

## Regeneration Committee – 10 March 2015 Transcript of Agenda Item 5 – High Street Regeneration

**Gareth Bacon AM (Chairman):** The main item of business today, is on high street regeneration. Can I welcome our guests to the meeting? Niraj Dattani, is the Senior Partnership Manager at Spacehive. Debbie Jackson, is the Assistant Director of Regeneration. Ojay McDonald, Policy Manager of the Association of Town and City Management (ATCM), welcome. Chris Paddock, Director of Regeneris, welcome. Simon Pitkeathley, who is the Chief Executive of Camden Town Unlimited, Welcome, all of you. Thank you very much indeed for coming along.

The first question today is going to be directed at you, Ojay, and it is regarding high street vacancies. Over the last few years, high street vacancies have been fairly static but have gone up slightly, despite London's booming economy and the interventions of the Mayor in other areas. Why do you think that high street vacancies have been going up?

**Ojay McDonald (Policy Manager, Association of Town and City Management):** There are a lot of different issues that impact on town centres and it is actually quite complicated sometimes to separate out what all those issues are. There are certain things: say changes in demographics; maybe growth in the residential population in some areas, maybe a slight decline in others; changes in the way people are using the town centres. We all know about the impact of digital technology and online technology. These can all impact the different towns in different ways depending on the local dynamics. Sometimes it is difficult to have a set list and say, "This has definitely impacted town centres across the board".

However, there are two particular issues that are key to me at the moment, which do deserve to be flagged up as having an almost universal impact on town centres. The first really big challenge we have, which we are grappling with across the country and in the next couple of years will be a significant problem on London's high streets, is that we have a very outdated tax system. I do not know how much you know about the way business rates work, but effectively the revenue take for the Treasury from business rates nationally is always revenue-neutral. A business will pay based on its rental value at each valuation. That rental valuation will change the business's liability, but it will only change in relation to how other businesses using commercial property are performing. That was fine 30 or 40 years ago. It was brought in by Margaret Thatcher [former Prime Minister] and then, under that current system, it worked fine. However, we have had a complete change in business practices. We have digital technology. We have online technology now. Whereas before, if you wanted to trade you had to certainly engage in the high street and this revenue-neutral system would work, now you do not need to rely on commercial property to be able to trade.

What we are finding is that rental values are pretty much going down across the country, with maybe the exception of small areas and possibly outer<sup>1</sup> London and that is it. What a lot of businesses are finding at each revaluation is that their rental value is going down but their rates can still go up because this system has to be revenue-neutral. The problem for London is that I suspect rental values across London have not had the same downward pressure on them as has been the case across the rest of the country. In places like Stockport, we have seen around a 30% decrease in rental value.

When the next revaluation comes around in the next couple of years, we could see significant hikes in the business rates that a lot of even small businesses will have to pay and that is a significant challenge, which I am

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<sup>1</sup> Following the meeting Mr McDonald clarified that the reference was to West London and not outer London.

concerned about. For a lot of businesses, the figures just do not work anymore. Those costs are going up. Meanwhile, people are having the option to shop elsewhere. Therefore, there is a downward pressure on their income and an increase in their expenditure. It is not just small businesses; it is large businesses as well. The number of big names we have seen leave the high street - and some going out of business altogether - is incredible.

On top of that as well, we also have issues with corporation tax and being able to capture tax revenue from digitally-based businesses. In many cases, what you will find is that some of these businesses are in competition with the businesses on the high street. Not only are these businesses on the high street paying more in terms of their tax, but they are paying to subsidise some of their competitors, which really in the long term will only ever go one way. That is one issue.

The second issue is one of the reasons why the Association of Town and City Management (ATCM) was formed just over 20 years ago and that is, in the town centre, there is no natural management and there is no natural governance body. I noticed in one of the reports to do with the Mayor's Regeneration Fund (MRF) and there was concern that those necessary governance and leadership structures need to be in place to make sure the funds are spent well, used well and have maximum value. I would go so far as to say that if you want town centres to be able to evolve in the future and if you want them to meet the needs and the challenges they have, which may be local or may be global but they affect that local place, then they need to be well managed and they need to be well governed. There is no natural management capacity for town centres and high streets. Local authorities had taken on a lot of the management of high streets previously, traditionally, almost by default. However, when you consider all the different stakeholders that have a vested interest in high streets - residents, different elements of those local authorities, property owners, business occupiers - we need to be making sure we are bringing these partners together and working in a cohesive, co-ordinated way to make sure these places are well managed and that brings in the additional investment, which is necessary.

We have made a lot of progress over the years. We have Business Improvement Districts (BIDs), which are incredibly successful and really have so much more they can do if we continue to nurture them. We are working with central Government at the moment to see how we can evolve BIDs, including bringing property owners in, maybe lengthening the term between ballots and looking at what other powers they can take on. We need to continue to look at other forms - and we have had the Town Teams programme - of partnership that we can work and build to make sure we manage those town centres. However, I would say that it is a necessity that every town centre is well managed and has co-ordinated activity that can help it to evolve and deal with some of those local challenges.

**Gareth Bacon AM (Chairman):** In a nutshell, you think that high streets are struggling in some cases because of lack of collective leadership or lack of proper leadership and because of the outdated tax system?

**Ojay McDonald (Policy Manager, Association of Town and City Management):** They are probably the two main challenges. Thankfully, today, some town centres are relatively well managed. Not all town centres are. There are some that do get left behind.

**Gareth Bacon AM (Chairman):** I am going to throw that open to the rest of the guests at the moment, but I want to ask Debbie a quick question first. What were the Mayor's primary objectives with his involvement in high streets so far?

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** There are two main reasons why the Mayor has prioritised high streets. The first one has been there throughout the programme, and the second one is perhaps emerging and growing in importance.

The first reason we invest in high streets is because of their importance to London's economy. We know from research carried out previously - and we are hoping to refresh this research - that outside the Central Activities Zone (CAZ) over half of London's jobs exist in high streets and town centres. That is far from just retail. Retail is only part of that mix. There is a variety of different places of work in town centres. In order to sustain that important tapestry of jobs in London, we have high street programmes to support the growth and vitality of high street and town centre locations. That is the first overriding objective and rationale for investing in high streets.

The second one that I mentioned that is growing in importance is the role of London's high streets in terms of London's liveability. We all know and I am sure you have debated at this Committee the challenge of growth in London. We have more residents than since 1939 and, therefore, we need places that people want to live. Part of the challenge is obviously building homes, but another part of the challenge is having places that people want to live. This is where I flip into total anecdote but my view and our view is that a large part of people's rationale for choosing where they want to live is the quality of their local town centres, places they can shop, visit, meet friends and work. Therefore, they are an important contributor to the liveability of London and they support the growth agenda as well.

**Gareth Bacon AM (Chairman):** I am going to throw it open to the rest of the guests after both the contributions we have just had so far and what your thoughts are on that. Can I start with you, Simon?

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** I suppose I would pick up, inevitably, on Ojay's [McDonald] point about BIDs. As we see the public sector retreat necessarily because of everything that is happening there, finding ways of empowering local leaders to do stuff in places like high streets is really important. BIDs are a great mechanism for that. They are not particularly well understood. Lots of people see them purely as janitorial with a little too much in the way of hanging baskets and stuff like that.

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** You are obsessed with hanging baskets!

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** I am. I hate them with a passion.

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** A meeting is not complete without Simon having a rant about hanging baskets.

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** Don't start with me. I was trying to move on.

**James Cleverly AM:** I am with Simon on hanging baskets.

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** I am with him. Don't get me wrong.

**Ojay McDonald (Policy Manager, Association of Town and City Management):** He has started me on it as well now. I keep mentioning it.

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** Anyway, it is what they represent. They represent shallow, narrow thinking of how we can do things within high streets. What BIDs offer is a group of people, both business leaders and the officers that they hopefully employ, who can spend their time trying to think about and articulate visions for an area that are peculiar to that locality and, hopefully, are imaginative and deliver real economic regeneration. If they do not, they will fail and go away. It is right and appropriate that that should happen.

There are two sides to this equation. One is that the public policy community needs to better understand the opportunities of BIDs and what they can really do. Also, the BID community needs to be challenged to be more innovative and to move on from the hanging baskets. I could talk all day about that, but I will not. Those were my initial thoughts.

**Gareth Bacon AM (Chairman):** Thank you. Chris, did you have a view?

**Chris Paddock (Director, Regeneris):** Yes. To reflect on Ojay's [McDonald] first point, it is very important, the tax and rates system. For that reason, my reflection working on town centre projects all over the country is that there is an increasing level of uncertainty within the retail sector and the advice that retail experts are able to give us is increasingly underwritten by a level of uncertainty, which is a challenge in making policy in relation to high streets. I would really just back up exactly what Ojay just said.

In terms of Debbie's [Jackson] point on the more diverse role of high streets in the evolution of London, again, a reflection on other work that we are doing in London's town centres is that the role of the high street and the town centre in particular is becoming more and more important. Areas such as Whitechapel and Brixton, where we are working, are under a lot of positive pressure but also the pressure of populations adapting to the change in the economic opportunities in those areas. The town centre remains the place that people come together and the place that you can capture and get at, if you like, these people. The evolving role of diverse town centres in London, I agree absolutely, is highly important.

**Niraj Dattani (Senior Partnership Manager, Spacehive):** That was all very interesting. Just in my opinion, in the past the focus has been too much of a retail focus in terms of improving the high street. That has changed in the past few years. Whether it has gone far enough, I am not sure. However, from our perspective, we think there is lots of creativity out there in the country, especially in London, from people and from organisations. If you can get them contributing to the high street, then that would make the high street better.

Coming back to the point about being retail-focused, whether or not that is still the case in the efforts that are going on, the brand of the high street is still very much retail-dominated. If you are trying to get people to contribute to the high street, they are going to be thinking about, "How can I contribute to this retail place?" If you turn the high street into something different and people understand that, then they can contribute in different ways. That would just be my take on it.

**Gareth Bacon AM (Chairman):** We heard earlier from Debbie [Jackson] about why the Mayor has been focusing on high streets in terms of their funding. I am going to ask everyone except for Debbie for their views as to what they feel the Mayor's interventions have achieved. Is the Mayor on the right track in terms of the interventions so far? We will start at the other end with Simon again.

