

Regeneration Committee

16 December 2013

Transcript of Item 5: Outer London Fund

Gareth Bacon (Chairman): Let us move onto the main item of business, which is to examine the rationale for the Outer London Fund and its impact. The first question is to Mr McKee. Why was it that London's high streets needed an Outer London Fund, what did you want it to achieve?

Will McKee CBE (Chair, Outer London Commission): It is worthwhile just painting a very brief background. The Mayor set up the Commission because there was a feeling over quite a long period of time that the Greater London plans had concentrated on other aspects of London's planning future and had, to some extent, left issues in outer London to be tackled. In particular, the Mayor was concerned that the performance of economic growth in outer London, which was significantly behind inner and central London, and that of towns outside of Greater London. The Mayor established the Commission to look at the ways in which the performance generally of outer London could be lifted economically and at the same time to look at some of the other related issues with that. The latter included the town centres.

Our first report looked at those issues and out of that came a general view from the Commission that there needed to be additional investment into outer London and the town centres in order for outer London to improve its economic performance and address some of the issues and problems that we had identified. We did not specifically recommend that the Outer London Fund be set up. That was an initiative of the officers at City Hall who, taking that general direction from the work of the Outer London Commission, addressed how the review could best be dealt with by means of a fund to direct investment into particularly the town centres and high streets of outer London. It was not our specific idea, but we did address the general need to direct investment into outer London and in particular into the town centres to improve their economic performance.

Gareth Bacon (Chairman): Did you view it as a pump-priming mechanism, or something that could be relied on in perpetuity?

Will McKee CBE (Chair, Outer London Commission): At the time, we saw the need to do something and quickly. We also recognised that there were structural issues with outer London which would require other forms of investment over longer timescales. The first round of the Fund began with immediate pump-priming initiatives that could be done immediately and then a second round looked at other initiatives concerned with more long-term physical and structural change. Since then, the circumstances in which town centres in general now find themselves - and this will be a part of our current round of work, which has just been recently

reported to the Mayor – means there is a need for a much more fundamental structural review of how town centres operate.

There was no view in the Commission at the time that the Fund would necessarily exist in say 20 years' time. However, since the Fund was introduced the Commission would say to you now that in view of the significant structural issues in the town centres which have emerged, the action needed still requires a combination of initiatives, both the kind of initiative which the Outer London Fund has addressed but also probably more significant infrastructure and land use changes which will take a much longer period of time. The circumstances since the Fund was set up have changed. Retailing is now undergoing a major structural change and it has to be addressed.

Navin Shah (AM): Mr McKee, do you reckon that this investment actually contributes in any way towards both opportunity areas as well as intensification areas as defined in the London Plan?

Will McKee CBE (Chair, Outer London Commission): My personal view and that of the Commission is, yes, it has. At our various meetings which we hold with the outer London boroughs I have heard nothing but a wish to continue with the initiative. The boroughs have seen it as producing benefits which they value. Certainly when we have been consulting them on the third round of our work in the last couple of months, without exception the boroughs have said that this is an initiative which they feel has produced benefits. Moreover, they were able to demonstrate to us what they were and that they see a need for that to continue.

Navin Shah (AM): I have some reservations about this in its entirety. Certainly, they are having a positive impact. The nature of the funding is one-off. You had a first round and a second round. There is a third one coming up, I believe. We do not know what the future of this Fund is. My worry is how sustainable it is because not all boroughs attract other sources of funding. Some boroughs are good at it. Outer London boroughs particularly will not have access to funding like some of the inner London boroughs have. That is where the problem is. Once the Fund dries up, there could be a decline to where things were before. This is my concern.

Will McKee CBE (Chair, Outer London Commission): I cannot answer how sustainable it is from the Greater London Authority (GLA) point of view. Debbie [Jackson, Assistant Director for Regeneration, GLA] must answer that.

However, I will say this. What we are trying to do is to create a new sense of place and a new, revived economic vigour in town centres. There is a place in that for both short-term measures and longer-term measures. At some point in the future, if those measures are successful, then town centres will have reshaped themselves and they will become more able to exist without pump-priming investment. I cannot tell you when that time will be, it is certainly not now. We are still in the middle of the kinds of fundamental changes which have to take place. The two kinds of approaches have to be looked at together.

If I can just cite an example, there are some parts of London's town centres - I will not name any of them, but it is typical of many of them - where, quite frankly, there is going to have to be structural land use change from retail use to a different one in the future because there are too many shops. Generally speaking, retail is now over-shopped in this country, including in London. Some parts of town centres have to change their use. It makes little sense to go and put significant short-term investment into the parts where this structural land use change has to take place. However, it does make sense to put such investment into the remaining parts which still have a retail future and which by improving them, can contribute to the long-term future of the town centre and its vitality.

Navin Shah (AM): To me, it is kind of factual. I am happy to be representing Brent and Harrow. When I look at Brent, I believe it has been pretty successful with these opportunity areas, the whole scale and variety of regeneration. The other example, Harrow, whilst economically it seems to be on an upward trend, economic regeneration-wise, there are still 10 or 15-year-long overall plans to regenerate. There are areas which are pretty much blighted within the town centre. That is where my worry is. Unless there is a sustainable fund, a real regeneration fund as well, it may not quite do the trick.

Debbie Jackson (Assistant Director for Regeneration, GLA): The first point I would make is that when we were awarding funding in either of the rounds, Round One or Round Two, one of the criteria that we looked at was the sustainability of the spend. What we were looking at was to ensure that what we were doing through our investment was not just subsidising something that was then, in effect, going to fall off a cliff when we walked away. That is the first point I would make.

The second point I would make is that with Round Two in particular it is capital-heavy anyway, so it is for investment in capital schemes which then are intended to provide a boost to the town centre, but there is a start, a middle and an end to those schemes. Having said that, in all the places that we are working, we tend to have a blended offer of interventions. For example, you will hear colleagues from the boroughs talking about a range of different things that are being delivered through the Outer London Fund. These are all designed to provide a boost and provide a sustainable boost to the town centre. For example, some of our funding may go towards the setting-up of a bid which can then continue after our funding ends, so we are not in the business of subsidising. We are in the business of providing a boost to activity in town centres.

That is not to say that our work is finished and I am sure many of our borough colleagues would come up with proposals for what a next round could deliver, but it is not to keep going a level of investment. It is not to continue Round Two. It would be for the next boost or the next step up. That is how the Fund is designed, rather than a subsidy to activity.

Navin Shah (AM): We have been talking about town centres and, yes, there is a case for those. Are we looking at those little high streets and district centres, which certainly are in a major decline, suffering from competition from large-scale supermarkets? Are we going to look at them separately? Is that a thinking that you might be promoting?

Debbie Jackson (Assistant Director for Regeneration, GLA): If I talk about what we did for Round Two, first of all, Round Two was over two years ago and in the meantime quite a lot of evidence has emerged that presents a much stronger narrative of the situation you and Will [McKee CBE] have been describing. When we were at the allocation stage for Round Two, we did not know or understand as much as we know now in terms of the future of town centres.

The allocation of the Outer London Fund did not acknowledge the planning distinction between major districts. We simply demonstrated the outcomes that can be delivered, and the case for investment. We did not acknowledge the delineation in planning policy terms because we did not feel it was particularly helpful for the allocation of our funding to do that at that stage.

John Biggs (AM): This is a slight tangent. I was interested in something Will McKee said about the fact that some retail centres do not have an obvious future in their current form. That implies that boroughs need to review their planning documents and their strategy plans, but I note from my limited experience that very few boroughs are willing to surrender a retail centre. That would imply that we are going to muddle and make do if we are not clearly led in our objectives on this.

Will McKee CBE (Chair, Outer London Commission): Two things on that. One is, certainly as far as the London Plan provides a context for the local plans, the Commission will be saying something to go into that Plan that will deal with the issues you have mentioned.

I would put it just slightly differently to the way that you said. Town centres in the past have been able to rely upon their retail offer as probably their most important element of the vitality of the overall place. They are not going to be able to do that to the same degree in the future. For some, they are not going to be able to do it at all because that is the degree of the structural change. Local plans do need to adapt to that. There are other opportunities which have to be seized.

The one thing that the Commission totally agrees with - and agrees with the boroughs - is that town centres matter so much that something has to be identified which will, in a sense, create the other circumstances for vibrant centres of the communities in which they are located. The plain fact is they cannot rely upon retail to the extent that they have been able to in the past, other than in the very strong centres. Out of 6,000 town centres in this country - and I know that is rather more than are in London, but it will illustrate the point - about 100 are identified in the retail industry as being somewhere they would like to invest in a significant way in the future.

John Biggs (AM): OK. Very interesting. It is certainly worth noting that and we should return to our main line of questioning. I have been asked to question Debbie Jackson and we have already ventured some way into this, but I thought I would start with Will McKee. It is about the mechanics of the Fund. Can you tell us about how well supported you were and how that helped you from the Commission's point of view to point the Fund towards the right sort of priorities?

