, particularly within district centres and the smaller areas. If they can be empowered and also funded I think we will actually see some very strong work that hits that whole trinity of not just economic growth but greater wellbeing for the community and also a reduction of crime. That meets the basis of Maslow's hierarchy of needs, really. We are giving them what they need but we are also making them feel safe and secure, which I think will see greater use of a centre. If we keep measuring it by just purely economic growth, we are always going to be in the same seat all the time, really, seeing the challenge. It is about whether people are happy, content and actually getting a well-rounded experience within the centre.

Navin Shah AM (Chair): Mark, we had a very good site visit to Harrow, going around Wealdstone and Opportunity Areas, etc. Do you want to give an overview?

Mark Billington (Head of Economic Development and Enterprise, Harrow Council): The first thing you said was what good growth means to us. In our regeneration strategy we looked at three areas. One was place, which is homes, the town centre, schools and the infrastructure. The other one was communities, and it is really about how people benefit from that, so it is about addressing worklessness, addressing low skills, addressing low pay, which are real issues. Low pay is a big one where we are because our job growth has primarily been low-paid jobs.

Then the third thing is around businesses and again it is ensuring that that regeneration programme, local businesses do benefit and we do develop local supply chains and that we are also supporting business growth, start-up but also growth of existing businesses so we have that holistic approach.

What has worked for us? I started a list of things beforehand and obviously I can give you areas of the job growth that we have had and we can give you figures on private-sector investment which has been levered into the Borough. Obviously we set up our BID as well. But as to why things worked, there are probably a few reasons. One of them was that everything that we have applied for through the GLA has been based upon existing plans: based upon the core strategy, the area action plan, our regeneration strategy. Therefore, it has not come from nothing; it has come from having a need.

The other thing is there was strong political support. Again it has been championed by the Deputy Leader, who was also the portfolio holder, but it has been agreed through every Regeneration Board. Then once we have something agreed, there are local programme Boards with Board Members that are part of that decision-making process. The third thing was that on our side there has been really strong business engagement. The programme in Harrow town centre, the first one, actually, led to the creation of the BID because the three anchors, if you like, St Anns, St George's and Debenhams, are really keen on them. They are actually creating a BID and taking ownership of that area and almost taking ownership from a vacuum that was created because we did not have funding to invest in additional town centre management or address antisocial behaviour.

The other one again, Station Road. The local businesses there were really keen on creating an identity for their area. We had a shopping parade which did not even have a name. How can you have an identity of, "Just come along to --"? "Come along to Station Road, which has 1,500 units on the bloody thing and you might find us in the middle somewhere." They were really enthusiastic about that. Our engagement as well. I said to you earlier we work through a whole range of different organisations to try to get out to businesses. I am glad I have met Denise because we can work with some more now.

Challenges. I will do some different challenges from Jonny, otherwise it is going to be the same. There has been a real issue sometimes on land ownership and landlords when it comes to regeneration programmes. There are particular schemes that you may want to implement, but actually trying to identify who the landlord for the area is, is incredible sometimes when you look at multiple units in town centres. That stopped one of our regeneration programmes in the town centre in relation to ancillary lighting. It was a real issue in trying to identify landlords for popup shops and bringing space back into use. Then when we did identify them often they wanted unrealistic rent levels because they heard that we had regeneration plans.

The third one. There is no one [here] from Transport for London. If there was, I would look at them and say, "It is all your fault". It took nine months to agree an easement to put a 100mm drainage pipe from one piece of parkland to another piece. Some of the problems you have around those are really silly.

The other thing - and I will be critical because we are allowed to be critical - is that one of the problems here is that we attend design panels and design review panels. It seems to me sometimes has been that the process over the last few years has been a design-led programme rather than a programme that has been addressing deprivation. Often it is, "The design has to be doing this, we are not really interested in sustainability in relation to the materials that are being used, how are those materials going to be cleaned, the operation of particular buildings, because we are focused on design."

If we were addressing a social or economic panel the pressure would have been completely different because you would be asking questions about, "How many people have you supported into employment? How many

apprenticeships have you created? How many businesses are benefiting from what you are doing?" The questions are always around design. If you want the Good Growth Fund actually to be different then you need to think about the sorts of questions that you are asking the recipients of funding, because at the moment it does feel like it has been a trickle-down approach to regeneration in relation to addressing deprivation in areas. Again, we can talk about job growth, but you are not measuring how many local people have benefited from actual growth. Those are some of the challenges.

Navin Shah AM (Chair): Thank you. Erin, you wanted to respond.

Erin Byrne (Senior Project Officer, Greater London Authority): I was going to respond, yes. We have been having that conversation a lot in our team in the development of this fund. Last night, as I said, the Mayor launched our Good Growth by Design programme. Obviously, it has the word "design" in it but the idea is that it is design in all forms. The Mayor has also appointed a panel of what we are calling Mayor's Design Advocates, but they are actually not all from a design background. The idea is that it is looking more holistically at projects, like the environmental benefits, the place benefits and social benefits. It is more a holistic look at what makes a good project, and design is one part of that. It is also the design of the process of the project rather than design being just the physical regeneration aspects. Therefore, there is a concerted effort from the GLA to look at good growth more holistically and think about the social impact of things.