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** We have done quite a lot with a fund that was co-funded with the MRF, the BIDs and the local authority. Sorry, I am going to quote a few statistics at you. Over nearly two years now, we have managed to achieve 118 new jobs, 84 new business starts, 49 people supported into self-employment, 55 businesses staying beyond 12 months, 162 pop-up work placements and 148 different shop tenants in our pop-up scheme.

What that collectively does is to aggregate an awful lot of activity around our high street and that for me is the really important part of this. The more we find that we bring people who are interested in doing creative stuff together, the more stuff pops out of that. I do not just mean pop-up shops; I mean things like co-localities and accelerators to help those businesses grow, things like work placements and things like links to local charities. They all start to come out of that aggregation the more you push things together.

The challenge now is to try to take that kind of learning and see where else you can take it. The point that Debbie [Jackson] was making there about trying to use high streets as a focus for the solutions for things like housing is really important and interesting as well. We all know the difficulties with height and density in terms of developments, but if you cannot achieve that in a high street, where can you achieve it? They are areas where you are much more likely to get lower levels of resistance and therefore more opportunity to increase the live/work environment and thereby make your high streets more interesting places to be for all kinds of people. BIDs can play a role in that, but the Mayor's interventions have been very useful in trying to scope out some of the potential of that. The challenge now is how we push that further and farther.

**Chris Paddock (Director, Regeneris):** We have done lots of different evaluations of the Outer London Fund (OLF), the MRF and the Portas pilots. We have been working through individual authorities on their town centre interventions as well.

Generally, it is very positive. I would applaud officers and the Mayor for taking such a broad approach on high streets. Often, elsewhere the approach is a little more light-touch and it tends to default to existing organisations and norms. This has been a challenging programme that has led people to innovate and the feedback that we get from speaking to them is that the experience is broadly positive.

From a technical evaluation point of view - and I know this is a later question - it is difficult for me to say, "For every pound you have invested, you have had this much back", because they are longer-term interventions and the real benefit of all of this is going to be felt over the next 10, 15 or 20 years. It is difficult to say, "Pound for pound, great", but the word on the street is generally positive.

It is not universally positive. There are people who will have a short-term disadvantage - a business seeing the street dug up outside its premises and that sort of thing - and that has come through within the findings as well. There are other areas where the investments generally could probably do more and we have said this in our recommendations in our reports. Actually reaching the hardest-to-reach and those furthest from the labour market and bringing them back into the town centres where they can participate in the opportunity is an area where more could be done, but that is well known to officers and they are acting upon that as well. It is generally positive.

**Gareth Bacon AM (Chairman):** Good. Generally positive. I am going to come to Ojay now because you do not have any skin in this particular game in terms of working for the Mayor's Office and so I am looking for an objective overview. Then I have a couple of Members who want to ask follow-up questions.

**Ojay McDonald (Policy Manager, Association of Town and City Management):** You will have to excuse my limited knowledge because we cover the whole of the United Kingdom (UK). We have had some engagement in the funds that have taken place through our members, such as Simon [Pitkeathley].

From what we hear, generally things have been positive in terms of the way the funds have been allocated and the fact that there has been such a big focus on helping to regenerate high streets. There was that short input of cash following the riots in 2011 but the fact that that has been followed up with some efforts to get off the ground longer-term schemes, which have been backed up by investment, has generally been seen as very positive. We are quite thankful for that.

As Simon [Pitkeathley] said, one of the challenges for us is to try to get the learnings we can from that, not just the basic figures and statistics in terms of jobs created and jobs retained, but also some of the longer-term benefits in terms of maybe wellbeing, better places to live, places which are more desirable to live because of improvements in town centres, things like governance and leadership structures that may have sprung up as a result and learning from those, not just for the sake of London but also for other areas where some of these schemes may be replicated with a bit of investment as well across the UK. Yes, all in all, from what I have heard, it is positive.

**Navin Shah AM (Deputy Chair):** It is very interesting to hear your viewpoints on high street regeneration. The Mayor has policies in the London Plan in terms of all the regeneration for town centres. We have opportunity areas as well as intensification areas, which pull together policies and strategies to regenerate maybe jobs, housing and so on.

Do you reckon that there is scope for similar intervention or a policy strategic approach for high streets? Whether it is inner London or particularly outer London areas, high streets are part of the social fabric, involving communities. Older communities or the younger generation, etc, are not very mobile at the best of times and those high street shops, for the reasons that have been described, are almost dying on their feet. We looked at whether or not high streets need reinventing themselves, given the pressures, etc. We have talked about that. However, I do not take away anything in terms of benefits from regeneration funds that we have been talking about, whether it is the MRF or the OLF and so on. Do you reckon that at that level a strategy to deal with high streets would be helpful?

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** I will just kick off with a bit of landscape-setting. In September last year, the planners launched the Town Centres Supplementary Planning Guidance (SPG) that is intended to unpack London policy for high streets and give a more detailed set of policy on high streets. Preceding that, we did some work together with the planners on a study called Accommodating Growth in Town Centres, which looked at the tension, if you like, between housing growth and town centres, taking into account other pressures on town centres such as online retailing and things like that. What the Town Centre SPG attempts to do is to navigate a path between all of those challenges and support ongoing vibrant town centres that can also be within a process of change and housing growth.

When you read the policies and when you look at what is coming out of City Hall on this, that tension is felt most keenly in the mid-range town centres. The local parades where you get your milk can be sustained and the large town centres - Croydon, central London and things like that - can be sustained. The real challenge is in the middle range. Those are the town centres that the Town Centres SPG is suggesting could experience some more fundamental change to sustain them and also to accommodate growth as well. These policies are now there, but with a view to navigating the path between the challenges while still sustaining the town centres and the important role of the town centres.

**Ojay McDonald (Policy Manager, Association of Town and City Management):** As a general point, I am quite optimistic about the future of town centres as long as we get that policy framework right for some of the reasons Debbie [Jackson] said at the beginning: because town centres have so many functions including jobs and employment within them and also because people rely on the town centre as part of the place they live. People might choose the place they live based on how healthy the local town centre review is.

Following the Portas Review as well, I just see so much goodwill and so much support for the town centres and there is nothing to suggest to me that town centres cannot survive as long as we get that policy framework right at a strategic level. If we do that both across London with the Greater London Authority (GLA) and at a national level, then they will survive into the future. Like I say, it is about modernising that tax system. It is about making sure we have the right incentives to grow management and partnership structures for every town centre and maybe just making sure we get the planning system right as well so that some of those powers like planning belong at that town centre level and town centre leaders can bring businesses and local government together to make sure they can dictate the planning a system in the way that is best for that individual town centre. There are so many different trends that impact differently on individual town centres. You sometimes need that local management to be able to ensure that the actions being taken are in the best interests of that town centre.

I am sure this has probably come up for you previously, but permitted development rights (PDRs) for something like offices to housing will work in some areas and will not work in other areas. It is just one of those sorts of powers where, if you made sure it was at the right level under some form of town centre leadership, you would get much better decision-making.

**Gareth Bacon AM (Chairman):** Do you think the planning system is sufficiently flexible to allow for what you have just asked for?

**Ojay McDonald (Policy Manager, Association of Town and City Management):** At the moment, no. There are a number of changes that are needed. Certainly in terms of change-of-use, including those PDRs, much more power should belong in the hands of local planning authorities, which are working with structures like BIDs to make sure that businesses and local government are getting together and deciding what is in the best interests of that town centre and making sure changes are brought forward quickly to support the area. At the moment, PDRs take away the flexibility for that to happen. It is a nationally imposed policy that sends power down to individual stakeholders and sometimes what individual stakeholders do is not in the best interests of the town centre as a whole. That is very much what we want to get to. We want to get to decision-making that is in the best interests of the town centre as a whole. There are changes that can be made to make sure there is a more positive policy framework.

**Gareth Bacon AM (Chairman):** Chris, did you want to come in on this?

**Chris Paddock (Director, Regeneris):** Yes. Again, I agree with Ojay [McDonald]. There is a big challenge for the planners there. The important thing in the context of London - in response to your question, Navin [Shah AM, Deputy Chair] - is that London obviously is a very polycentric place and these town centres, particularly the mid-size town centres that Debbie [Jackson] talked about, are all incredibly different. Therefore, I do not think there can be a one-size-fits-all strategy for intervention. There can be a mayoral policy and a set of principles where the Mayor could intervene, but there also needs to be empowerment of the local planners and the local stakeholders to continue to play that role in the dialogue about the evolution of their town centres. The town centres are the psychological embodiment of the place and also the economic

embodiment of the place. Actually, as you go around to London's different town centres, they are all different and they are all telling you something different about the location they are in. That is why they are so important not just to retail but to housing and to cultural amenity. There is scope for intervention from above, but it really needs to be led by information and evidence from below.

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** Property owners. That is the concrete ceiling that those of us involved in this come up against all the time. What we are really talking about with the different high streets is an evolution of the market, the market influencing situations, retailers adapting to new ways of working because of the way our habits are changing and the way we shop. All that sort of stuff is important and will happen.

However, in my experience, the big landowning groups that will take a strategic view of an area because they own it all are generally managing their estates quite well. You could argue that they make too much money, but it at least is strategic intervention. The problem with most town centres, particularly the ones you describe, is that the ownership is fractured and absent and the market is not forcing them into the daylight. Things like upward-only rent reviews, personal guarantees on leases, long leases and the fact that there is not a decent property register and you cannot find these people mean that they are not operating in the market in the same way that the retailers are having to adapt. Anything that could be done to bring those people into the equation is well worth looking at. I have a radical suggestion that I will come to if you are interested, but somehow we have to find ways of bringing those people into the equation because they are the real block in all of this. It may well be that we have to completely change the way a high street is and operates. However, as long as you have people in the system who will only let a shop at a particular high rent because it is what they have been led to believe they will get, then they will not do anything else and you are not going to be able to effect that change.