Will McKee CBE (Chair, Outer London Commission): Most of the credit for the way in which the Fund was set up is due to the officials here. I do not say that to be flattering, but they did most of the detailed work. I was a member of the committee representing the Commission and I was able to comment if I felt it was not in line with what we have been saying. That was not the case. It was in line and I certainly agree with what Debbie said to you just now. We did not draw a distinction between metropolitan centres or local centres or other retail expressions. As far as the Commission was concerned, we identified the issue and gave a pointer to the way that it might begin to be addressed - and I stress 'begin to be addressed' - and the GLA took that forward and devised the scheme which was subsequently implemented. The strength of it was the point about having a first round of quick fixes that could be done straight away and the second round concentrating on some of the more longer term, structural things which now we know have to have an even greater emphasis.

John Biggs (AM): Perhaps if I do my questions back-to-front, can you just spend a little bit of time talking through the selection criteria and how you have weighed those up? Is it purely pragmatic? Ruthlessly ideological? Somewhere in between?

Debbie Jackson (Assistant Director for Regeneration, GLA): Yes, the selection criteria. I think you have been sent as part of your paperwork the prospectus that we sent out for Round One and Round Two.

John Biggs (AM): I am not too sure if we did see that.

Gareth Bacon (Chairman): It has not been circulated.

Debbie Jackson (Assistant Director for Regeneration, GLA): I do apologise. I have it here and I can tell you what it says. It is on the website.

Let me talk about the process a little bit first of all. For each round we produced a prospectus, so this is Round One. The one for Round Two looks very similar. The prospectus set out what we were trying to achieve. It set out the process and also how we intended to evaluate the bids that came in. We gave an indication of the different headings that we would evaluate the bids under. For example, for Round One, we would look at geographic suitability, deliverability, vibrancy and growth and place-shaping and collaboration and support.

John Biggs (AM): Just about everything?

Debbie Jackson (Assistant Director for Regeneration, GLA): By necessity. It was a very non-prescriptive funding round insofar as we told people what we wanted to achieve - promoting the vibrancy and growth of town centres - but we invited boroughs to devise the actions that would achieve that. We did not say, "There is public realm. There are shop-front improvements. There are bids". We said, "You tell us what works. It is not for us to tell you what works". Therefore, we had to be wide in terms of what we were setting out for evaluation criteria to accommodate for what we expected to be a wide range of bids coming in. You can apply a certain amount of science to the evaluation criteria, but you are not necessarily comparing apples and pears. Again, you need to look to the outcomes that people were looking

to achieve and whether the proposed investments delivered the value that the boroughs were suggesting for each of the proposals.

Back to process for a moment, we pulled together a cross-departmental team, so we involved officers from across the GLA to evaluate the bids and, as you would expect us to do, we moderated that and we presented recommendations to the Mayor in terms of what we would take forward. In some ways, it felt like a traditional award in the same way as we go through when we procure and award tenders, but perhaps slightly less so because of the sheer diversity of what was here. You had to allow for the fact that every single project was different and every place is different, so it is not quite as scientific as it would be for a tender where it is an input-based tender and you know exactly what you are bidding for.

John Biggs (AM): How do you deal with the conundrum that a struggling town centre will give you almost certainly a lower rate of return than a thriving one, and in terms of getting a good return on the overall investment, you will be torn in two directions?

Debbie Jackson (Assistant Director for Regeneration, GLA): It is about relativity. I agree with you, if you compare a thriving, big town centre with a smaller town centre and what can be achieved, then perhaps the smaller town centres will always lose out. It is about looking at the scale of investment that is being proposed and the return. I use 'return' in inverted commas because in some cases the return can be more quantified in terms of jobs and public realm and things like that. In some cases it is more about confidence and footfall. We can measure footfall of course and we are measuring footfall, but the success of town centres is a lot about the confidence, the footfall and people using them.

In terms of your conundrum question, it is about looking at each project on a case-by-case basis and that is what we did. We spent quite a lot of time looking at the places and understanding what the right interventions would look like and evaluating them on that basis.

John Biggs (AM): I know you say it is not entirely scientific and that is the nature of the beast, but can you share with us what your criteria were and could you even share with us your scoring on the bids that you received?

Debbie Jackson (Assistant Director for Regeneration, GLA): I am having to cast my mind back in terms of the paperwork. I do not have it right here. Sorry. I read out the criteria, so under each of those criteria there was a score. In terms of the scoring, I would have to address it outside of the Committee in any event because I do not have it here. I might have to get back to you on that.

John Biggs (AM): If you could provide any documentation outside the meeting, I am sure that would be welcome.

Debbie Jackson (Assistant Director for Regeneration, GLA): Of course, yes.

John Biggs (AM): I was interested in the importance of match funding.

Debbie Jackson (Assistant Director for Regeneration, GLA): Round One and Round Two had a slightly different approach. As we have already said this morning, Round One was designed to be a much quicker series of interventions, so it went through from award to spend within 12 months and that covered the Christmas period. It was designed to target the Christmas period in particular, but also some of the major events within that period. There was less emphasis on match funding in Round One and in fact that was one of the lessons learned for Round Two, so we actually put a requirement in and urged boroughs to identify match funding of 30% in Round Two, which we are achieving.

On the importance of match funding, obviously it increases the funding that is there, so that is the most obvious benefit of match funding. Perhaps one of the slightly less obvious benefits of match funding is that, if it is not just our money involved, there is a vested interest. Ordinarily the match funding is borough funding, but not always. It may have other partners as well, Network Rail, for example, or even the private sector. If others have their own investment in the project, then they are more invested in the project, if that is not too clichéd. We do see that and all of our projects work better in partnership. It encourages a more active and invested partnership. We favour projects that have match funding not just because they increase the pot but because we believe it makes for better projects.

John Biggs (AM): The London Enterprise Panel (LEP) is driven by this interesting concept of a revolving nature. Do you have revolving stuff here?

Debbie Jackson (Assistant Director for Regeneration, GLA): No, we do not revolve.

John Biggs (AM): Why not? You might be looking at a forward strategy within the individual bids, so a self-sustaining nature.

Debbie Jackson (Assistant Director for Regeneration, GLA): The Outer London Fund preceded that concept and we will get on to talk about future funding. It may well be there is a conversation with the LEP, so we may get there.

John Biggs (AM): OK. There is a geographical issue here. Obviously, I think we all understand the concept of 'Olympic boroughs'. There is another concept of 'Crossrail boroughs'. How are they differentiated in this bidding process?

Debbie Jackson (Assistant Director for Regeneration, GLA): The line in the paperwork you will have seen is that we encourage or we indicated that places which benefited from Olympic or major infrastructure investment were less likely to attract the Outer London Fund. We were very careful not to be black-and-white about it in the same way as we were about town centres and the size of town centres. We were interested in getting the right solutions.

It was about the places and not the boroughs. That is the other important distinction. That is why you will see we have invested in some places which are in what you may consider to be Crossrail boroughs. Off the top of my head, I think Barking is in a Crossrail borough?

John Biggs (AM): Not really. Only 200 metres of it.

Debbie Jackson (Assistant Director for Regeneration, GLA): Havering. I do apologise. There are places in Crossrail boroughs that could receive funding. However, if that place is not well connected to the Crossrail locations, then we still felt there was a case for investment. It was a more sensitive argument than Crossrail borough or non-Crossrail borough.

John Biggs (AM): I would be happy to defend that, being an east London representative, because Crossrail is very much in the north of those boroughs and the regeneration areas are very much in the south of the boroughs. I am sure that you can justify anything if you want to, with the Crossrail criteria.

Are Lewisham, Lambeth, Wandsworth and Islington outer London boroughs?

Debbie Jackson (Assistant Director for Regeneration, GLA): Yes. I was going to make a similar point about the inner and outer question. We did not want to get stuck with determining 'inner' and 'outer' because some of those boroughs - and I will take Lambeth because I know it well - are obviously terribly central London: the South Bank, places we very much recognise as central London. In the south of that borough, Streatham and West Norwood, and the challenges facing those town centres, they share more characteristics with outer London town centres and some of the challenges there than they do with central London. It was for this reason that we did not say that these boroughs could apply and these boroughs could not apply.

Will McKee CBE (Chair, Outer London Commission): The Commission made a specific point about it. It said that not only is the inner and outer London boundary porous but, depending on what you are talking about, it actually moves around. That is exactly how we looked at that. There are some parts of inner London - and I have worked for a lot of them - which actually do exhibit outer London characteristics.

John Biggs (AM): It is an 'Outer London Characteristics Fund', brackets, "Probably Boroughs", close brackets? OK. Thank you very much. That was very helpful.

Jennette Arnold OBE (Deputy Chair): Debbie, it is about the questions that arise out of the work and not a critique of the work but just to get an understanding. Are you in a position now to say what the differences are between regeneration as we heard from Fiona [Fletcher-Smith, Executive Director for Development and Environment, GLA] in her role where she is targeting market failure and your role in this specific pot in place-making? Maybe that is the problem and what we should be talking about is initiatives regarding place-making and less of this inner and outer and where it is. What about a place that has certain characteristics? Would market failure be one of those characteristics in a place-making area?

