

Transport-led regeneration

Overview

The Regeneration Committee has provisionally agreed to carry out an investigation into transport-led regeneration, specifically examining the Mayor and Transport for London (TfL)'s approach to investing in transport improvements to support local regeneration.

It is widely accepted that improving transport is central to most regeneration plans and that TfL plays a key role in regeneration in London. Decisions made by TfL can play a central role in helping to regenerate neighbourhoods that may have struggled to attract new business and investment and to provide a high quality of life for their residents. In 2012 the Mayor launched a £300 million TfL fund – increased to £360 million in 2014 – specifically for regeneration projects. The Committee will examine the basis for setting up a fund within TfL specifically for regeneration and how the criteria used to allocate this funding differs from that used for other TfL investment decisions. The Committee will assess whether the investments are likely to support wider regeneration goals and whether there is a case for investing more of TfL's resources in similar projects because of the catalytic effects such decisions can have.

Scope and Impact

Draft terms of reference

1. To examine how the Mayor and TfL use transport investment to promote regeneration and how they work with a range of stakeholders to identify transport improvements;
2. To examine how TfL is using its Growth Fund, including the rationale for allocating £360 million to the fund, the criteria used to decide how it should be spent, and its potential impact on different types of regeneration (i.e. economic, physical and social), and on different groups;
3. To clarify the choices facing a future Mayor on the use of transport investment to support regeneration.

Objectives and outputs

The main objective of the investigation would be to assess the role of TfL's Growth Fund and the regenerative benefits it is expected to deliver.

Through a combination of site visits and a meeting, the Committee will examine the rationale behind TfL's decision to create the Growth Fund, and the projects it funds. It will examine the differences between projects funded through this funding stream, and the Mayor and TfL's other budgets that also support transport improvements to promote regeneration.

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The output from the investigation will be an issues paper, which will set out lessons from the Growth Fund for the future. It will also set out options facing a future Mayor about how they use their transport budget to support regeneration. The paper could inform a seminar discussion in early 2016.

Background

The Mayor's regeneration and transport objectives

Regeneration

The Mayor has several strategies and policies to support regeneration, all of which refer to the role of transport infrastructure.

- **The London Plan Opportunity Areas and Areas for Intensification** – The Mayor has designated 38 Opportunity Areas as brownfield sites with significant capacity for new housing and commercial development. In addition, the Mayor has designated seven Areas for Intensification, which can accommodate new jobs and homes.¹ Improved public transport accessibility is integral to facilitating development in many of these areas.
- **The LEP** – Contributes to the delivery of the Mayor's Economic Development Strategy through local partnership arrangements and administers the £111 million Growing Places Fund,² of which transport investment for regeneration is a key feature.³ The LEP has also secured £20 million for high streets and places of work (support for small and medium-sized enterprises in and around high streets) through Growth Deal 2.⁴
- **The Mayor's Economic Development Strategy** – Refers heavily to the role of transport in regeneration. It states that transport links should support regeneration in Opportunity Areas and it includes a commitment *'to consider how local transport and environmental improvements can best support development.'*⁵
- **Regeneration funding for high streets and town centres** – The Mayor has spent a combined total of £129 million on high street regeneration since 2011.⁶ Transport improvements form part of many of the projects funded as part of the Mayor's work on high streets. For example, over 40 per cent of the MRF is supporting transport or other infrastructure projects.⁷
- **Transport Strategy** – TfL is responsible for delivering the Mayor's Transport Strategy,⁸ which highlights regeneration at various points, including:

¹ Mayor (March 2015) *The London Plan – Consolidated with alterations since 2011*, p. 79

² <https://lep.london/funding-and-support/funding>

³ <https://www.gov.uk/government/publications/growing-places-fund-prospectus>

⁴ LEP, *A proposition for London's Growth Deal 2*

⁵ <https://www.london.gov.uk/priorities/business-economy/publications/economic-development-strategy>

⁶ Including the Outer London Fund, Mayor's Regeneration Fund, and High Street Fund

⁷ Regeneration Committee (August 2014) *Out of the Ashes – the Mayor's Regeneration Fund*

⁸ GLA Act 1999 <http://www.legislation.gov.uk/ukpga/1999/29/part/IV/chapter/II>

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- **Supporting economic development** by developing a transport system that connects people to jobs;⁹
- **Enhancing the quality of life** for all Londoners by improving the urban realm and making streets and town centres vibrant, attractive and enjoyable places to use;¹⁰
- **Supporting regeneration and tackling deprivation** by promoting measures to enhance connectivity and provide better accessibility to jobs and services in deprived areas.¹¹

The Mayor has a statutory duty to ensure consistency between his Mayoral strategies. For example, the Transport Strategy states it has been prepared with consultation with the London Plan and the Economic Development Strategy.¹²

Transport investment to support regeneration

Transport improvements often play a key part in unlocking areas for regeneration. Examples where transport is integral to future development include strategic regeneration schemes such as Vauxhall Nine Elms Battersea, Old Oak Common, and Barking Riverside.