**Chris Paddock (Director, Regeneris):** Can I just butt in with one quick example? The work we are currently doing in Whitechapel and Brixton just backs that up absolutely. It is not just dealing with the owner. It is the fact that the ownership of the lease may well pass between people and there are various different tiers of informal ownership as well. Actually unpacking all of that and doing something about it is very difficult. That might be where Simon's [Pitkeathley] radical intervention comes in or the Mayor could intervene with his powers.

**Gareth Bacon AM (Chairman):** We have had two teasers and I cannot really let it go. Briefly, your radical intervention would be what?

**Chris Paddock (Director, Regeneris):** We have to ask.

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** There are two, actually. The more radical one is to swap the liability for business rates on to the owner. Currently, the occupier pays the bill. If you swap the liability on to the owner, which would involve a radical overhaul of the property register, you would force them into the light. They would still pass the charge on to the occupier because that is the way they work and so you would not affect the net position, but they would be forced to be part of the equation. They would not be able to leave their properties empty quite so easily and, as I said, they would be part of the solution.

We are all saying I agree with Ojay [McDonald]. I do not know why today that is, TV debates?. No, I should not have said that. I am not likening you to Nick Clegg [Deputy Prime Minister]! I am sorry, Ojay.



**Gareth Bacon AM (Chairman):** Do you like being equated to Nick Clegg?

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** The more you empower things like people running BIDs with local decision-making, the more you force the people appointing them to think about the sorts of people they are appointing and they are empowered or inclined to appoint people who can operate in that political environment rather than people who put up hanging baskets.

**Gareth Bacon AM (Chairman):** That solution is something that you trailed at the Economy Committee last week.

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** Yes.

**Gareth Bacon AM (Chairman):** I might pick your brains on that privately.

**Ojay McDonald (Policy Manager, Association of Town and City Management):** Yes, no problem at all. I just wanted to add to Simon's [Pitkeathley] comment on swapping the liability around. That is the way things work in the United States (US). It is the property owner who is responsible for the commercial property tax. You find that BIDs over there are very forward-thinking, very long term and very much about accruing the value of their assets and really getting to grips with managing their town and city centres because, effectively, the people responsible for paying the levies are these asset-owners who have a long-term interest in the area. It would be quite a significant change, maybe, in terms of getting us out of this janitorial mind-set into something that is more strategic. It is an idea that has a lot of mileage and we have a ready-and-waiting case study in terms of what is happening in North America that we can learn from and build on.

**Gareth Bacon AM (Chairman):** Yes. I am sniffing a potential investigation by the Committee, which I have just whispered to Jo [Sloman, Scrutiny Manager]. We might look into this in more detail.

**Murad Qureshi AM:** Just two points. They come back to Simon's [Pitkeathley] point about BIDs. Funnily enough, I do know where the whole hanging basket thing happened. It came from the councillors of Westminster City Council, if I remember rightly, and you notice the difference between Camden and Westminster on that front.

In the BIDs, essentially, what scope is there for training and other activities beyond that? It is sometimes not often appreciated that the legislation is there and that there is scope to do other things. How could the Mayor possibly help on that front?

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** There are the things that the Mayor is trying to do. Kit Malthouse, the Deputy Mayor [for Business and Enterprise], has certainly led groups and has brought BIDs together. There is a fund now to help set up new ones. The sharing of best practice and the provoking, which I think is the point you are getting at, is something that probably needs to come from outside of the industry to some extent. Pick your winners, pick your best practice examples and reflect them back to those that you feel are not delivering. It is quite hard for someone like me to do it. You could do it.

**Murad Qureshi AM:** That is true and I did try, actually. I was a councillor at Westminster City Council for the Church Street Ward, where I thought there was particular land ownership. You had the station. BNP Paribas had moved in. You had the street market. It had plenty of things going for it. Not surprisingly, as an opposition councillor, it did not get the energy that it warranted, but the ownership issue was quite interesting.

One of the successes that is often highlighted as a high street - and I know it has a particular market - is Marylebone High Street. How much of that success is down to the Portman Estate? Is it totally down to that?

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** To the Portman Estate? I would say 98%.

**Murad Qureshi AM:** That is what the perspective is locally as well for anyone who peers into that example. They are trying to do something similar on Baker Street, which is another interesting high street in itself. They are trying to change the flow of traffic from one-way to two-way. Is that kind of stuff helpful to high streets?

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** Yes, very much so. If a high street is a two-lane motorway, if you like, then your ability to cross it and interact across it is severely limited when it is a two-way environment. Tottenham Court Road is going that way and it will be very interesting to see what happens there. I would like it to happen in Camden High Street. Yes, we would see that as very positive.

**Murad Qureshi AM:** Those are the kinds of things that a Mayor here could possibly do to --

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** Absolutely. My honest view is that the more you can push stuff locally the better and the more you can deal with stuff regionally the better. Is anyone from the local authorities here? Sorry. The difficulty when we have so many local authorities with so many policies is that things get stuck in a sense in that tier, but perhaps that is way above my --

**Murad Qureshi AM:** Presumably, that explains another bit of Camden that you will know well. Kilburn High Road is a classic. It is on the boundary of two local authorities and it is not quite clear which vision they are going with. Is that right?

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** Exactly right, yes.

**Gareth Bacon AM (Chairman):** Too many local authorities, you are saying?

**Murad Qureshi AM:** I did not say that but --

**Gareth Bacon AM (Chairman):** I thought Simon did.

**James Cleverly AM:** I will say it.

**Gareth Bacon AM (Chairman):** James is saying it.

**Murad Qureshi AM:** There is no doubt that it is quite clear.

**Gareth Bacon AM (Chairman):** Let us get a view from the Mayor's office.

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** I was just going to make two quick points. The gyratory point is really interesting. It would appear that they are just so last decade because they are being taken out left, right and centre. A lot of that is because of an acknowledgement that actually, in town centre locations, hurrying traffic through at the highest speed possible is not the right thing to do. When you look at the detail of a number of the projects that we funded, an awful

lot of it is about slowing traffic down and redressing the balance between traffic and people in town centre locations. That was just to elaborate on that point.

On property ownership, the Marylebone point is interesting. One of the key words there is about 'curation'. They have the ability to curate their high street. The problem with high street locations is that in a disparate ownership model there is absolutely no control over what goes in, which is where you see the oversupply of chicken shops and betting shops and things. I have no problem with chicken shops and betting shops; it is when the balance tips and you get them overtaking high streets that it becomes a problem. Places like Marylebone have the ability to control that. Shopping malls have the ability to control and curate their high street and that is one of the key challenges.

We are supporting and I do not have the details here, but the British Property Foundation - it is possible that Simon [Pitkeathley] knows about this - is looking at pilot studies on how they could work with town centres to try to overcome the issue of disparate property ownership through consensus models. Maybe you [Simon Pitkeathley] do know more. One of our high street projects is supporting that pilot and so we are looking at the challenge and trying to support people who are looking at the challenge. It is one of our projects that we have just supported through the existing fund.

**Gareth Bacon AM (Chairman):** Excellent. The next question we are going to talk about is the MRF. Navin is going to lead off on that for us.

**Navin Shah AM (Deputy Chair):** The Mayor gave an assurance that the majority of the MRF was earmarked for delivery in 2014/15 and the Mayor's Investment and Performance Board in fact has noted that there has been particularly low expenditure on these MRF programmes. It was around 3%. Can you tell us why, despite the Mayor's assurance, these programmes are running at this particularly low level? Are the reasons because of delays in linked projects or governance issues - and Ojay [McDonald] made interesting comments about local governance - or any other problems like the projects taking longer or not being what the local community wants?

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** I assume that is my one.

**Navin Shah AM (Deputy Chair):** Yes.

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** To give you the up-to-date numbers, £13.2 million of the MRF project funding has been spent as of Period 11, so where we are today, which - I take your point - of the £70 million fund, feels low given that the fund was announced after the riots in 2011.

I guess one thing to say is that there is a lot of schemes onsite at the moment. Outside Simon's [Pitkeathley] offices it is a building site because Cobden Junction is onsite at the moment in Camden. In Croydon, a number of schemes are onsite at the moment. The ones that were deliverable relatively easily, though schemes of this scale are never easy, are onsite and so we are now getting to the point where we are left with the wicked problems, if you like of the MRF. I can tell you what those are. The reason why these are not yet delivered is your final point. It is not down to governance. It is not down to capacity, although capacity will always be a challenge for local authorities. It is down to difficult projects.

To illustrate the point, for example, one of the schemes that has been delayed in Croydon is the Wellesley Road scheme. We all know Wellesley Road. It is the motorway running through the middle of Croydon. Our money is directed at crossings and public realm on Wellesley Road to try to change the environment and make it feel a bit less like a motorway and to make it crossable at grade as opposed to through the subways. The problem there has been trying to agree with the tram people delay to the trams. Obviously, the tram people work in a tram world where getting trams from A to B in a certain timescale is their priority and they do not want any delays to their trams. The negotiation of that point took a very long time. We went down there in the end with Sir Edward Lister (Mayor's Chief of Staff and Deputy Mayor for Policy and Planning) and Transport for London (TfL) to look at it. We have reached a resolution now that involves bringing some elements of the scheme forward and delaying some elements to dovetail with TfL works. It is multi-partnered, it is difficult and it takes time.

However, we should persist and it is doing the right thing because all of our work was never about picking off the low-hanging fruit and the schemes that we could deliver and easily get through. It was about tackling the things that are really entrenched and are really impacting upon the success of town centres. Almost by definition, particularly MRF, which has big amounts of money going into transformational schemes, they are hellishly difficult to deliver, but that does not mean we should not persist and keep doing them.

Of the ones that are still on our books, I can tell you the ones that are going to persist for a bit longer: Wellesley Road in Croydon, Peckham Station and some elements of the Tottenham programme, particularly the ones in north Tottenham related to the Spurs [Tottenham Hotspur Football Club] stadium because there was a comprehensive plan envisaged across the road from Spurs. We have all read in the press that the Spurs scheme has just gone through challenge. The compulsory purchase order (CPO) has now been confirmed and we are in discussion with Spurs in terms of how their scheme comes forward and considering the impact that that has on our scheme. It is interdependencies and a million different reasons why each scheme takes time.

**Navin Shah AM (Deputy Chair):** Will you be able to give to this Committee in writing a project-by-project analysis, particularly the ones where you expect further slippage for whatever reasons?