Debbie Jackson (Assistant Director for Regeneration, GLA): Yes, I think so. Thank you for picking up on the place point because it is all-important in what we are doing in the Outer London Fund. All of our investments in the Outer London Fund are directed at a place. We had a discussion in the early days about whether we should be doing thematic spend, so pan-London decluttering initiatives or something like that. We decided that actually the best

use of City Hall's money was to focus on a place and, importantly, not to dictate what that funding should be spent on and to invite the borough and therefore the community - and we did ask for evidence that this was something that was developed with business and the local community - to suggest proposals for that place. Place is all important in the Outer London Fund.

In terms of the market failure point, we allocated the funding to where we felt it would have the maximum benefit. I guess the point I am trying to make here is that the Outer London Fund was not intended to prop up town centres that did not have opportunities to thrive. It is about giving town centres that extra boost to reveal the creativity in the town centres, to reveal the places, to perhaps unlock routes, to perhaps take them over the line from the more struggling to the more vibrant and the growth situation.

The market failure point is an interesting one because this is a grant. It is public money going in. However, it was about opportunity to grow and thrive, so it is not about propping up town centres. That becomes ever more relevant if we do move into a third round because of the evidence we now have about retail and the decline of town centres. We will have to think about how we deal with that in the future. Does that get to your question?

Jennette Arnold OBE (Deputy Chair): It does and I think we will stay in this area of questioning on how all this pulls together for the benefit of a place which is in a borough and which has market failure or this place could be within a larger area where there is market failure. I do not want to take us to a borough, but I am sure we could identify areas.

I just wanted to know how you negotiate with your colleagues. Did you have conversations with the rest of the GLA team to ensure that there was not an overlap or that there was some synergy going on? If one was talking about market failure because, for instance, they could not get private sector investment, were you then in a position to do anything to enable projects that were about the new and that would bring in a new trade in an area, say? Did you have those conversations?

Debbie Jackson (Assistant Director for Regeneration, GLA): Firstly, if I just focus on the Outer London Fund and how we deal with that. As I said, we had a cross-team evaluation team. During that process, the question that the team was asking was, "How does this align with other parts of City Hall's work?" The obvious place to look is Transport for London (TfL) with the major schemes and the Local Implementation Plan (LIP) and things like that, so we did have that read across to make sure that we were not duplicating funding or contradicting funding from anywhere else in City Hall.

The other point I would make in response to that question is just to say a few words about the role of my team. The Outer London Fund is part of what my team does, but it does not equal the totality of my team's work. My team is the Regeneration Team and has a responsibility to work on regeneration. We organise ourselves in areas, so I have people in my team responsible for taking an overview of an area. It goes back to the question of, when the Outer London Fund stops, whether everything stops? It does not because we maintain a relationship with boroughs to support them, to help boroughs understand where City Hall is coming from and

how City Hall can support their agenda. Some of it is about future funding and things like that, but it is actually about understanding the issues facing boroughs and thinking about what City Hall can do at all levels - policy, strategy and funding - to support their work.

Jennette Arnold OBE (Deputy Chair): Thank you. Just one last question about funding. Through the Outer London Fund (OLF) work that you have been involved in, did you pick up any information you can share with us about the right balance between capital and revenue funding? You must have seen that from Round One and Round Two and any thoughts you have from that would be useful.

Debbie Jackson (Assistant Director for Regeneration, GLA): I smile slightly because it is the perennial challenge in regeneration because you find ordinarily that capital money is easier to come by than revenue funding. Round One was more revenue-biased. Round Two was more capital-biased. To take it at extremes, if I have 100% capital funding, it is very difficult to spend 100% capital. It is very difficult to spend any capital without any revenue money. Luckily, we were not in that situation. We had some revenue money. If you have 100% revenue, you have complete flexibility. You can spend it on capital or revenue, which would be my absolutely ideal situation.

In order to deliver what we want to do, we need some revenue funding because we do not want to be just about paving slabs. We think it is missing the point. We think that blended offer in town centres and - colleagues from the boroughs will be able to talk about this, too - we think having a range of interventions that looks at the public realm but also looks at the town centre management networks, for example, looks at the work space, incubator space and things like that, all sorts of things. We have offered visual merchandising support. Cultural events have been huge in what we have done as well. We cannot do any of that without revenue funding. We can look to our match funding and look to bring in revenue to match our capital, but boroughs are in the same situation with us with their revenue budgets. My preference is to have enough revenue funding to be able to deliver an ongoing blended programme. On Round Two, I think boroughs would have liked more revenue. We were constrained on revenue, so in future in terms of balance I would prefer a greater proportion of revenue to have the flexibility to do what we need to do.

Gareth Bacon (Chairman): We are going to move shortly into asking the boroughs about their experience, but one final processing-type question. You talked earlier, Debbie, about the criteria and the open book in terms of how things were assessed. Was feedback given to boroughs who bid for schemes and were unsuccessful in terms of why and to what extent did you give that feedback?

Debbie Jackson (Assistant Director for Regeneration, GLA): Yes, definitely, we fed back to all boroughs. Of course, in many cases, I hesitate to say it, but there are very few boroughs in London with whom we do not have a very involved relationship. In some boroughs, they bid for some places and did not get other places, so we are talking to them all the time. All boroughs received feedback on the reasons why the bids were not successful. In some cases, I imagine, if we have future funding rounds, we may well see some of those proposals come back in more developed or different forms in future.

Gareth Bacon (Chairman): That was the reason I asked the question, really. It comes back to what you were saying earlier about support for boroughs so you can actually help them through the process and help them be more aware, I suppose, of how to secure funding.

Navin Shah (AM): My question is addressed to both Beth and Mark. Can you tell us how the fund fits with the boroughs' bigger and wider regeneration plans for Brent and Harrow?

Mark Billington (Head of Economic Development and Research, London Borough of Harrow): The first thing: when I fed back, I reported back on North Harrow and also on Harrow town centre. North Harrow was Round One and Harrow town centre was Round Two.

Regeneration plans: certainly, Harrow town centre fits in with our regeneration plan. The two big projects that we looked at in relation to public realm improvements and so on - St Ann's Road and Havelock Place and then the work on Lowlands Recreation Ground - are both in the area action plan (AAP). What we needed to do though was to look at that whole thing about sustainability. Otherwise, why do you do the work? Part of that was putting in additional stuff around developing a Business Improvement District (BID). Part of the whole public realm improvements was to create a space which was fit almost for community use, to bring people into the area for performance, art and events. In order to create that space, we needed to have a vehicle to deliver it, so that was a fit there. On the North Harrow side, it was more a question of the targets that we have to ensure that we identify and act upon any area which has a vacancy rate of over 10%. In that area it was 25%, so there was a clear reason behind trying to focus on North Harrow.

The other side, just to pick up on the whole thing about market failure, is that we also looked at the economics and what would be the economic impact. Certainly, if you look at Harrow town centre, the office vacancies, the retail vacancies and the potential for jobs to be created, the town centre had the greatest opportunity for jobs to be created. That was the other reason as part of our regeneration strategy and how it went in those areas.

Navin Shah (AM): How do you think the Harrow town centre with the two schemes you have mentioned fits into or may contribute to the intensification area action plan?

Mark Billington (Head of Economic Development and Research, London Borough of Harrow): These are two elements within the AAP. That is why they were chosen, but they were also chosen because of, again, that whole function on deliverability. We had two years to deliver something and we had a finite amount of money and then a finite amount of match funding we could bring. So what could you do within two years within a given envelope, which with our match funding is probably about £3 million or £4 million? You could argue there are bigger areas we could focus on like the Tube station, but that would not have been deliverable within two years. It is deliverability and economic impact.

Beth Kay (Regeneration Officer, London Borough of Brent): Willesden Green, as you know, is not a growth area, and it is not a priority area in our regeneration strategy. At that time, Willesden Green did have the highest vacancy levels in the borough, but most importantly

Willesden Green was facing a massive change through this major capital project which we were delivering on the High Road, which was the redevelopment of the library centre site.

What we tend to do is where we have any area in the borough where there is going to be significant change or the community is going to have to undergo a huge transition, we try to complement those major capital investments with a series of revenue-based projects. It is helpful for us. It helps us to improve our links with the community, the whole consultation process becomes easier and it helps us to deal with the vacant spaces which are inevitable when an area is undergoing change and growth.

Willesden Green was very nice in the way that we were not constrained to our borough plan. We were able to think outside the box and we were able to tackle this very specific issue in Willesden Green, which was that the area was about to lose a very important building on the High Road, a building which was not about retail but was about community meeting space, a library, a museum, an archive, all these other reasons why one might go to a high road. We knew that the high street was going to lose that resource for two years and we wanted to support the High Road through those two years by having other uses in other locations in the area. It was great. It helped us to fill in that gap.

Navin Shah (AM): I know that the Willesden Green project was well received, but was that not nearly a year and a half ago? How do you reckon that initial interest and success has been sustained? Do you reckon you need to maintain the sustainability of that centre over the years and to find other initiatives to keep that success going?