Also on that point that you made about making sure that beneficiaries of jobs are local, for example, like are local people benefiting. We are in the process of rewriting our outputs handbook so that we are not just counting jobs, we are also looking at equalities data, who are those people who are getting those jobs, and looking at both emergent - new people coming to the area and accessing jobs - but also the existing community. Because there has been some discrepancy on evaluation we have done on previous projects, where people feel like new arrivals to the area are benefiting more than existing communities or existing businesses, so it is about trying to address that in the new funding programme.

Navin Shah AM (Chair): Denise, do you want to reflect on anything you have heard?

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): Thank you very much for inviting me along today. It has been good to hear a lot of the topics that are being raised, and reassuring that a lot of our concerns are understood by people here today, thank you. Just carry on protecting our small business community in London. We do not want to become a dormitory London that everybody is on the outside coming in or living on the inside and going out. I do not think our transport system is set up for that. We want to preserve London's unique personality. Protecting our town centres all across London is the way to actually do that, we believe.

Andrew Dismore AM: That is an interesting lead into to what I was going to ask about, which is particularly to Jonny and Mark. It was about the cultural offer that can also come with it. I suppose in that context I was going to ask about the night-time economy as well and whether you see that as part of the project.

Jonnyn Birkett (Chief Executive, Nightworks): Shall I go first? It really needs to be centred. Where we have seen some success is with the cultural regeneration organisations we work with, and they have actually managed to marry both business incubation growth with a cultural offer. Again it is that missing market I talked about, creating new things within that area. When we have given them support, what we have seen cultural incubator history, entertainment programme, street art, and they have done it in such a significant, quick and high-quality way they have got international recognition for some of their work. That is where we really feel we can win on a regular basis.

In terms of night-time economy, I have been working in night-time economy for ten years. Nightworks focuses on diversification and self-regulation, so coming into Romford was quite an interesting piece of work. We do some really good work in terms of the night-time economy because obviously there has been a still is a perception problem for the night-time economy in Romford particularly, where they struggle. It is not just resource, it is about attracting new business. Also, the instinct is to move towards more command and control. The question is: does command and control, clustering and monoculture in terms of alcohol, work in terms of diversifying and attracting new business? The answer is no, it does not. There has to be more self-regulation but we are trapped in that area in Romford particularly as the major centre of the night time because it is relatively successful but it still captures that 18- to 24-year-old market.

What we really want, which suits the modern need of the centre, is more restaurants, more places suitable to people who do not want to drink alcohol, and more leisure activities. We are starting to see that but it is still tentative. Those small businesses that grow, who are innovative and actually put themselves forward, the market is not quite strong enough to attract them into the centre, so it continues the cycle.

The second element is that we have a lot of clustering in Romford in terms of the night-time economy. The bars are all together as soon as you get off the station, which means that it is not a welcoming centre where people come with a family or a slightly older person. Those elements in terms of solid infrastructure, again lighting and environment, we cannot meet the need for that change. But we also, because of PD, cannot encourage restaurants to come into a different district of a different area. We are relying quite heavily on broad, sweeping change, where in fact more restaurants, more leisure areas in the office district for us or in a slightly more deprived town street just off, just is not possible at the moment.

We are referred to as the cultural wasteland of Greater London, which is not a nice label. I would like to fully challenge that and we have seen quite a lot of grassroots movement but the funding is not there. It is the responsibility of local authorities to really shift and to see those two things as an absolute priority for us.

Andrew Dismore AM: In parallel to what is going on here, I am on the Economy Committee and we are doing some work on the night-time economy more generally. We had a workshop last week and many things came out of that. One thing in particular was that when we talk about the night-time economy, we are actually talking about two different things. We are talking about the evening economy and the night-time economy and the two are not necessarily the same thing.

Jonny Birkett (Chief Executive, Nightworks): Exactly, yes, I agree. It should be evening and night-time economy. We had an issue in terms of diversification and self-regulation. We were talking about this with the first round of triple As with the Home Office at Nightworks. What we found was people were often saying in the centres we work with - and this was nationally and not just London - "Yes, we want to diversify our evening economy or our night-time economy" but in the general assessment of their volume or value, the mix just was not solid enough. We had to do a solid assessment first. If they did not have a Purple Flag, then they did not have the gap analysis that was required.

Secondly, night-time economy is something completely different to different sectors and different demographics, completely. An evening economy is the bridge between the daytime and the night time. You can encourage daytime operations to diversify. I am seeing night-time bars now that are strong drinking establishments, and although well-run and good operators, have small children areas in the daytime, which is a positive move in the right direction.

To create an evening economy, you have to have something that those who work and live in the town centre want to come and engage with. Within the free market economy you have at the moment, attracting those businesses into outer London boroughs is incredibly difficult. You have to rely on incubation spaces, creative

cultural organisations to step in there, or soft interventions, night markets, things that you can control that change the feel and environment of the place. Therefore, you need a strong evening/night-time economy strategy in a holistic 18-hour model. If you have that, you can move towards it quite comfortably.