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** Yes, of course.

**Navin Shah AM (Deputy Chair):** That would be helpful because you will recognise that the Mayor's original principle for this project was to deliver it quickly, which then became redefined. Now of course we have structural issues, like you were saying, and there is delay.

There has been some local criticism from businesses and residents who expected funding to be more directly addressed to the effects of the riots. Do you reckon that these sorts of projects could have been better evolved with better input from local communities and the local authority?

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** To take that in reverse if I can, all of the projects have involved the local community. How we usually deliver our projects is through local authorities because local authorities are the bodies that best understand and work with local communities. The projects involve various different ways of consulting with and involving local communities.

In terms of the first part of your question and the potential criticism of whether we are dealing with the effects of the riots, it is important to remember why the MRF was set up. You will recall that after the riots there were a number of different funding streams set up and there were some funding streams that were explicitly directed at mending the effects of the riots. This fund was not about that. This fund was about supporting

growth in locations that had experienced the effects of disturbances and where there was opportunity for growth and where boroughs were keen to work with us. Therefore, this was not about looking at the damage that the riots had done and fixing it. Other funds existed to do that. This was about promoting ongoing, sustained growth in locations that had experienced the riots. It was never about a quick fix. It was about more sustained actions to support those locations.

**Navin Shah AM (Deputy Chair):** It is probably that the timetable was not quite what it should have been to deliver the --

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** Yes, I accept that point.

**Navin Shah AM (Deputy Chair):** Leading from there to the whole issue about communication, obviously that level of communication with those local businesses and residents could probably have been better to say what the function of this particular regeneration funding was.

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** Yes.

**Navin Shah AM (Deputy Chair):** Talking about the ongoing delays, how are you communicating with the local communities so that they are kept in the picture and know when to expect the improvements to be completed?

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** Again, that is something that the borough handles because it would be confusing for us to communicate with those communities directly. That is something that the borough works on.

**Navin Shah AM (Deputy Chair):** Is this something that the GLA and your team could be liaising on and guiding on if needed, working together, particularly with boroughs like Tottenham and Croydon, where we have --

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** Yes, and we do. We have very good formal governance mechanisms and informal working relationships with those local authorities where we do work with them.

The example that springs to mind is in Croydon at London Road, which is the road by West Croydon Station. We have had these discussions with the local authority because we are particularly keen that this is the case and we know that its engagement with those businesses has been very strong. We know that that is a project where communication with that local business community is very important. Other projects, like Wellesley Road, for example, are at a much more strategic level and the need to be involved and to be communicating on that on a regular basis is less. We are sensitive to the different projects and the way they impact the different businesses. London Road in Croydon is example of where I know the borough is all over that in terms of talking to the local business community.

**Navin Shah AM (Deputy Chair):** Thank you. Simon, if I can come to you --

**Gareth Bacon AM (Chairman):** Could I pause you just for a second? Chris wanted to come in there.

**Navin Shah AM (Deputy Chair):** Yes, sure.

**Chris Paddock (Director, Regeneris):** I just wanted to dip in because we undertook an initial review of the MRF on behalf of Debbie [Jackson] and her colleagues probably about 18 months ago and we reported back around November 2013. Obviously, the MRF had to be delivered quickly, it needed to be a quick response and it was important that it was delivered in that way. In an ideal world you would have formed a very neat strategy to frame all of this activity, but there was not time to do that.

Fortunately, I have the report in front of me and I just thought it might be helpful to quote a couple of things from it. Firstly, we did conclude that the initial response of the GLA to the riots was robust. A lot of data and evidence was collected and that directly linked to where the investment went. That is important.

Also, delivering flexibly and supporting the boroughs to influence the investment in such a short time period probably had an influence on the ability to move the projects along as quickly as possible. However, we concluded at that stage that the boroughs welcomed that.

We also concluded that all of the investment and all of the funding could be linked back to the riots in some way. The Mayor was heroically overoptimistic in terms of when the spending might be delivered by. If you look at examples of high street investments all over the country, they are always delayed and they are always more difficult than you expect, yes.

**Gareth Bacon AM (Chairman):** For me anyway, the question is laid at the Mayor's door. 'Heroically optimistic' is something that I might analyse and reproduce on another occasion.

When we did a report into the MRF, we went down and looked. We went to Tottenham and we went to Croydon. Croydon in particular sticks in my mind because, standing waiting for the train to go back, I took a call from a journalist from one of the papers in Croydon who was desperately angling to get me to say that there has been this terrible delay, that it is all rubbish, that nothing has happened, that it is years after the riots, etc. The point that I emphasised to him was very much the point that Debbie [Jackson] has just made. It was never about a quick fix. It was not about replacing a shop window that had been broken in the riots because there were a lot of funds for that. However, there does seem to be a communication disconnect, not necessarily with the GLA and the boroughs because the boroughs understand it, but your average punter does not. That is the point.

There is a question really to Debbie that I wanted to ask. If we could go back and do all of this again, would you plan a communications strategy or would there be a communications strategy worked out with the boroughs that would be different to what we have done this time?

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** Yes, we would learn from this fund and we would want to manage expectations in terms of what can be delivered in the timescale and also alongside that the importance of getting it right. You have heard me say at this Committee before that I do not measure my success at getting money out of the door because I do not think that is what my job is. It is about delivering the kinds of outcomes we are looking for. Therefore, if I had my time again, we would have learned from the realities of delivering these things and everybody's tendency and human nature to be overoptimistic and been a bit more realistic about that.

I feel like we did communicate the purpose of the fund, but clearly there is always more we can do to keep on reinforcing that message. Forgive my scepticism of journalists, but I do not think you will ever stop them trying to push for those lines, whatever we do.

**Gareth Bacon AM (Chairman):** No, I think we all share a certain deep-seated scepticism of journalists from various quarters.

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** Yes. I do not think we will ever be able to stop that behaviour, but managing expectations and realistic deadlines is a lesson that we would learn.

**Navin Shah AM (Deputy Chair):** Simon, what impact do you reckon the MRF project funding in Camden has had so far?

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** My apologies because I gave you my statistics earlier on. I am happy to do it again but you could probably transpose them into a different bit of --

**Navin Shah AM (Deputy Chair):** The follow-up question to that is: what would have happened if there was no MRF going to Camden?

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** That is a good question. I suppose there are two things. One is that we certainly would not have achieved the outputs to anything like the degree that we have. We would have tried and would have got somewhere, but a long way off the level of success that we have had. We have been incredibly successful in terms of bang for buck. It is nearly one in ten. For every £1 of investment, we have had £10 directly back in benefit.

Also, quite an interesting thing has occurred around the applications for the High Street Fund (HSF). If you look at what people are doing now, they are being much more imaginative. What has happened around the OLF and the MRF has highlighted some interesting and innovative ways of approaching things, which has encouraged people. I notice there are a lot more BIDs, for example, applying to the HSF than there were last time, more coalitions of people and much more adventurous applications; some a bit too adventurous, you might say. Not only has it given people like me opportunities to do things we would not otherwise have done, but across London it has provoked people to think more imaginatively about how they can deal with economic regeneration, particularly around the high street.

She [Debbie Jackson] did not pay me; I just said that!

**Chris Paddock (Director, Regeneris):** Sorry, I keep butting in, but the issue of what we as economists would call 'dead weights' or what would have happened anyway is an important one. When we first looked at the MRF, we had a look at Peckham and we had a look at Hackney and we thought, "These are areas that are improving very quickly anyway and there is lots of developer interest. All of this stuff is going to happen anyway". Actually, when we thought about it a lot, the public good argument being in place with the necessary resource and capacity to steer that investment and to gain a local benefit from investment is a very important part of this and should not be overlooked. In places like Peckham and Hackney, you will have a more significant local impact from the longer-term, bigger investment from investors and property people as a result of this investment at this stage.

**Navin Shah AM (Deputy Chair):** A final question on the same matter, Simon. Is there value in the GLA supporting boroughs to step in when market solutions are not available?

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** I suppose understanding market failure is what we are talking about, is it not?

**Navin Shah AM (Deputy Chair):** Yes.

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** Yes. The role of the public sector, whether through boroughs or regionally through bodies like the GLA, has to be defined by intervening where there is discernible market failure. Yes, boroughs can do that and the GLA can do that, but you have to make sure that you understand what the market failure is first.

**Gareth Bacon AM (Chairman):** We are going to move on and talk about the HSF and the OLF. James, do you want to lead on that?

**James Cleverly AM:** Yes, thank you. Ojay, I will bring you back in. You have been quiet for a few moments. I will come to you in a moment, Debbie [Jackson].

One of the criticisms or concerns - and I know we have touched upon it already - with the OLF certainly stemmed from the nature of it. It encouraged tactical rather than strategic interventions. Do you think the HSF has suffered from that as well and, if so, what are your comments and thoughts on how interventions could be better geared?

**Ojay McDonald (Policy Manager, Association of Town and City Management):** Like I have said before, if you have the right policy framework, town centres should flourish and thrive and should be able to evolve and meet the challenges that are laid before them.

With regards to the HSF itself, I understand that the different funding packages serve specific purposes. Am I right in saying that the HSF was immediately after the riots and linked to the riots?

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** It depends which of our many funds you are talking about. Technically, the HSF is the £9 million that is out of the --

**Ojay McDonald (Policy Manager, Association of Town and City Management):** The recent £9 million?

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** Yes.

**Ojay McDonald (Policy Manager, Association of Town and City Management):** Sometimes when it is linked to a certain instance and something that has happened such as the riots, you can see why it should be focused on some of those tactical issues to help with some things such as broken shop windows or whatever it may be, just to help a high street get back on its feet.

However, I would very much be in favour of some of the longer-term regeneration strategies that help in terms of getting capacity, in terms of leadership in town centres and in terms of helping with the cost of operating on the high street for many businesses. Some of longer-term schemes are the ones that will have the biggest return on investment.

I do not know the specific details behind the HSF but, when you have things like the MRF and also the OLF as well concentrating on some of those bigger issues, I would be pacified because there is work on longer-term



regeneration going on. However, for me, it is those longer-term projects that are really of interest to the ATCM.