Beth Kay (Regeneration Officer, London Borough of Brent): The nature of these projects is that there are a few major sites along the High Road which were going to be redeveloped. The Queens Parade project is one of those sites. It has been delayed by another 12 months and they have just withdrawn their planning application.

However, we have been able to continue the Meanwhile projects in Queens Parade. We do not want to take away our funding and return that corner of the high street into the dark, inactive corner that it was before. We have been able to continue that project, so we do not have any intention of stepping away from those projects. The Outer London Fund allowed us to get that project started. It also allowed us to set up the Meanwhile Foundation, so we now have a mechanism where we can take away the business rates from that property for as long as we want through the Foundation. We can carry on that project with that relatively small amount of money now which the council is prepared to pay. We have inherited a liability in one respect, but it is not a huge amount of money that we pay per month to keep the project going, so the Outer London Fund allowed us to get that off the ground. It is fantastic.

Navin Shah (AM): Can I ask Mark and Beth whether they can share their experience and their view on what kind of support they received from the GLA Specialist Assistance Team and what value it added to the overall project? Are you happy? How did the whole process work?

Beth Kay (Regeneration Officer, London Borough of Brent): Two of our consultants were on the Specialist Assistance Team. The Architecture Foundation and Meanwhile Space were

already in our team anyway. We brought them along with the BID, so we had their support and they were fantastic. We had a few other meetings with some of the other consultants on that framework, but our ideas had actually progressed quite far by the time we met them, so we got a few good ideas but we did not necessarily use them. We certainly did not appoint them to carry out the work that they suggested. We already had our team pretty much in place when we made the BID, but I think that there were some useful meetings early on with some advisers and it was a great opportunity to explore the ideas that we were having and test them.

Navin Shah (AM): Did you have any issues where you did not quite get the support and assistance in a timely manner, which either dragged on the scheme longer than you would have thought or did not work overall? Any criticisms?

Beth Kay (Regeneration Officer, London Borough of Brent): We started out at the beginning through our internal processes with putting the contracts into place and funding projects up front. Our big problem was having to fund projects up front, which is not normally how we would manage a project. But, no, the support we got from the officers at the GLA was very good and helped us through getting those contracts in place and sorting out our funding issues, so I would like to say we did not have too many problems.

Navin Shah (AM): Obviously all councils suffered through the cuts, particularly when you look at funding regeneration, you have got pressures coming from those cuts. Do you reckon that also probably did not help you in terms of how better you could have dealt with the project?

Beth Kay (Regeneration Officer, London Borough of Brent): In terms of resourcing the project?

Navin Shah (AM): Yes.

Beth Kay (Regeneration Officer, London Borough of Brent): I know there have been some concerns about some boroughs not having spent their High Street Innovation Funding, for example, and I would certainly say that our resources were very much focused on spending the money that we had, which had a spending deadline, which was the Outer London Fund money. We were not able to spend some of the other pockets of money that we had, which did not have such deadlines. We had to make decisions about how we resourced our time but this was a really exciting project and it met our objectives so we were able to reallocate the financing to the next financial year for other projects.

Mark Billington (Head of Economic Development and Research, London Borough of Harrow): I will put it into context first of all. The two that were used, who I thought were very good, one was called muf and the other one was called Living Streets. Just to put it into context - because you obviously know Harrow Town Centre - you could have looked from one end of it and seen a complete and utter mess. You come out of St George's Shopping Centre and you look up and you would see there was an unused police kiosk, there were a dozen phone boxes, there was an unused planter, here is a ramp, here are steps, it was really just a mess. In Round One muf came and they were talking about how you could create the space for

performance, and we recreated an area around Lion Square, which has Debenhams up at the top, and we had a food and dance festival there. No one ever thought about using that as a space, which we did.

Then later on we had a series of markets looking again at how we used the space on St Anne's Road, but of course it was cluttered all over the place. They came forward with ideas, which really helped inform the Round Two work, which was around all those public realm improvements to de-clutter the area and to create an area. If anyone wants to look at the pictures I have them here. It demonstrates what you can do with a space, 40,000 people came during one day a couple of weeks ago into the town centre. We would not have been able to get them there without the intervention of the Outer London Fund, which was a result of the Round Two funding for the capital side, and the Round One funding on the muf, which looked at the area as a whole and how it could host performance.

Living Streets, they came up with something, which I had not even considered before, which is that everything is badly named. There is no college on College Road, there is no station on Station Road, so it is a confusing place and that informed the bid that we put in when we looked at legible signage, way-finding signage and creating new signage. Those two projects really helped massively.

Am I allowed to be critical?

Navin Shah (AM): Yes, of course.

Mark Billington (Head of Economic Development and Research, London Borough of Harrow): One of the officers, I will not say who, they were a bit bonkers, because these are design consultants and design consultants are mad. We did have a project where we said we wanted to make use of college students to create a film to be shown on Valentine's night in the town centre, projected onto the town centre. We had a cherry-picker put up an outside projection box on a lamp column, which sat in a big casing, which had never been done before, which weighed half a tonne. That was critical, they will take you down strange paths and you do need to sometimes hold them back, but on the whole they were very supportive and very helpful.

Navin Shah (AM): If we can move on to an issue, which has been raised by Jennette, and Debbie responded in terms of the sort of balance between capital and revenue funding. Can you two, from your experience, tell us what your views are, what your thoughts are as to the balance between capital and revenue funding in the projects that you have implemented?

Mark Billington (Head of Economic Development and Research, London Borough of Harrow): I am going to pass these pictures around because these are a demonstration of what you can do with revenue funding. I mentioned about sustainability. On Friday we announced that we got a yes vote for the BID. I do not think we would have got the yes vote for a business improvement district if over the last 18 months or so we had not had a lot of activities in the town centre to demonstrate what could be done to increase footfall and spend in an area. I think there was a clear demonstration to the private sector that this is how you can make a

place alive and that this is going to end, because we were quite clear, "This ends in March. There will be no more, there is no more revenue funding and we are not doing anything. If you do not vote for this there will be no Christmas in 2014." That was the message. The revenue funding was extremely important because it is about all the improvements in the public realm, what was the point if afterwards you do not have a vehicle to utilise the public space that you have created? In that sense I think it was extremely important.

We might argue sometimes about the 80/20 or 70/30 split, but it was extremely important. As you said earlier, about community engagement, you almost need sweeteners, because residents, quite rightly they are suffering from all the cuts that have been put on local authorities, and they ask questions in the sense of, "Why are you paying for more paving slabs or new paving slabs but you are removing dog waste bins in the parks?" Those are real questions and you can ramble on about 25-year investments in the public realm, but they want to see something else, so I think the revenue element is that sweetener that helps.

Beth Kay (Regeneration Officer, London Borough of Brent): I saw a logical progression from Round One to Round Two where Round One was more revenue focused and you get that, then you test ideas, you build up a relationship with the community and out of that comes an idea for capital investment in the High Road. I think that is very logical and that makes a lot of sense. It sounds like that is the experience that you had, so the shift in balance between the two rounds seemed very sensible.

James Cleverly (AM): I want to explore, Debbie, if I could, your feelings on the cost/benefit measures, because there is a bit of a mixed picture on that. I was wondering if I could just get your views on what the team's corporate feeling was about that spectrum of cost/benefit results?

Debbie Jackson (Assistant Director for Regeneration, GLA): Spectrum is the right word because, as I have said already, we measure our outcomes across a range of headings. We measure on the classics like jobs created, and match funding and things like that. But also it is very tailored to each place, so we look at things like footfall, cultural events, there are a range of things that we measure across the board.

In terms of cost/benefit, in terms of sheer outputs, to give you an idea of the kind of numbers for Round One, it was £9.6 million of City Hall money supporting 30 different areas. From that, we supported, 137 events; 259 shop fronts improved; 1,289 businesses receiving support; and 62 completed public realm projects. Those are outputs and not outcomes, and I fully appreciate that, but as a measure of what gets delivered through the Outer London Fund, it is important.

I think if we move more towards the outcomes and the impacts, the kind of things that we are interested in, it is about confidence in the town centre, it is about, as we have heard from borough colleagues, getting people to the town centre, revealing what a town centre can do for local people. As I said, we are interested in footfall, so some positive impacts that we were able to report from Round One, 18% of visitors reported to be visiting their town centre more, 9% spending more in their town centre. One of the things that we did learn from Round One is to

get more rigorous around these kind of measures, so we are doing more rigorous footfall counts, for example, with Round Two than we did with Round One.

I think, in response to your question, there is a whole range of things that we measure, which all go to the same point of confidence in the town centre. We will continue to measure boroughs on the hard ones, the jobs created, match funding and things like that, but there is a less tangible and less quantifiable aspect to it, which is about confidence in the town centres and people and vibrancy in the town centres as well.

James Cleverly (AM): The police have been tying themselves up in knots trying to move across to a single confidence measure, so it is interesting that you say the ultimate end state was this improved, increased confidence in the high street. I take it, therefore, that the desire to increase confidence will eventually lead to some of the more measurable outcomes that you would normally expect from this kind of intervention. Is there going to be residual analysis or long-term analysis of the impact of Round One to see whether we do get that long-term impact in terms of increased confidence?