Mark Billington (Head of Economic Development and Enterprise, Harrow Council): Culture.

Navin [Shah, Chair] mentioned earlier that the Committee came down for a visit to Wealdstone where they saw the artist place that we have just created. I was pleasantly surprised, because when we said that we were going to create the first affordable artist studios, or even the first artist studio in Harrow, I assumed that the market would be from all of those people who cannot afford to work in East London any more. Actually, the units have been let and they have been let locally, so there was a local offer that we were not aware of. Perhaps I should have been aware of that, because one of the things you mentioned earlier was social capital. In the earlier funding rounds, when we have had popup art galleries, that art had all been done from A-level art students. When we did something in town centres before and we created banners, all of those banners celebrating getting schoolchildren to think about their relationship with their local shopping centre were created again with artists working with schoolchildren.

Therefore, there is a lot that you can do on the arts side that is not necessarily how you would traditionally think about things. On the traditional thing we secured money from you to build our pavilion/café, and that pavilion is being used as a centre for performing arts in Lowlands. I was there last week and it is working well and I am pleased. We are starting to grow a cultural offer in the Borough. Unlike Romford, Jonny, we are not dead in that area but our night-time economy is probably dead.

When we have had events in the town centre, it is quite striking because at about 6.30pm or 7.00pm, after you have had the event or after something has been going on, it is, "Where do we go now?" Suddenly, everybody has just closed the doors. Again, it is sometimes a landlord issue because the landlords at the big two anchor stores, St Anns and St George's shopping centres, close up and the tenants have all been told that you close at this particular time. Therefore, I have probably learned from Jonny and Denise, so I'll sit and chat with Jonny about learning about the night-time economy and we will just do a little bit more engagement with Denise's members on the business side.

Jonny Birkett (Chief Executive, Nightworks): Again with the cultural work we have done - and I just need to say this - I do honestly believe that without the support of the GLA and the funds we would not have seen the growth of that cultural element within Romford itself, because the organisations do a significant amount with little. The Retailery project has been a rip-roaring success, generally. They incubate 14 businesses so far, both leisure and professional services, and the street-art programme, we would not have seen that in Romford, because we actually do get resistance from a political position on this. Community-wise, at the officer level, it is embraced and encouraged and we have had significant support from the GLA to get that going, but it does feel sometimes they are pushing against the tide, so additional support probably would be good.

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): Can I just add one extra bit regarding the night-time economy and the cultural exchange? Especially with the push for more housing as well, you often get tension with residential and business, especially where there has been a really beautiful, long-standing traditional cultural entertainment venue that suddenly ends up having to have ridiculous requirements to put in sound insulation or to close their beer garden at 9.00pm because the local neighbours do not like to hear sounds in the garden and things like that. Therefore, there does need to be more direction in town centre areas to protect the businesses that are established when new residential opportunities arise.

The other point I would like to make as well is that with the night-time economy, do not forget all of these businesses, and the daytime ones, all need to be serviced. Now, the Mayor's Transport Strategy is out at the

moment and obviously the FSB will be making a response to that, but we do need to make sure with night-time economies as they develop that thought is given to how you actually service those businesses that are operating at different hours to conventional business hours so that they can actually receive the goods to keep the businesses going. Again, that can be a problem in some boroughs because of the London Lorry Control Scheme. I know there is a review going on of that which we have contributed to. Again, it is part of it but it is often the unseen part of how an economy or a particular commercial operation actually is happening. We all need the deliveries. At the end of the day, if the pubs run out of beer, they cannot sell any, can they?

Andrew Dismore AM: Those are the sorts of points you can take up with the Economy Committee and it is important that you find the right balance between residents and businesses. If the businesses are there first, it is bit like living next to a fire station and complaining about the hooters or living next to a church and complaining about the bells on Sunday. The question is what comes first. But if the residents are there first and then you get something plonked on top of them, then that is when you have grounds for complaint.

Denise Beedell (Development Manager, Greater London, Federation of Small Businesses): That is a different thing because the business understands, but there have been too many examples - it is not just a London problem, this is a UK-wide one - of noise complaints. I am aware The Arcadian Centre in Birmingham had a real problem with the new flats that were built near it and they actually closed down a very, very long-established entertainment venue as a result.

Nicky Gavron AM: The Mayor is now coming in as the agent of change.

Andrew Dismore AM: Exactly. That is the answer, really.

Nicky Gavron AM: That is the answer, and it is going to be hopefully applied to industrial premises too. It is incumbent on the developer to make sure that the noise, the dust and all the different things that you want your potential residents to be insulated from, they are insulated from.

Andrew Dismore AM: The example of that was the Curzon Cinema, where they developed that property.

Navin Shah AM (Chair): We have had a great discussion. That is the end of our conversation on the regeneration and growth of town centres. May I, on behalf of the Committee, thank all of our panellists for coming along today and making some vital contributions? Please feel free to write in if you have any further thoughts or input you might want to provide.