**James Cleverly AM:** Not yet, Debbie.

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** Come on. Let me!

**James Cleverly AM:** Just on some of the discussion that we had earlier with regard to some of the statutory framework, we touched on planning and we touched on business rate policy. Is financial intervention through things like the OLF and the HSF blighted if we do not sort those strategic things out? Is it a waste of money if we do not get those big strategic changes done? Would it be better utilised in parallel with those things or does it stand up on its own? I am looking at you, Simon, and then probably Chris [Paddock].

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** What the sorts of interventions we are talking about do is highlight the problem and give you demonstrable things to point to when lobbying for the sorts of change that you want to bring about. Policymakers in Westminster, particularly in the Treasury, are going to be very reluctant to fiddle with business rates. It is such a fantastically reliable tax that you would really need to amass a lot of evidence to encourage them to change it in anything like a fundamental way. Yes, not only do these things have value in their own right, particularly - as Ojay [McDonald] says - when they are provoking long-term change, but they also give you the evidence that you need to make the case at a higher level.

**Chris Paddock (Director, Regeneris):** The boroughs in bidding for this funding are quite pragmatic as well and they understand the situation. I am sure it was deliberate. If you look at the distribution of the HSF as announced last week, the places that received the bigger amounts are the places that have good strong visions, town centre masterplans and SPG for the town centres that captures all of these issues. The boroughs are quite pragmatic about that and recognise that the town centre solution going forward is more diverse and encompasses the issues that we have discussed here today.

**James Cleverly AM:** Debbie, how did you and do you make sure that you get this right with regard to distributing this fund?

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** Sure. I can talk about that for a long time, but I will not. I have a couple of points to react to what has just been said.

For the funding through the HSF in particular - and always - we have had quite stringent match requirements. For the HSF on the non-Spacehive projects - and we will talk about Spacehive in a minute - there is a match requirement of 50% and everything we put in must be matched with equal or more amounts of funding. From the off, it is not just our money; it is somebody else's money as well.

Then, in the evaluation, we look at the extent to which the project is situated within a wider programme of change and situated within a policy context, which is the point that Chris [Paddock] was just making. Actually, we do not really want to fund isolated investment because, in terms of bang for buck, we think that is not the best value for money. We want to fund things that are part of a wider process of change and are supported by the policy and the strategy. Therefore, Chris is quite right that where those conditions exist, that is where the money goes.

Of course, your next question may be: does that mean we end up giving the money to all of the same places? There is an art to applying for our money and Simon [Pitkeathley] is very good at it. We have recognised that as well and one of the decisions that we took as part of the approvals for the HSF was to set aside funding for a commissioning fund, which we will direct at places that are not capturing our investment for whatever reason to help them build proposals and make sure the conditions are right in order that they can capture funding from future funds. Those are two key points.

**James Cleverly AM:** Can I just jump in at that point?

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** Of course, yes.

**James Cleverly AM:** That has triggered a particular question in my mind, which I was half thinking of asking at the beginning. Whenever we spend public money, we like to spend money on things that we can point at because people get that, hence the hanging baskets. It is a lot easier to justify expenditure by saying, "We spent it on newer and better-looking bins, baskets, block paving and some chairs".

You just said that Simon [Pitkeathley] is good at getting this kind of money. I would suspect that part of being good at getting the money is understanding how to really be able to make the money work. There is not someone like Simon in every place that could benefit from funding.

What is the appetite for capacity-building using this funding? We do not like spending public money on people because they are harder to point at, but - and it touches upon what you just said - sometimes potentially useful projects do not get funded because they are bad at asking for money and they are not quite sure how to spend it once they do get it. You have half-solved the problem by saying, "I know you are bad at asking for it and we are going to give it to you anyway", but that does not solve the back half of the problem --

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** Not quite.

**James Cleverly AM:** I am paraphrasing appallingly. It perhaps does not automatically answer the second part, which is knowing how to make the money work really hard for you.

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** There are a few answers to that. Just to be clear about the commissioning fund that I just described, it will be used to work with local authorities and partners to help them develop good projects, which is all about how they use the funding. That is not the funding; it is money to help them develop proposals in order to capture funding, if you see what I mean. It is not just giving it to them anyway. There is that.

There are also other things that we do as well. I have a team of people and what we do not do is just churn money out the door, wish them luck and say, "Come back when you have finished in 18 months' time". All of my officers work very closely with people from the boroughs, the BIDs or whatever and so it is a very hands-on approach in a genuinely supportive way to help people develop and continue to deliver good projects.

We also have the Specialist Assistance Team, which is a panel of three procured experts that we fund, a limited consultancy, if you like, that we can direct at projects. For example, we can be sitting with Haringey one day talking about a particular challenge on one of our projects and identifying that what they really need is some support in their marketing and promotion work. The next day, we can have the consultants in and helping them because they have been procured and we pay for them and so that is there as a resource as well.

At the moment as well, capacity in local authorities is a real issue. Officers that I know are not there this week and they were there last week. It is very real in terms of what is happening in local authorities and lots of these projects suffer from churn. There are some projects that have had four or five project managers since we have started. One of the things that we are also looking at is how the GLA can support capacity in local authorities through, potentially, a pool of regeneration experts that they could call on. They would have to pay for them, but they would be appointed. They would also have access to the City Hall team here as well. We are trying to be creative and helpful, but stopping short of giving them money to fund a regeneration team because that feels like it will bring the lowest aggregated value from it. We are trying to be as creative as we can in terms of supporting the local authorities and indeed other partners to deliver.

**James Cleverly AM:** In terms of that relationship with partners, how much consultation happened ahead of the launch of the fund?

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** We had the Summer of High Streets last year because one of the things that we recognised, being in the middle of the delivery of the MRF and the OLF, was that we felt it would be remiss of us to launch into another fund without pausing to reflect and talk to the recipients of the fund and the people involved in it about how they found it and whether they were on the right track for delivery. The Summer of High Streets performed a number of functions. It was a moment to celebrate things that have been delivered. It was also a process of consultation. We held conversation events in northeast, northwest and south London and we invited local authorities and stakeholders - BIDs and other partners - to come along and talk to us about our proposals for the HSF. That was in terms of the priorities we were looking to achieve and also the process.

It is interesting because one of the things that local authorities always tell us is that we push them too hard to get money out of the door. I always find it interesting to come here and be told that I am spending money too slowly. You get it from both ways, but that is fine.

They say that we talked about the priorities of the fund, how it can be addressed and how we can develop our proposal and our approach. All of that fed into the launch of the prospectus, which was in September. It is a bit weird because this is a £9 million fund and it is dwarfed by the OLF and the MRF, but I am almost more excited by this because I feel like it really reflects the learning and the effort that we have put into this fund.

**James Cleverly AM:** Thank you. Niraj, obviously we have discussed a fair bit about local engagement and money out. I was wondering if you could give us your views on the impact of crowdfunding, not necessarily to reinforce these kinds of funds but obviously where match-funding is required and locally generated revenue is important. I would like to just find out a bit about the successes and also if there are other non-financial benefits to having the kind of local engagement with some of these projects that might be triggered by crowdfunding.

**Niraj Dattani (Senior Partnership Manager, Spacehive):** There are few elements to this. One of the benefits of crowdfunding in the context of high street regeneration is that anybody can come up with an idea and that means you are basically opening up the whole world, country, local region, borough or whatever to say, "How are you going to improve the high streets?" You could get a whole range of different ideas.

Whenever I go around explaining Spacehive to people, I say, "We are a platform for civic projects, things like new community centres, new playgrounds and new parks". To come back to your point, these are things you can point to that people understand. However, since we started three years ago, we have had one playground,

one park and one community centre. Really, we get more wacky projects. We have had three projects to do with phone boxes. A guy in Scotland turned a phone box into an art gallery and that was a £1,500 project. If you go past this red telephone box, it lights up with light-emitting diode (LED) lights and it is filled with artwork from the local school. That had the whole community behind it and it is a great little project. We had a waterslide down in Bristol on Park Street. It was a 100-metre waterslide.

**James Cleverly AM:** That was one of yours?

**Niraj Dattani (Senior Partnership Manager, Spacehive):** Yes, that was one of ours. We have had a project in Liverpool that was about taking the Flyover, which the local authority wanted to demolish, and turn it into a kind of park in the sky. We have a whole range of different projects.

**James Cleverly AM:** A Garden Bridge, perhaps?

**Navin Shah AM (Deputy Chair):** That is where Boris [Johnson, Mayor of London] nicked the idea from.

**Niraj Dattani (Senior Partnership Manager, Spacehive):** Yes. You can get all of these different types of ideas out there and that is definitely one of the main benefits. It was one of the driving principles behind our founder's vision when he created Spacehive. He was a former *Sunday Times* journalist and he covered architecture and planning. He saw all of these projects that went nowhere and that the public were really mad about and thought that things could be better. That is definitely one of the advantages of crowdfunding.

**James Cleverly AM:** This may be me imposing my prejudice. If it is, pull me up on it. We talk about the financial comparisons between the amount of funding that Debbie [Jackson] gets to dish out on a regular basis and the amount of money that crowdsourcing generates. There are many orders of magnitude in difference. Would it be right for me to suggest that the crowdfunding element is more about local engagement than about the money for these projects? If it were about the money, it would be easier to tap up Debbie for £1,500 than to crowdsource it, would it not?

**Niraj Dattani (Senior Partnership Manager, Spacehive):** Yes, in a way, you are right. Certainly at the beginning of campaigns, it is the message that we push to all of the people who create our projects. We say, "Do not worry about the money. Just get the numbers of pledges increasing. Get 50 people giving you £2 each rather than chasing somebody for £1,000". We always say that. As the campaign goes on, the dynamic will change because the projects that we encounter are civic projects and some of them are larger in scale. They are £20,000, £40,000, £100,000 or £200,000 and so the money does have to be there.

However, what we have found is that if they start off with the small local engagement piece where they are just going around and getting £5 and £10 from their neighbourhoods, effectively, and then they move on to the bigger sums of money, the fact that they have done that first piece of getting that local support shows that they have demonstrated public support. There is no greater demonstration of people wanting something to happen than them actually giving you money towards it. They are effectively voting with their wallets. When these people are going after these larger sums of money from corporates, local businesses, grant bodies or local authorities, they can put to their campaign and they can say, "Look, we have 100 people from the community here backing this project. Can you back it?" It makes those conversations much easier.