Debbie Jackson (Assistant Director for Regeneration, GLA): No, we have no plans to do so at the moment. We do evaluate, as you will be aware from the briefings, we did carry out an evaluation of Round One, but it was fairly soon afterwards. We are evaluating Round Two already on the basis that if you do it afterwards arguably it is too late to change anything, so we have an evaluation team working on it at the moment. We do have feedback from the boroughs as well that, if the evaluation phase lasted longer, you could capture more of the benefits, and I think it is something we should perhaps think about. We are slightly tied to our funding in the same way as the boroughs are tied to delivery by a certain date, our funding to support the evaluation is tied to a certain date, but I do not see those kind of things as insurmountable. I think it is a good point that perhaps we could think about Round One but certainly Round Two, which we are in the middle of, thinking about how we make sure we continue to capture the benefits, because there is a longer tail, as you described it.

James Cleverly (AM): One of the things that strikes me, and I am interested in your views on this, is that Round One - and this has already been highlighted in discussion today - was by necessity a fairly short sharp point intervention and I think the constraints of that format have been recognised. My concern is that the short sharp and relatively cheap interventions that might have a slow-burn impact are going to be undervalued in terms of lessons being carried forward to Round Two and perhaps subsequent rounds, because their impact was not measurable in the short term. With regard to what the corporate thinking is about, if you view it positively, negatively, whatever, what is the general mood? Was that Round One, with all the caveats that we discussed earlier, regarded as a success to be built on, a partial success to have lessons drawn from, or generally not successful?

Debbie Jackson (Assistant Director for Regeneration, GLA): I think it will be a success. It was always acknowledged that it was going to be different to Round Two. In fact Round One and Round Two launched within months of each other, so it was known at the point of launch, "Here is Round One, short sharp, here is Round Two, be thinking about it and we want your bids for a longer term". Just making that point that they were launched at almost exactly the

same time, so we always knew very consciously that Round One and Round Two were going to be different things, but the timing of them allowed us to learn lessons from Round One. For example the power and benefit of community involvement, because the nature of Round One was there was a lot of community involvement in those projects and we really saw the benefit of that. That was one of the things we were able to draw into Round Two. Strong central management by delivery partners was one of the things that we found with Round One as being a successful model for delivery as well. We were able to take lessons into Round Two, but acknowledging they were different things, so Round One a success, yes, but a different thing to Round Two.

Navin Shah (AM): I think Beth has talked about the Willesden High Street, the windows project. If you just want to add a bit more as to what value Round One gave to that particular project?

Beth Kay (Regeneration Officer, London Borough of Brent): We have a statutory duty to maintain services on the road such as the library and the one-stop shop, which were going to be lost through this building closing down for two years. These other non-core services, which the building provided, the art gallery, the community meeting spaces, the co-working space, which came out of this, the library lab, which was fantastically successful, we have been able to take those uses and put them into Queens Parade now, the third round of Queens Parade. We now have a small art gallery and a co-working space in that building now, so we have really been able to use the Outer London Fund to benefit Willesden Green in the long term.

If I could be a bit critical, we were not able to continue the library lab on the scale that we would have liked. It would have been really nice to have been able to get a property on the High Road for three or five years even and have a co-working community space on the High Road for a long period of time. That is one thing that we did not necessarily get, which we could have got from more funding basically, in Willesden Green. The other good bit about the project, a little bit of value added, was the Meanwhile Foundation. We have been able to set up this Foundation, a charitable organisation, which is a national charity whereby any community group or small business who want to start up their business in a vacant property, can enter into a Meanwhile lease with the Meanwhile Foundation, and the Meanwhile Foundation then has the lease with the landlord. Because the Foundation is a charity we get 80% rate relief on the business rates, so through this project we have been able to set up this vehicle whereby we can roll out Meanwhile projects across the borough and indeed across the country, so that has been value added, not just to Willesden Green, but beyond.

Jennette Arnold OBE (Deputy Chair): Debbie, we want to know how Round Two of the Outer London Fund is progressing, but before you start just to give us that overlap. The group or the area that was missing in Round One was the voluntary sector and it could well be that the criteria was you wanted projects that were, as you said, shovel-ready, which is great. Did you have to do any work with the voluntary sector and why I say this is because capacity, bid writing, what preparation did you do with the voluntary sector before you then brought them into Round Two, and then you can tell us about Round Two's progression?

Debbie Jackson (Assistant Director for Regeneration, GLA): We discussed at length who the Fund was for, who could apply, and partly because of the time imperative, we took the decision that the applicants needed to be boroughs because the due diligence and learning curve required to process grants through other organisations would just not meet the timescales and would not be possible. However, we were very keen to encourage partnership projects that were led by the borough or channelled through the borough, if you like, and it is as a result of that that we do have all sorts of partnerships working on projects in all sorts of places.

The Special Assistance Team works in two ways. It is a pre-procured panel of experts, which has grown over the course of the Outer London Fund to recognise different categories. As we have gone through the process we have realised that there are some categories that have been unaddressed thus far. It has grown throughout the process and it works in two ways: the Special Assistance Team, there is an allocation per borough of time; but there is also the ability to run workshops on sort of thematic issues. Should we have any future funding rounds, I think the Special Assistance Team will be central to how we want to run that and I hope to be able to talk a bit more about that in later questions.

That resource exists to support organisations that want to bid. We did not specifically target voluntary organisations. I cannot sit here and say that we had a targeted programme of support for voluntary organisations, but we had some arrangements in place that they could draw on. I think now we are at a reasonable level of maturity in terms of knowing what we are doing, because it was a bespoke fund that was off the ground with nothing preceding it. Now we have a reasonable level of maturity, through the Special Assistance Team I think it would be good to think about how we can do that in future.

One last point I would make, it is not part of the Outer London Fund, but we did run three Portas Pilots in London. We used City Hall money to run three Portas Pilots, relatively small amounts of money, but they were run with the town teams and quite a different approach, so less project-based, smaller amounts of money to town teams such as Forest Hill, Lower Marsh Road, one was Roman Road, and Chrisp Street Market in Tower Hamlets. We found they went really well and when the funding has finished those town teams and that energy - that is perhaps another good word to have alongside confidence - has been sustained, so that has worked really well.

Jennette Arnold OBE (Deputy Chair): I hope you would agree with me that there is a whole world of capacity and staff and the social capital of a place is within the voluntary sector. I mean we call it the voluntary sector but it is much wider than that, it is charity, it is neighbours, it is a group of people who have been cleaning that area because it has been filthy and they would like just a little bit more assistance to make it better. If that is not brought into the funding in some way then we are forever going to be missing that huge capacity and the people who live in these places that we are trying to make.

Debbie Jackson (Assistant Director for Regeneration, GLA): Yes, I agree with you, and it is because we agree with you it is one of the reasons why we were never overly specific about supporting BIDs as being the one-size-fits-all town centre management mechanism because we do not believe it is. We think BIDs are great where BIDs work, but there are some places where

other mechanisms may be better and that is one of the things we would like to continue as a theme, that town centre management, ownership and empowerment of the local business and residential community is central to the ongoing success of local town centres. Supporting that is one of the things that is central to what we do, but we are not one-size-fits-all, so it might be a BID in one place, it might be a town centre team in another, it might be a charity in another, and there is experience from colleagues of both here.

Jennette Arnold OBE (Deputy Chair): I think for me that is one of the strengths of this because I am a paid-up member of the support club for BIDs, but it is not a one-size-fits-all, it does not suit everywhere.

How are the Round Two projects going, or any initiatives?

Debbie Jackson (Assistant Director for Regeneration, GLA): Round Two is going very well. Perhaps I should explain a little bit about how we work. I have already explained that my team is divided into areas and each borough has a designated project manager from my team that works with them. We have a relatively hands-on approach, we do not take the approach that we just process paperwork and monitor forms, we do try to be involved in a supportive - and I hope it feels that way - way with the boroughs to help escalate issues, address issues, work through opportunities and identify opportunities. We do have quite an involved approach.

Allied to that, we are not just about getting money out of the door either, I think my job is to deliver the outcomes and make sure that the projects are the best that they can be. That is slightly a lead-up to saying that it is going very well. If you are to measure on timing of spend, some of the projects will go into the first quarter of next year, roughly first quarter most things should be finished, so there is some slippage on spend. There are one or two examples of projects where we have addressed some issues, and things have happened outside of the borough's control, which I feel is evidence of us managing things. I think it would be slightly more worrying if I was sitting here and saying everything is going swimmingly, of course things happen. We have some outputs recorded to date. For example we have public realm schemes on the ground now, so 7,000 square metres of public realm new and improved already, 106 high street frontages improved, loads of events, so a lot of the revenue spend - because it is easier and quicker to spend perhaps than some of the capital spend - has taken place and a lot of the events have taken place.

I have doorstops worth of local press coverage that I do not have with me but extraordinary local press coverage, so really good awareness of what is happening locally and I think Will [McKee CBE] would agree in his sort of tour of outer London boroughs that the Outer London Commission has done recently, really positive feedback from people as well. I will leave it there and then we can talk about specifics if you want to.

Jennette Arnold OBE (Deputy Chair): From the boroughs' point of view, they have particular challenges. It is all the projects that, for whatever reason, are delayed or are now really chasing their tail trying to finish, any problems there that you have not been able to negotiate with Debbie and her team?

Beth Kay (Regeneration Officer, London Borough of Brent): We do not have any live Outer London Fund projects at the moment.

Mark Billington (Head of Economic Development and Research, London Borough of Harrow): I just want to pick up the first thing you said about community engagement, which is really important. Schools are the other thing obviously, getting school children involved. There is sometimes interestingly though a tension between businesses, so what businesses say and what residents say is sometimes different.

Jennette Arnold OBE (Deputy Chair): I get that all the time.

Mark Billington (Head of Economic Development and Research, London Borough of Harrow): I am glad that you said that because in North Harrow it was the community partnership that still exists, whereas the traders' association fell apart. It is interesting, there is a community with a feeling of ownership of a place and traders sometimes think, "Why are you getting involved, what has it got to do with you?" which is odd. Some of the business support programmes you run, sometimes business people can be a bit hostile, "Why do you want to do visual merchandising?" whereas that is the sort of things that shoppers quite like, to look at a place that looks attractive. It is very minor, there is sometimes a tension, which you would not have thought was possible; I certainly did not before being involved in this.

On delays, yes, we have got a delay, which hopefully we will be bringing forward into quarter 1 of 2014/15. As I said in my submission, capital programmes are complex, and trying to deliver something in two years, with planning, with consultation and with endless negotiations with design consultants and contractors is difficult. There are issues and that is our biggest one on the council side.

Jennette Arnold OBE (Deputy Chair): I totally take your point. My experience has been - and I have spent too many years around regeneration - it is this imperative to spend within a timescale and then you have to go in and sometimes make the space to get the project done. You have to take a side between the traders and the residents and I have just found that continuous. But I represent Hackney and Waltham Forest and we are always up for an argument it seems.

Beth Kay (Regeneration Officer, London Borough of Brent): What we found, which was a little bit unexpected, was that there was so much goodwill in the community we got a lot of people who would give workshops for free or traineeship things. Very successful with the apprenticeships in the goodwill retail space which we set up, so we had an underspend because the consultant fees that we thought we were using were not needed. That was great in the end because then we got to reuse that money in other projects and that was made possible by the officers.

Gareth Bacon (Chairman): Mark, I have a couple of questions for you specifically about your project in Harrow. You talked about the timing and getting things done on time, do you have concerns about getting through in the time that you have?

Mark Billington (Head of Economic Development and Research, London Borough of Harrow): Well I do have concerns that we will complete on time, otherwise we would not be looking to carry the funding over into the next financial year, so, yes, I have strong concerns, and - I mentioned it in my submission - who is the client. There is a relationship issue that I think does need to be sorted out in Round Three, if there was a Round Three, and that is a relationship between the person who holds the purse strings, the people who are managing the projects, and it could be your Special Assistance Team or design consultants. The tension between those three parties sometimes, or two of them anyway, can add to delays. So I do have some concerns.

I think the other side is that sometimes we have to say no, we have to stop something, so part of our programme for the public realm improvements in the town centre included catenary lighting across, the High Street which looked visually really good, but when it came to negotiating wayleaves with landlords and it came to the cost of invasive engineering and the cost of putting up catenary lighting, sometimes you just have to say no and put a stop to things, so you have to be realistic about something and not just run straight forward just because you said you were going to do it or because a design consultant tells you it is a good thing to do.

Gareth Bacon (Chairman): Much of your project was aimed at vacancy rates in the high street, was it not? And increasing the take-up of office space around it? In your submission you estimated some quite impressive job numbers, I think it was 88 in the high street and over 900 in the offices. How much of that do you put down specifically to the Outer London Fund and the contributions you had through that?

Mark Billington (Head of Economic Development and Research, London Borough of Harrow): I thought you would ask me that so I have some totals.

Gareth Bacon (Chairman): You are definitely one of the most prepared guests.

Mark Billington (Head of Economic Development and Research, London Borough of Harrow): Not only did I anticipate that question, I also anticipated a question on the changing use of the high street, so there is a table in there on that as well, because I just thought it would be interesting to look over the last three years at how the high street has changed. I suppose just to talk you through that, on what has been the impact of the Outer London Fund, there is a relationship between bringing back space into use and the Outer London Fund. What we have not done yet is knock on doors in the office sector and start to question people, "Why are you here?" We have had lots of positive feedback from the shopping centre managers at St Anne's and St George's and also at Debenhams in the sense of informing investment decisions and bringing back retail space into use. Maybe I should not say retail, but bringing back space into use in one of them has been a key, and I think Shopping Centres have been quite aggressive in going out and getting tenants, mainly hospitality and catering. So restaurant use has increased, on the back of the investment that has come in.

The office sector though, just looking at one of these charts that looks at office space and vacancy rates in Harrow Town Centre from 2006 to 2013, if you look at that, the office sector was almost in freefall, the vacancy rates were just going up and up from 2006 onwards and the

amount of occupied space was decreasing from 2006 onwards. It could be that the reason why space came back into use in 2012 and 2013 had absolutely nothing to do with the Outer London Fund, it could be the wider economic recovery, because, as I say, we have not knocked on doors and tested things. However, why do people go to Harrow Town Centre? If you looked at the rent levels, would you say that they are particularly lower than those in Watford or Borehamwood or in the rest of the borough? I would say probably not, so the thesis is that people want to occupy space where there is a bit of life and vitality, that was our justification, almost saying that if we increase the vibrancy in the town centre people would come in the office sector. I could be wrong, but certainly just looking at the figures, the figures demonstrate that there has been an increase in use of space. We have to be careful sometimes about vacancy rates and everything else because sometimes you can reduce your vacancy rates by just taking space out of the picture, knocking something down. It happens all the time. But the increase in occupancy space is the thing that has been interesting for me and, as I say, it coincided with Outer London Fund.

Gareth Bacon (Chairman): Is it your intention to do some analysis on that?

Mark Billington (Head of Economic Development and Research, London Borough of Harrow): That is a part of what we would like to do, but there is always a cost associated with that and, if we can get some of that work done in the next three months we will do so because there is a slight pressure been taken off us because we now have the business improvement district, and we do not plan to do any more events for a few months so we will certainly see if we can engage and do some of that analysis.

Gareth Bacon (Chairman): Debbie, is that the kind of information that your team needs really to evaluate the effectiveness of Outer London Fund and the projects that you have authorised?

Debbie Jackson (Assistant Director for Regeneration, GLA): Yes, we have evaluation arrangements in place in all of the boroughs and as part of the grant agreement they will be carrying out self-evaluations. This information that Mark is talking about will be very helpful as part of that self-evaluation.

While I have the floor, can I just make a point about office space, if that is all right, it kind of morphs into future discussions. One of the things that we have touched on today but we have not really talked about in detail is the sort of diverse role of the town centres. There is a lot of talk about empty shops, which is very important, but it is one aspect of town centres. One of the things we are really keen to understand more about - and for this reason that research that Mark is talking about will be very helpful - is the non-retail commercial role of town centres and in fact the non-commercial role of town centres. It is about the diverse role of the high streets and the importance of them as economic places and places of employment. One of the things we are really keen to explore more in future is that diverse role of high streets and how that can be supported, so the office side of what Mark is talking about is really interesting.

Mark Billington (Head of Economic Development and Research, London Borough of Harrow): In North Harrow, with Round One, we have had for eight years a former supermarket site, that had been occupied by Safeways, which was left empty. There was free car parking

opposite, again for eight years, for an hour, so the whole idea was people will come here if we have free car parking. It was not until Round One, and we did as part of our work introduce a local development order (LDO), and started to talk to other people, that we got a gym to come in and occupy that site, which came after Round One unfortunately, but the LDO was almost a legacy of the Round One funding. Looking at other uses is really important because on that site now 19 jobs have been created through the gym that moved in there.

Debbie Jackson (Assistant Director for Regeneration, GLA): Also there are people coming and going.

Mark Billington (Head of Economic Development and Research, London Borough of Harrow): There are people coming and going and those people who come and go obviously can also spill out afterwards, they feel virtuous after being in the gym and they can --

Debbie Jackson (Assistant Director for Regeneration, GLA): Go for a burger.

Mark Billington (Head of Economic Development and Research, London Borough of Harrow): Yes, absolutely.

Will McKee CBE (Chair, Outer London Commission): This is going to probably be the most important part of the current submissions that the Commission is making to the Mayor on diversification of town centre uses, and I think the point that was just made is really important. What I was saying earlier regarding structural change was specifically about retail space. It was not talking about any other kind of space. And there is a need to encourage not just other forms of commercial space, but also - if I could give you a personal view - the return of public services which have tended to flee the town centres. For example, police stations have closed, post offices have closed, libraries have closed, sometimes even town hall functions have moved out of town centres, and certainly some of the social support activities have gone from town centres as well. There is a real issue here; if the public sector is concerned about preserving town centres, as the future of community hubs, then they also have to look at the presence of public services in those town centres as well as just looking at the commercial offer.