We have a great statistic that says that 90% of our donations come from individuals, but in terms of money value they make up only 8% of the money pledged. Most of the money comes from organisations and

institutions. However, without that first clutch of local people backing the project, these other people just are not interested in it.

**James Cleverly AM:** I am going to raise a question. If anyone feels keen to dive in, please do so. Help a London Park was one of the schemes earlier in the mayoral term. It was a very popular kind of *The X Factor* [television music competition] for the public realm. It did give people an opportunity to have a think about the local parks and to actually go and look at the parks that could do with investment. It touched upon that civic engagement point you made with regards to crowdfunding.

Is there an opportunity to merge the two on a much larger scale? We are looking at something like the kind of money we are talking about with the HSF but perhaps allied to some of that crowdfunding stuff. We are still expecting that the bulk of the expenditure will come through the public purse, but using that civic engagement - taking the best elements of Help a London Park and this crowdfunding thing - to really get some buy-in. It is all well and good sprucing up our high streets but if we have not actually won the argument in people's minds about going there and using them and creating a belief that they have a dog in the fight, as it were, we are not optimising that money. Debbie, you are chomping at the bit.

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** I am dying to get in, yes.

**James Cleverly AM:** Last time I came to you last and so I will let you go first this time.

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** Thank you. That is very kind. In a slightly *Blue Peter* [children's television programme] way, here is one I made earlier. I do not know if the Committee is fully aware of the Spacehive work that we have done as part of this round. If you will indulge me --

**James Cleverly AM:** Tell us about it.

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** -- I will just explain what we have done. Niraj [Dattani] has been very modest by not shouting from the rooftops about it.

It is like, "Here is one I made earlier", because we recognise that how we had worked so far was always through local authorities and we were ploughing the same furrow to a certain extent. What we wanted to do was to capture some of the creativity and innovation that has been a real upsurge - if that is even a word - over the last five years in local authorities and town centres as people have become really invested - and I do not mean in monetary terms - in their local town centres.

What we did was we worked with Spacehive to develop a 'hive' on the Mayor's Spacehive platform. We invited proposals from local and community groups for funding of up to £20,000 for proposals that met the objectives of the HSF. This was a very bold, slightly risky thing to do. We had no idea whether it would work. We had an idea people were interested but the day before the deadline we did not know if we were going to get one, ten or 20 proposals in. Anyway, we had 81 proposals. Before we had even started, 81 communities out there had noticed. Almost by definition, these communities are phenomenally well networked. That is a really good reach for our work. We have approved 17. We are taking 17 forward. This is a new way of working for us with new bodies that are not used to working with us and we are not used to working with them. We do not underestimate the work that is involved.

We had a launch event, which we were both at last night, for the High Street Network with a lot of the Spacehive delivery people there. There was so much excitement and energy in the room. When you look at all those proposals and the kinds of things they are delivering, it makes you want to say to the local authority side of the room, "Have you seen what these guys are doing for really small amounts of money?" That is because of the power of local involvement and community ownership and involvement in local town centres. I am sorry if that is a bit *Blue Peter*, but we have recognised that.

**James Cleverly AM:** No, that is absolutely fine.

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** We are hoping to continue that. We are learning. It is the first time we have done it. We have a second round deadline in June to do another round of Spacehive projects as well.

**James Cleverly AM:** Ojay [McDonald], look, I have triggered --

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** Look, everyone is dying to get in now.

**James Cleverly AM:** -- community engagement. Go on, Ojay?

**Ojay McDonald (Policy Manager, Association of Town and City Management):** You have asked a really good question. I certainly think in terms of crowdfunding we have a real opportunity here. I know you started off by talking about the differences between local engagement and additional cash injection into areas. I do not think it is necessarily an either/or. I said at the beginning one of the things we really need to do to make sure our town centres are heading in the right direction is to have a vision that meets the aspirations of all its stakeholders. It certainly strikes me that in terms of local engagement crowdfunding looks like an incredibly useful model at being able to garner that support, which might be difficult without it, in the same way bids have been fantastic in bringing together local businesses to work for the common good on certain issues. It is not necessarily just the cash that those businesses are putting into the pot that is useful. It is that engagement and that partnership between all the businesses that gives them a unified voice for that town centre.

Crowdfunding similarly might be a very useful model for bringing together residents. It does not necessarily just have to be that crowdfunding funds the nice things and the fun things like waterslides and art galleries-cum-telephone boxes. These things are really nice. They are great. They will increase footfall. In Mansfield, and I apologise if this is not a Spacehive project --

**Niraj Dattani (Senior Partnership Manager, Spacehive):** It is a Spacehive project.

**Ojay McDonald (Policy Manager, Association of Town and City Management):** Fantastic. There we go.

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** I was just going to say.

**Ojay McDonald (Policy Manager, Association of Town and City Management):** It is coming around full circle. In Mansfield they funded free Wi-Fi for the local community residents and businesses. It can be put to incredibly useful things and in the digital age that is quite important.

There is an opportunity there. One of the things I would like to see going forward is how we can bring something like crowdfunding in with bids, get property owners involved and get local authorities involved and essentially have these sustainable and well-funded vehicles that have input from all the main stakeholders of a town centre to make sure they have a unified vision between everyone so that we can take them forward in the future. That, for me, is a goal. It is an aspiration that we should be working to. Crowdfunding is one of the pieces of the jigsaw.

**Chris Paddock (Director, Regeneris):** My point was less about crowdfunding; it was more about civic engagement in the bidding process. Over the last five years we have worked on behalf of the Department for Culture, Media and Sport running the competition for the UK City of Culture, which was Derry/Londonderry in 2013 and will be Hull in 2017. As part of their bid, they had to demonstrate they had undertaken a process of detailed civic engagement, and very deep civic engagement as well, really hunting out the harder to reach people who were not engaged with culture in the city and getting them engaged in some activity as a precursor to their bid. Having now worked in a number of the unsuccessful cities - I am working in Aberdeen at the moment, Bristol and Birmingham - you can see that there is a legacy from the bidding process even though they were not successful. Having that expectation of engagement within a bidding process is quite a powerful tool. OK, there is some cost to the authority, but it is very useful and helpful in delivering things in the future. The challenge is getting to those people with the most to gain in doing that which is obviously very important.

**Gareth Bacon AM (Chairman):** Thank you.

**Murad Qureshi AM:** Just one thing on crowdfunding. I have heard of it previous to this meeting. What kind of sums is it good at raising? Is it thousands, tens of thousands or - dare I say - millions?

**Niraj Dattani (Senior Partnership Manager, Spacehive):** It could be millions. Kickstarter is the biggest crowdfunding platform in the world.

**Murad Qureshi AM:** Yes, that is the one.

**Niraj Dattani (Senior Partnership Manager, Spacehive):** If you have heard of crowdfunding, you have probably heard of Kickstarter. It has raised over a billion dollars through crowdfunding and more than half of that has come in in the past year. The sums are big. Nesta did a report a couple of years ago that said by this year crowdfunding would be worth £16 billion to the UK economy. A lot of that will be equity crowdfunding and various other types of crowdfunding. The type of crowdfunding that we do and we are talking about here is donation based and so it is just people giving you money. The premise behind that is they will get that civic improvement and that is their return.

It could be worth a lot of money. For the type of credits that we see, the average cost is £10,000. You get the really small ones and the smallest one we have had is £90 for somebody who wanted a bucket of paint to paint a wall on their street. The largest one we have had was £250,000 for a statue up in Stratford of Joan Littlewood [British theatre director]. It does range and you do get the bigger ones. We have one on a site now that is trying to raise £350,000 in Manchester.

Momentum is picking up. Awareness is picking up. Lots of people know about crowdfunding. The fact that people like the GLA are getting involved with it, various borrowers around London are getting involved with it and a lot of the councils we are also working with, has increased the awareness. People are increasingly turning to crowdfunding and seeing it as an option for them in terms of raising money and doing public

engagement, getting creativity in their spaces, and also as a way of capacity building. These people who are going out and crowdfunding for these projects are increasingly becoming more socially entrepreneurial. Particularly the local authorities that we work with, they look at that and they want more of that in their borough because they are moving away from doing all those kinds of things themselves and want residents and people to be taking on that baton. It will increase over time. We are now entering a period where you will see more and more of it.

**Murad Qureshi AM:** Thank you for the figures. I was aware of Kickstarter, for example. It is often projects which cannot raise money from the banks that are going there instead, proposals for films and what-have-you.

**Niraj Dattani (Senior Partnership Manager, Spacehive):** Yes.

**Murad Qureshi AM:** This is just a different aspect. I had not seen it in this context.

**Gareth Bacon AM (Chairman):** Simon, you wanted to come in?

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** To build on the points that have been made really, at the risk of sounding like Debbie [Jackson] with 'one I made earlier', our big project at the moment is to try to physically develop a site that we will borrow money for a chunk of and repay it through the affordable housing that we will create on the site in order to create permanent collective space within there. Crowdfunding is an important part of that not just because it helps the funding mix, but because it helps the community understand and engage, which takes us back to our earlier conversations. The more the community is engaged in this and understands the broader impact of those kinds of interventions, the more likely you are to have a genuine community.

When we use the word 'community', we do not tend to mean business included within that. That has to be an important part of it. Let us not forget that when BIDs set up they are effectively asking businesses to volunteer and to tax themselves to improve their area. That mix of both residential and business communities trying to solve those problems is really powerful. Crowdfunding can be quite a neat little interlocker.

**Niraj Dattani (Senior Partnership Manager, Spacehive):** If I can just comment on that, all of this stuff is very true. There are still challenges out there. The biggest challenge that we have had since our existence has been trying to effect this culture change where people are taking these projects on themselves rather than waiting for somebody else to do it. In order for that to happen, the barriers have to be really low and you have to give them support. Yes, it is true that you can get the community engaged and really up for it and you can have exciting and buzzing campaigns and everybody will be feeling fantastic at the end of it. You do have to help them. You do have to support them. Just taking an example, the kinds of grant-style agreements that are out there for the bigger projects could put people off if they are coming in through the crowdfunding route because they are used to things happening with a really light touch and really low barriers to entry. There are some challenges out there still.

**Gareth Bacon AM (Chairman):** That was quite well said. Murad, we are going to move things on a bit.

**Murad Qureshi AM:** Yes, let us move things on. I have a boring question on evaluation for Chris [Paddock].

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** It is Chris's job!



**Murad Qureshi AM:** I did not want to suggest the nature of your work or appearance is boring at all. It comes from missing the pre-meeting.

**James Cleverly AM:** Yet somehow you have.

**Murad Qureshi AM:** You touched on evaluation earlier when you mentioned evaluation of some of these projects after the riots in 2011. Gosh, it seems like an eternity already. Can you give us some outlines of the challenges involved in measuring the outcomes for many of these projects, given the impact may take several years to come to fruition and some of the products of it could be less tangible than meets the eye?

**Chris Paddock (Director, Regeneris):** I will do my best to be as entertaining as possible, but some of this is quite dull and the dullness of it is an issue when it comes to certainly self-evaluation tools, which I will come on to.

On the difficulties, one of them is the persistence of benefits and the time it takes to realise the benefit of this. A big capital programme will deliver benefits and the Treasury guidance tells us that the benefits will be delivered over a 15, 20 or 25-year period and we would make an evaluation and assumption off the back of that. Evaluating a capital project that has just been delivered is very difficult in that respect.

The other difficult areas is attribution. For example, if the MRF is funding something to the tune of £2 million in Croydon but the actual total package of intervention is £500 million, how do you attribute the impact to that MRF investment? The same applies for the OLF and other things as well. These are challenges in evaluating these sorts of projects anywhere in the world. It is always thus. The other issue is one of 'dead weight'. What would have happened anyway? I refer to that in relation to places like Peckham and Hackney that are developing very quickly. These are not unique challenges and they will exist everywhere.

The other thing which is perhaps more unique to these projects is the range of partners that are involved and the range of partners that are delivering directly. Generally somewhere within a council will be some officer who understands evaluation, ideally will have read the government guidance on evaluation and can relatively easily get on and do that or commission someone to do it. When a broader range of organisations get involved, particularly community organisations, the burden of evaluation for them becomes greater, because they might not have the knowledge or capacity to engage with the evaluation process in the same sort of way. It becomes troublesome for them and you do not get consistent evaluations.

The final challenge in terms of these projects that we are talking about today is a challenge that comes from the success in commissioning, I suppose. There is a great breadth of different projects with different rationales. That is the way it should be. However, it makes it more difficult for us as evaluators because it is a lot less difficult to pick up the ready-reckoners and the proxy measurements that you might make to inform an evaluation. We would have loved to come to this and say, "That is a public realm intervention and if you spend £1 on public realm in this part of London you will get £5 back in the future". The way it has worked out is that the interventions are so different and so disparate that it is very difficult to make those judgements on project typologies. We have had a go. As time goes on and we understand the impact of these projects, it will become easier for our successors in the future, but at the moment that is quite tricky.

**Murad Qureshi AM:** That is useful. You mentioned the boroughs. To what extent are they using the tools and guidance from the GLA to do the self-evaluation? You work in a third party and you will be in a better position to tell us.

**Chris Paddock (Director, Regeneris):** On OLF 2 we are commissioned to assist the boroughs in using the self-evaluation tools and we developed the self-evaluation tools all in line with the Government's guidance, which is called *The Magenta Book*, and our previous experience of evaluating other programmes.

It is probably fair to say that the experience is mixed and the capacity and the expertise of the officers responsible for that is mixed. It is exactly what we would expect in this sort of thing. Generally, when you are in the midst of project delivery as well it is often difficult if you are dealing with contractors or partners and you want to get something delivered, to then have me or my colleague, Barney [Cringle, Senior Consultant, Regeneris] phone you up and say, "Can you give us this information for your self-evaluation form?" That is a pain, basically. That issue relates to the timing of the evaluation. The capacity of the local authorities to do this sort of thing has been built through that process, certainly. We have observed where there are consistent project managers who have been engaged in the evaluation process from the start that they grow and they have learned something. It is still a mixed situation.

There is another very specific issue in terms of the self-evaluation forms that relates to the impacts upon businesses. One of the self-evaluation forms is about business impact. That will be a big deliverer of the impact of these programmes upon turnover and businesses' ability to employ people. The relationship of a local authority with a business on the whole will be one of regulation and enforcement. If someone from the council turns up and says, "How much has your turnover increased in the last six months and are you employing anyone?", obviously there are going to be some barriers to them giving accurate information in that respect. Whether the local authorities themselves are the best people to make that line of enquiry is up for debate. That is probably where we have the patchiest information back on the self-evaluation form.

**Murad Qureshi AM:** Chris, you mentioned earlier the Government approach, *The Green Book* and what-have-you. How much of that is a hindrance? For example, in a previous life I had to spend more time than I would like to admit on net present value and that kind of stuff. That is a quite difficult concept to get people's heads around, let alone fellow politicians. That is the kind of thing which is used normally by civil servants to obtain the value of everything from High Speed 2 to regenerating high streets. Is that a hindrance?

**Chris Paddock (Director, Regeneris):** Is it a hindrance? What a good question. It is a hindrance and it is a pain. Obviously you cannot expect people to have all read and digested hundreds and hundreds of pages of complicated guidance and often econometric equations. It is a necessary hindrance because it does allow us to make comparison and judgements between projects. The principles behind it remain strong and embedded in our suggested evaluation approaches for both OLF and MRF to an extent. It is useful in that respect.

At a time when borough resources are strained, to expect them to have someone who is fully engaged with *The Green Book*, *The Magenta Book* and the Department for Communities and Local Government (DCLG) on valuing benefits of regeneration is a lot to ask. I would argue that there is a role for the GLA in taking on some of the strain of that and helping them in terms of the evaluation process, which to a certain extent we have been commissioned to do and are doing, and also in developing a set of outputs and outcomes that are cognisant of the future pressures of a *The Green Book*-style evaluation.

**Murad Qureshi AM:** In terms of your experience of other projects as well, outside of London, for example, are there lessons to be learned that are useful for us here? I can think of one that was a pretty intangible one but I thought it did make a contribution marketing street markets. Gareth [Bacon AM, Chairman] is very keen on street markets. In a previous term there was a fair amount of funding put into that. It is an intangible. Basically, it was selling markets and telling people they are still around and to use them. In terms of output it

is not necessarily a tangible one. I am just wondering whether or not there are similar kinds of projects that are less easy to evaluate from which we can learn some lessons and get directions on future investment programmes here.

**Chris Paddock (Director, Regeneris):** One of them is bit of a pain in itself. That is the value of undertaking longitudinal research around transformation. Longitudinal research is where you take a group of people and you revisit them over time. You might have a group of people that you bring together - and normally you would have to pay them - who are located in Croydon and you will speak to them every six months for the first two years and then every year for the next ten years. You come back to them and they then give you the anecdotal evidence about the transformation. That is important, particularly in the early stages where there might be mixed opinions. In undertaking these evaluations *The Green Book* is great - it is not great; it is a pain - but it is useful.

**Murad Qureshi AM:** That was my experience as well.

**Chris Paddock (Director, Regeneris):** It is the best we have and lots of clever people have come up with it. You still need to capture that anecdotal and case study evidence. We, as practitioners, should place enough faith in that early anecdotal evidence that it will lead to a positive economic impact in the future, rather than necessarily trying to capture the high impacts too early which has been borne out with other evaluations and appraisals that we have taken part in in terms of public realm improvements.

I am desperately trying to think of projects we had about ten years ago. We looked at Speke-Garston in Liverpool and deprived-area public realm improvements. That mix of anecdotal and harder evidence was useful because it gave everyone the confidence that they were moving in the right direction. Revisiting it seven or eight years later, you can see that those benefits have been realised.

**Murad Qureshi AM:** Yes, there are always going to be intangibles like the 'feel good' factor. I just want to move to Simon. As someone who has been credited in the meeting as someone who has successfully delivered a lot of projects through the various streams of funding, do you think there are some practical lessons to be learnt on the evaluation front?

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** The thing that Chris [Paddock] said that struck me is the role of the local authority and the changing guard, if you like, within there. We have had several different officers with the local authority evaluating our project, which is fine because you just help them go through the learning curve and so on. It would be whether or not there is a way in which a regional function could be brought in in different ways. Forgive me if I am stretching across issues again, but regarding what Debbie [Jackson] was talking about earlier on in terms of fractured ownership stuff, the real difficulty there is getting the really acute expertise in and around something like CPOs. Local authorities just do not have that expertise anymore. I wonder whether there is a centralised services role in a number of areas where a regional authority could build up the expertise to relieve local authorities of doing it because frankly the local authorities do not have the resources to do it anyway.

**Murad Qureshi AM:** Is that something you are offering, Debbie? You were talking about offering that earlier on, were you not?

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** It is slightly different but the same principle. We do not offer CPO services, for example, but we do offer various, perhaps smaller scale services in a pooled way for local authorities. I recognise the problem. What happens is individual local

authorities pay a lot of money to start from the beginning with consultants each time. If you aggregate all of that --

**Murad Qureshi AM:** If you retain the expertise.

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** It is an interesting point.

**Chris Paddock (Director, Regeneris):** Sorry, I just want to pick up that point. I had jotted down some notes on this about the centralised function in supporting evaluation. There are some relatively easy wins here for future programmes. One thing we picked up on in OLF 2 and MRF is the extent to which the initial outputs and targets that were set were consistent across the board. In hindsight some further scrutiny of some of those and the unit costs of some of those outputs would have been handy and would have set a more solid base for evaluation. Is that fair to say?

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** Yes.

**Chris Paddock (Director, Regeneris):** Perhaps there is a role for the Economics team in doing that and then linking that back to the formal guidance.