The Commission has looked at that whole issue and it will have recommendations to make. These will include whether longer or short-term initiatives are needed. Our view, as I said earlier on, is that you cannot really exclude one from the other. These are multi-range policy responses that are needed, some are short term and some are long term, some are revenue, some are capital. The whole point is about looking to the town centre with a much greater diversification of use. However, the one key element in it is the reduction in the amount of retail space. That creates space opportunities for new uses. I have spent quite a lot of time on various regeneration boards in London where we have prayed for more space; just space to make things happen, short of getting involved in longer-term compulsory purchase activities. Suddenly there is an opportunity being presented for space in town centres, which I think we need to make sure we use it properly and to the best effect.

Gareth Bacon (Chairman): I think one of the problems with that is that, for many years I have been a local councillor for 16 years, and certainly in the early years of that time local

government tended to be small-c conservative in terms of what they wanted in that space. If a retail unit closed down they wanted another retail unit. Funny you should say about the gym going into a disused supermarket; that is precisely what is happening in my own borough as well, so it must be a growing trend. It is a low-cost gym I think, which will attract the punters who can then go and have a burger or something, or maybe not, straight after doing their exercise.

Will McKee CBE (Chair, Outer London Commission): Perhaps I could just pick one example that might illustrate the kind of thinking that has to be done. For some long years now we have seen a move to try and put residential back over existing retail units in town centres. Properties which were originally residential became residential and retail, then it became just retail, and finally back into residential and retail. Always a compromise. It may be that the response in the future has to be about recognising that retaining that ground floor retail space is probably just going to result in three years down the line somebody giving evidence to the local authority, that "There have been no offers, nobody has come to look at it, can we do something different?" We need to recognise that outcome earlier and recognise that developing purpose-built residential in town centres, is a real opportunity. This, I think, illustrates what we have been saying, that it that ignores reality to cling on to obsolete retail part space.

Gareth Bacon (Chairman): Do you think that local planning authorities have taken that on board sufficiently?

Will McKee CBE (Chair, Outer London Commission): I think, from our visits, there is a sensitivity that needs to be explored a little bit further. It is about the density ranges that new residential might imply for town centres, and certainly officers here are thinking, rightly, about the need to up the densities in town centres, not just to meet London's housing needs. The Commission agrees it is another way of increasing footfall, activity, vibrancy and life in town centres as well as providing much needed residential accommodation. That is a really important point and somehow the policies have to be framed to take that forward to a more diverse town centre in the future.

Gareth Bacon (Chairman): The final session of the meeting, Will, is to look towards the future and I am going to start with you, if I may, which is to ask you fairly directly, do you think there should be an Outer London Fund Three?

Will McKee CBE (Chair, Outer London Commission): I do, yes. My advice would be that it probably needs to recognise a greater capital content than even the second phase has. That does not mean no revenue projects either, but I think the emerging structural issues cannot be addressed in the short term. The point that was made by Harrow was that these things do take time to do and they are structural physical landform changes in town centres. As long as the Fund maintains that acknowledgment about longer term capital investment alongside revenue initiatives, and local people continue to believe it will help things change in their town centres, then I think the Outer London Fund phase 3 would be a great benefit to outer London.

Gareth Bacon (Chairman): Is that a view shared by the other guests? I am imagining it might be.

Mark Billington (Head of Economic Development and Research, London Borough of Harrow): It is, the only thing I would say is in fact two things: (1) a huge amount of time and effort goes into putting together propositions and our resources have been eroded within just two years in our ability to do that in the sense of I look around my own management team and three-fifths of them are gone, so greater support from the GLA in some areas would be helpful. (2) In putting together the criteria, I think you need to start to say what cannot be done, because I think sometimes there is a real danger that someone has a pet project for a very small intervention in an area that does not necessarily need support, "Why do we not do this?" so you can end up having three or four bids being put in, in the knowledge from the borough that you are going to get one, but that there is a driver for the other ones to come through. We definitely need something, but we might need some greater support capacity from GLA this time and equally being more prescriptive on what cannot be done.

Gareth Bacon (Chairman): Beth, would that mirror your views?

Beth Kay (Regeneration Officer, London Borough of Brent): Yes, it would. The other thing I would add is the duration of the project is really important. We are trying to support these small businesses or new uses for the high street, they need the security, they need a long enough time, more than nine months, preferably more than a year, really to kind of test their business plan, improve their offer get strong enough so that they can then survive after the funding. When we have these Meanwhile projects where we have leases on a one-month rolling lease and the projects are quite ephemeral and quite short term it is quite difficult for the business to plan for the future because their accommodation is not secure. Something a bit more long term would be really helpful, or some way to spend or retain the money after the fund has finished so that we can secure medium-term leases on the High Road.

Debbie Jackson (Assistant Director for Regeneration, GLA): I think the feedback is really helpful and just picking up a couple of the points, in terms of putting together the propositions. The Special Assistance Team has been available to boroughs that have been successful in attracting funding, so it is available after they get their funding. One of the things that I would like to do is expand the Special Assistance Team offer to be available to London and to be available in that development of BIDs phase. Obviously the devil is in the detail, we would need to think about criteria and who could use it, but that is all solvable. Obviously my team is always available to work with the boroughs, but to be able to extend our reach and resources to support the boroughs, as part of that I would want to pick up some of the other issues, which we have talked about today. I think I want to pull the Special Assistance Team together more and re-client them a bit more because we do tend to push them out to the boroughs, and we do still manage that situation obviously, but what we do not get is the intelligence they are gathering and then pulling that back in together. I want it to be a much more managed arrangement from our side, but available to help with the development of BIDs as well, to address some of the issues that we are very alive to. We see our project officers that we work with in boroughs leaving all the time, and it is a great compliment because they are leaving for better jobs but it does create issues for the projects, so we understand the resource constraints boroughs have to work with.

On just the points that Will [McKee CBE] was making about aligning the twin priorities of housing intensification and the ongoing success of town centres, we are carrying out some research at the moment using some of the Outer London Fund top slice for project support and some LEP money to explore exactly these issues in terms of how those priorities coexist, and what kind of interventions or support would be appropriate to enable both priorities of housing intensification and the continued success of town centres. That work will complete this financial year, so we are looking to have that available to inform any future rounds of funding should they be available.

Then the last point I wanted to make is I think the duration point is a really interesting one. In terms of our lessons learned, one of our lessons learned is that of course it is important to have targets and deadlines, and we have to performance-manage the money going out the door. However, by the same token, some form of flexibility to make the right decisions has been really important, and I do acknowledge the point that Beth [Kay] was making about perhaps a longer term. If a borough tenders a contract through its term contractor and it comes back very expensive, it has been quite important that we have the flexibility to enable them to re-tender it rather than say, "No, you have to spend the money", and therefore spend more money. It is quite important and I would like to think that in terms of administering the fund we do build in that flexibility to enable us to make the right decisions for the good of the project rather than just getting money out the door.

I just wanted to come back on some of those points, and of course my answer to your question, "Would we like a further fund?" Yes, we would very much like a Round three.

Jennette Arnold OBE (Deputy Chair): Given that we now have a refocused LEP, how does a Round Three feature within this refocused LEP, because you must have had some discussions about that?

Debbie Jackson (Assistant Director for Regeneration, GLA): Absolutely. The LEP is in the process of developing its proposals to Government for the single local growth fund and in the Autumn Statement there was an announcement of £70 million for the LEP in 2015/16. We have been influencing input into that process, so if you were to look at the LEP paperwork then you will see that there are two priorities we have influenced within there: one is high streets; and another one is places of work, which picks up on partly the non-retail element of high streets, but also industrial estates and things like that, which is an area we have not really spent much time on. We are inputting and the LEP has supported those two priorities through that Single Local Growth Fund, but also through European priorities as well. We are also looking hopefully to any funding we are able to secure to match with European funding and the European priorities for 2014-2020 are also feature these points. That has been approved by the LEP and obviously there is more detailed work to come, but we are still in the process.

Jennette Arnold OBE (Deputy Chair): Because that is key to the whole issue about duration and sustainability. Mr McKee said the structural issues - which we would all agree with - need time to develop but they also need to be linked with Government priorities as well because if you go much further than three years, and I do think there are those structural things. I was for many years part of the King's Fund regeneration, and that was tinkered with by the three

boroughs on an annual basis. Then we received European funding for three years and it was not until we received the big seven years with people knowing from the start that there would be a concession made to a three-year legacy fund. So there were seven years with everybody knowing that a vehicle would be created to continue the major housing infrastructure, the transport that was to come. Given that, Will, will your Commission be looking to influence the LEP given that the LEP is the mechanism for drawing Government money into London?

Will McKee CBE (Chair, Outer London Commission): Not directly, we have not received an invitation to go into dialogue with the LEP.

Jennette Arnold OBE (Deputy Chair): No, but in your recommendations?

Will McKee CBE (Chair, Outer London Commission): Our recommendations through the officer machinery at the GLA will be in that direction.