The other thing just from having undertaken a lot of town centre evaluations on behalf of authorities is that we will always use students or researchers to do the on-the-street evidence-gathering primary research. I have always thought maybe there was potentially a central function within the GLA that people can buy into rather than using consultants, who will have their own different approaches. If you have a trained group of students, volunteers or apprentices who may be from London and who can go out and deliver that, there are lots of great people. We do not struggle to find people to fill those roles because lots of people want experience it. We are obviously paying a London Living Wage as well and I should get that in. Something centrally managed like that would make sense, we think. There are opportunities without incurring huge cost to the GLA to support the evaluation process more from the centre.

The final point is just around data. We are in an age where there is a lot more data available to us around town centres. The GLA does a good job collecting that for the Town Centre Health Check. Monitoring and communicating that and putting more pressure on the boroughs to provide that evidence is important. Ultimately that will help us track the impact in eight, nine and ten years' time.

**Gareth Bacon AM (Chairman):** Thank you. I am going to move on again to the New Homes Bonus (NHB) and related questions.

**Navin Shah AM (Deputy Chair):** Yes, a couple of questions to Debbie surrounding the NHB and certain aspects. What impact do you think the timing pressure on local authorities has on how the NHB projects are aligned with other mayoral funding programmes?

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** Sorry, just to be clear, is it about timing pressure that you are interested in?

**Navin Shah AM (Deputy Chair):** Yes.

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** The NHB programme - and it is a dangerous thing to say - is not time-limited. It does not have a March 2016 deadline in the same way as the HSF does. It begins from April this year. Indeed, most of the programmes want to start delivering and in fact some of them are already starting. There is not the same guillotine as sometimes there is on some of our projects. It aligns nicely with the HSF, which is at the same time, but we are going to come on to talk about Growth Deal 2 which is 2016/17 funding. The NHB will sit alongside those funding streams for the next couple of years.

**Navin Shah AM (Deputy Chair):** I hear constantly that local authorities are required to make decisions within a very short space of time.

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** I see, in terms of the decision making process, yes.

**Navin Shah AM (Deputy Chair):** What is the impact arising from that?

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** No, that was quite quick. It was driven largely by the Government deadlines in order to submit and agree proposals as part of Growth Deal 1 because NHB is a subset of Growth Deal 1. It was quite quick. I will grant you that. Similarly, the level of detail required was perhaps not to the same level as we require for our other funds. NHB is a curious piece in some respects insofar as the funding that is top-sliced from a local authority will go back to that local authority. It was more a matter of the local authority presenting proposals that reached a threshold, if you like, rather than went through a more detailed evaluation by our team in a competitive situation. They were bidding for their own money back, basically. It was more about making sure it aligned rather than choosing the best bids in a competitive situation. The information requirements were lighter on them than would be the case in other circumstances.

**Navin Shah AM (Deputy Chair):** What was the overall criteria?

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** For the purposes of the high street and the NHB there were seven things, but for the life of me I cannot remember the seven. There were themes. For the HSF the outcomes we were looking to achieve totally dovetailed with our other funds. In effect, the high street strand of NHB just dovetails with the rest of our high street work in terms of what it is trying to achieve. It was evaluated by us and boroughs and local councils very much in that way. It is not a different project product. It dovetails with the rest of our HSF.

**Navin Shah AM (Deputy Chair):** Moving on to the other aspect, is there any evidence that boroughs have learnt from each other in selecting their own NHB projects?

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** Absolutely, yes. As I have already said, it was a curious beast. What we did over the summer is we went through a process of co-evaluation, if you like. I chaired a number of meetings where I together with London Councils and then a number of people from the regeneration teams and the local authorities considered all of the proposals that fell under high street, places of work and enabling development.

What had happened before those meetings is local authority officers had appraised each other's proposals and it was a really interesting dynamic. It was a really productive meeting because people were learning off each other and discussing shared challenges. There was also quite an interesting dynamic insofar as some officers

were saying, "Look, I put this much work into mine. I do not see why they should not put that much work in". There was a little bit of raising the bar going on as well. That was very instructive and a very positive process, which was nice to see. There was a lot of noise about NHB in terms of negotiating and where we got to. When you got down to it and you sat in the room with those officers, they had access to funding that would usually go into the corporate pot and be squirreled away by section 151 officers, for good reasons obviously, but now regeneration officers were accessing money that they otherwise would not have been able to. It was a really positive discussion and a really good sharing of experience of ideas.

**Navin Shah AM (Deputy Chair):** Simon, do you think there is the right balance between investment in shared workspace and nurturing enterprise support across the NHB places of works projects?

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** Workspace is hugely important in terms of supporting enterprise. The value of it is not properly appreciated. If 100 of my start-up businesses employ one more person the impact on the local economy is great, but the value returned in that instance to the property owner is not realised by them. Therefore, there is a role for the public sector to play in understanding the value of those interventions and in justifying the investment.

The NHB certainly seems to have been used well in those areas. My only thought would be that it came around very quickly. Certainly I know in my borough it was hard for the local authority to engage with anyone locally, really. They had to --

**Navin Shah AM (Deputy Chair):** That seems to be the experience of many local --

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** Yes. Time would have been nice. Certainly the ones that I am aware seem to have been focused in the right way because they were tied back to the London Enterprise Panel (LEP) priorities.

**James Cleverly AM:** Yes, just on that, one of the things that has been a bugbear of mine for a long time is that a lot of people think that what we need to do is replicate the role that the high street played before people had cars. People do their big shop in a car and they do not go to the butcher, the baker and the candlestick maker on their local high street.

The most modern interpretation of high streets that are really buzzing are the ones with significant workspaces in the realm. We do not think of it as a high street, but the high street underneath Canary Wharf is buzzing. It does not need any help. It is sorted because there is spending power stacked above it.

It strikes me that it is the same with workspace. For a long time I have felt that the high street is the place you go on your way into work, where you spend your time at lunchtime and where you have the quick drink after work and buy those things that you forgot to buy at the weekend on the way home. It has to be a really significant part of the retail mix in the high street. You get that when you have actual proper spending money stacked up either physically above or interwoven around the high streets. That goes to the part that works well.

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** Absolutely right. It is aggregation; just bring it all together. I am not saying PDRs do not work well, as Ojay [McDonald] said, in certain areas where you have an empty office block at the end of the high street. Where it is a functioning office block and you have 400 people working there every day spending what we reckon is about £70 a week and they are replaced by 80 luxury flats, you have not only lost exactly that spend on the high street you talked about and the

aggregation impact of having all activity in the same place, but you have also tangentially lost your opportunity for more affordable housing. PDR is a really good example of where that goes wrong.

**James Cleverly AM:** Thank you.

**Gareth Bacon AM (Chairman):** As a wrap-up question, the point of today's meeting has been to look at mayoral intervention in high street regeneration. I am going to ask each of you and I am going to leave you to the end, Debbie [Jackson], for obvious reasons.

**James Cleverly AM:** We are not picking on you!

**Gareth Bacon AM (Chairman):** Drawing on your diverse experience over the last four years, what is the value and benefit in each of your minds of mayoral interventions in terms of high street regeneration and the mayoral programmes that we have had over the last four years? I will start with you, Simon, and work my way down.

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** It has given the high streets I have been aware of an opportunity to try out new things and to push the envelope on what is possible in an area that would not otherwise have been trialled and tested. It has highlighted some of those bigger problems, like property owners, that probably we would not have been able to amass the evidence for without it.

**Gareth Bacon AM (Chairman):** You think it has been a catalytic trailblazing experience?

**Simon Pitkeathley (Chief Executive, Camden Town Unlimited):** I wish I had thought of those words!

**Gareth Bacon AM (Chairman):** I had the luxury of sitting here and thinking of them while you were speaking. Chris?

**Chris Paddock (Director, Regeneris):** It has helped people focus upon the high street. The way the economy and the way that we live - re-urbanisation, if you like - had meant the high streets were a more important arena for economic development. It has helped create a more steely focus upon high streets and to start to address quite rapidly the issues of diversification and the relationship between retail, residential and workspace, and to come to some sensible conclusions on that that we may not have otherwise come to or would have been in an inconsistent experience across London had we not had this focus.

**Ojay McDonald (Policy Manager, Association of Town and City Management):** I am trying to pick something different from those two because I agree with both of those comments and I do not want to repeat them.

One of the things that has been incredibly helpful in terms of the Mayor's intervention in the high street is that we might actually be in the middle of what is quite fundamental change in how we work in terms of our economic development and how we fund our economic development. We know the financial pressures on local authorities mean they have less money to be able to put towards certain schemes which are non-statutory.

I should also mention as well engaging with the LEP, things like the NHB, the Places at Work scheme and these different ways of engaging in economic development. Helping the boroughs in terms of that transition is

incredibly helpful and will be very helpful in the long term, which I am hoping some of the evaluation will tease out in future years.

**Niraj Dattani (Senior Partnership Manager, Spacehive):** From our point of view it has been really refreshing to see the Mayor be inclined to take a different approach to solving a problem that has been around for a while now. That has been really refreshing. The approach that they have taken in the last particular year is one that will leave people empowered. That is a really important thing that has come out of the work that the Mayor has done from our perspective.

**Gareth Bacon AM (Chairman):** Excellent. Thank you very much. Debbie, a final word to you.

**Debbie Jackson (Assistant Director, Regeneration, Greater London Authority):** I am tempted to leave it there but I will not. I will keep it short but I obviously agree with all of those comments.

To wrap up, we have demonstrated the benefit of investing in high streets and town centres in five ways; firstly, by tailoring our approach - every single place is unique and we have heard that talked about today - and by understanding places and taking time to understand what places need; and secondly, by doing it well. We are fairly obsessive about doing things well, not just rolling out standard solutions but pausing to make sure that we are doing the very best job that we can.

Thirdly, we have heard about town centre governance today and the power of involvement and investment by local people in their local town centres, encouraging models and situations that get people involved in their local town centres and innovating through the projects that are delivered and in terms of how we deliver. Spacehive is obviously the number one example of that. Then, it is learning through our evaluation and continuing to commit to a very strong approach to evaluation, so that we are gathering evidence to demonstrate the benefit of the investment and also so that we are adjusting our approach as we go along. Through all of those ways, we are continuing to demonstrate the benefit of our work on high streets.

**Gareth Bacon AM (Chairman):** Thank you very much. That was a good summary. That draws the discussion to a conclusion. May I ask the Committee to note the discussion with invited guests and to thank them very much for their attendance?