I would add one thing to it; there was a certain nervousness earlier on about whether public money simply subsidises uneconomic circumstances and we have quite a history in this country, certainly in the regional assistance world, of propping up uneconomic locations. Then when the money is withdrawn of course it stops. I have always felt that one of the key criteria, alongside the others, in the use of public money in the kind of things that we have been talking about is you should ask yourself on every project "is this likely to make private investment more likely to happen as a result of spending this money?" Because at the end of the day, there will be more private money spent than public money on the town centres of this country. I think that is a useful kind of checklist point to make, "Is this going to make it more attractive to be an investor in this town centre or less attractive?" While we do not particularly talk about match funding with public and private money, in a way that is just another way of describing it, and I think that fits in particularly with the longer-term capital nature of thinking about the issues that need to be addressed. To make it attractive for private, and whether it is offices, which I think is really important, for that private investment to come in and take up the continued investment once the public investment has played its part.

Jennette Arnold OBE (Deputy Chair): Mark, thank you for your candour about the key issue about the lack of human resource and intelligence and skills at the local level, because if that is not there then no amount of thinking and organising at a London-wide level and Government level is going to make it happen within boroughs, so that is something that really has to be taken on-board for the future.

Gareth Bacon (Chairman): The next question is aimed primarily at Mark and Beth, but if anyone has more to feed in then they can, it is really about the evaluation of Rounds One and Two, and what the GLA could be doing to better evaluate the impact of the Fund and how it has been spent. Where I am going with this really, Mark, in your submission there was quite a useful sentence, you wrote, "There is a contradiction in a programme which aimed to deliver long-term economic impact, but is evaluated shortly after its completion," which I think would strike a chord with many people. Is that purely what you feel about it or are there other things as well you think the GLA could do better on, in terms of evaluating?

Mark Billington (Head of Economic Development and Research, London Borough of Harrow): For me that is a big thing because, if you are going to invest in future programmes, you need to have some link, which is what does have a long-term impact? If you are only evaluating it for six months or 12 months afterwards, how do you know whether something has had a three, four or five-year impact or even longer? I talked about our investment in the town centre; it should have a 25-year impact. I am not saying you should have a 25-year evaluation, but you should have an evaluation over a couple of years, so that to me is important.

Just one other thing, when I was going back looking at verifying the job figures, I spoke to Harrow College who received pump-priming for a project in Round One, which was a job brokerage employment agency. It is still going, although they have told me - and I have all the figures written down - 1,000 or so have got into work in the last two years. You are not capturing that, so you could be making investment decisions without even knowing that something you have done has had an impact. Equally, they are making decisions without even knowing that something had no impact, so I think that is really important.

I think the other thing, which is more difficult on the evaluation is almost what has been the qualitative change in an area. I am not talking about the design side, but just in the sense of a town centre, because we measure vacancy rates and people come back and they complain to me quite rightly, "But we do not want any more betting shops or pawn brokers or fried chicken shops", so how can you look at that qualitative change in an area when it comes to use as well? I think that is difficult, but that is another one that is worth looking at. The primary driver for me has always been job creation and sustainability, but other drivers to think about, maybe the quality of use within an area as well.

Beth Kay (Regeneration Officer, London Borough of Brent): I was finding on my iPad the Department for Communities and Local Government's values and benefits of regeneration, which is difficult to read and quite a heavy document, but quite useful. I remember poring over this when I was doing the Round Two bid because quite a lot of evidence was needed for Round Two around how much value would we be adding by the improvements to the High Road, and it is quite difficult to do. I think a bit more support or just more discussion on how we value the benefits of regeneration would be incredibly helpful to us as local authorities, and not just when we are bidding for funding streams like the Outer London Fund, but even when we are deciding how to spend our own Community Infrastructure Levy (CIL), because we need to start prioritising projects and that would really help. We are having the same conversations internally about which projects should be getting this capital investment and which should not.

Gareth Bacon (Chairman): From a GLA perspective, Debbie, do you have any responses to the observations of borough colleagues?

Debbie Jackson (Assistant Director for Regeneration, GLA): I think extending the evaluation point was a really good one and I think we need to take that away and have a think about it. There is a cost to evaluation, but I think there are ways of doing it and I think that is a really good point well made today, so I think we need to take that away.

Gareth Bacon (Chairman): It could be a multi-stage approach I suppose, preliminary evaluations are useful obviously, but then things change over time, so a follow-up evaluation.

Debbie Jackson (Assistant Director for Regeneration, GLA): Like a revisiting, exactly, and it is very doable, you can see how it would be done and to feed into future rounds I think it would be a really useful thing to do. It is interesting just as I am hearing borough colleagues here as well, one of the things I have written down here is to consult the boroughs on any approach to Round Three and how we may do it, which I think we should do, even if we do not know if we have funding yet we can still ask those questions obviously.

In terms of how to value the benefits of regeneration, and it is difficult, I completely acknowledge that. We all know, practitioners in the field, that the points that Mark is talking about in terms of the less quantifiable aspects of the town centre are some of the benefits that we are looking to achieve here, but nevertheless we need to be able to measure investment. There is a balance, and I think there is an interesting role for us here as we approach a future round, or just for City Hall in general, as you have said, to think about how we can support boroughs in doing that. It is a language that everybody is using increasingly, be it CIL, be it whatever funding round, it is about valuing the benefits, so I think that is an action that we can take away and have a think about. It would be something we would be looking to do anyway, but in terms of a wider role for City Hall we can have a think about that.

Gareth Bacon (Chairman): The final question that I want to ask today is really a tidying-up question, it is about public awareness of the Outer London Fund. In your earlier answers to the other questions, you talked about doorstops worth of press coverage that suggested that people were, but Fiona Fletcher-Smith [Executive Director for Development and Environment, GLA], when she appeared in front of us in June, I am quoting what she said, "A lot of people who probably live in New Addington or Ponders End know that the money came from the Mayor's Fund at some stage, but we are probably not very good at telling that story", which slightly contradicts what you said. Not trying to put you in a difficult position with your boss, but do you think that people are aware of the Outer London Fund itself and are there other things that we could do to make them more aware?

Debbie Jackson (Assistant Director for Regeneration, GLA): My answer is yes and no, which is why it is OK for Fiona to have said that and for me to have said that we have doorstops worth of coverage. We have extraordinarily good local coverage, the kind of investment we make through the Outer London Fund is brilliant for the local press, the local blogs, and the local social media, so we have great local coverage, and the doorstops that I referred to were predominantly local coverage. Of course there are examples of where we can do better. We work very closely with the boroughs to do that and we are coming to a peak now with the last six to nine months of delivery where obviously there is going to be some completions, so some bigger stories to tell.

Where I think we could do better, and one of the discussions we have with our communications colleagues in City Hall, is what is the Mayor doing for high streets in London. The Outer London Fund tells a great story on a local level, but pulling it together and telling that story at a London-wide level all the time, rather than just when you announce funding. When you

announce funding you get the coverage and you get the awareness-raising, but then it sort of goes down to a local level and one of the challenges that we are thinking about, which is what Fiona is alluding to, is how do you aggregate that and tell the story of the Outer London Fund, what that means for London-wide and the sort of aggregated benefit of it. We need to remember though, it is not just the Outer London Fund, but the Mayor's Regeneration Fund, but other things that City Hall does as well. There is planning and reviewing the policies. In other parts of the organisation we have got support for BIDs and a grants fund for BIDs, there is an awful lot of work that City Hall is doing for high streets that in my opinion we are not gathering as a good story. I hesitate to mention [Mary] Portas as being the Government's sort of poster girl on high streets; I am not suggesting we have our own poster girl or boy, but I do think there is a better pull-together that City Hall could do and that is one of the things we are thinking about at the moment as potentially prioritising in the New Year in terms of what is the Mayor's offer on high streets.

Jennette Arnold OBE (Deputy Chair): I totally understand what you are saying, but if you were to look at the circulation of local papers, when you say you have made a hit in the local paper it does not ring my bell because my circulation of my local papers, if we were dependent on that, it would be really low-level coverage. I am glad you mentioned blogs, which clearly take things into a bigger space, but much more needs to be done because just from a constituency level bad news is there all the time, it has its own energy, it travels further, and good news is always questioned, so when I am saying to somebody, "Yes, but you know about this and all that", and like a pop-up market, "Well what has that got to do with me?" You have just got to keep doing the work, so glad to hear you are thinking about that for something in the New Year, because it is London money being spent.

Debbie Jackson (Assistant Director for Regeneration, GLA): I think one of the things that does characterise the Outer London Fund is it is creative and it does push the boundaries. I am quite pleased to hear Mark talk about the crazy project that nearly felled a lamppost in his street, because I think it is important we push the boundaries and I think it is important that we test stuff. Sometimes stuff will fail, but how else will we know that we are really pushing the boundaries of creativity and coming up with new ideas if we just do what was done yesterday.

Gareth Bacon (Chairman): Yes, as the old cliché goes, if you always do what you have always done then you will always get what you have always got, which I think is a nice way to wind up the meeting. OK, that concludes the discussion so can I thank the guests very much for their attendance and for their input.