TfL's decisions about where to invest in transport infrastructure and what shape that infrastructure takes can significantly impact the potential of areas to undergo regeneration. TfL's business plan frames several of its investments in light of their impact on regeneration. These range from high value programmes such as the £1 billion Northern Line Extension from Kennington to Nine Elms and Battersea Power Station, to a range of high street projects across the boroughs.¹³

Since the dissolution of the London Development Agency,¹⁴ TfL is the Mayor's largest financial lever for channelling funding to areas which are in need of regeneration, providing transport infrastructure to facilitate development.¹⁵¹⁶

The Assembly has found that TfL increasingly makes investment decisions on the basis of the economic returns that new investment will deliver, and not just transport enhancements for

⁹ Mayor's Transport Strategy: Vision and Context https://www.london.gov.uk/sites/default/files/MTS_part_one.pdf

¹⁰ Mayor's Transport Strategy: Vision and Context https://www.london.gov.uk/sites/default/files/MTS_part_one.pdf

¹¹ Mayor's Transport Strategy: Executive Summary

https://www.london.gov.uk/sites/default/files/MTS_Executive_Summary.pdf

¹² Mayor's Transport Strategy: Vision and Context https://www.london.gov.uk/sites/default/files/MTS_part_one.pdf

¹³ TfL Business Plan 2014, p. 38

¹⁴ In the year before it was dissolved, the 2010/11 LDA budget was worth £138m

<http://www.london.gov.uk/sites/default/files/archives/gla-budget-docs-1011budget.pdf> - page 37)

¹⁵ Budget and Performance Committee (November 2014) The Viability of Sponsored Transport Schemes, p. 29

http://www.london.gov.uk/sites/default/files/BP%20Committee%20-%20The%20viability%20of%20sponsored%20transport%20schemes%20-%20FINAL_0.pdf

¹⁶ Regeneration Committee (August 2014) *Out of the Ashes*

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passengers.¹⁷ The Department for Transport does not commonly use this approach.¹⁸ For example, the Emirates cable car, which was initially argued for as a link in the commuter transport network, was retrospectively justified for its economic benefits to the area. Similarly, the argument for the Garden Bridge river crossing is framed in terms of economic benefits.¹⁹

Within its ten-year business plan, TfL has a designated fund to support regeneration through transport investment. The Growth Fund is worth £360 million and it is designed to *'address specific transport blockages that would otherwise prevent development happening in areas with the potential for significant growth and where such funding can help unlock wider funding packages with developers, boroughs and other partners'*²⁰ The areas selected to benefit from the Growth Fund are areas where TfL and the GLA expect developer activity to take place over the next ten years including in Opportunity Areas, and Housing Zones.²¹

The following list shows the projects allocated funding through the Growth Fund:

Project	Funding allocation (£ million)
Gospel Oak to Barking Overground extension	30
Tottenham Hale	30.9
West Ham	12.6
Elephant and Castle Northern Line Ticket Hall	71
Elephant and Castle Northern Roundabout	14.6
Woolwich	24
Bromley-by-Bow	11.8
Fiveways	42.9
Wandsworth Ram Brewery	32.9
Vauxhall Cross	38.1
White Hart Lane	11
STAR (Stratford to Angel Road)	10
Beam Park	8.8
Croxley Rail Link	16
All projects (TOTAL)	354.6

¹⁷ Budget and Performance Committee (November 2014) The Viability of Sponsored Transport Schemes, p. 29 http://www.london.gov.uk/sites/default/files/BP%20Committee%20-%20The%20viability%20of%20sponsored%20transport%20schemes%20-%20FINAL_0.pdf

¹⁸ Budget and Performance Committee sponsorship report, and informal meeting with Jonathan Roberts, transport consultant

¹⁹ Ibid

²⁰ TfL Business Plan 2014, p. 46. The fund was originally worth £300 million, and the Mayor allocated an additional £60 million in his budget

²¹ TfL presentation to the Regeneration Committee at Vauxhall Nine Elms Battersea, 2 June 2015

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Rationale for the investigation

Committee members have expressed interest in examining the Mayor and TfL's approach to investing in transport on the basis of regeneration. Several of TfL's large proposed transport schemes – such as the Bakerloo Line extension, and Crossrail 2 – could be argued for on the basis of regeneration alongside enhancing transport capacity, but TfL has also identified a need for the Growth Fund, which represents a very small proportion of its budget. There may be a lack of clarity about when, why, and where the Mayor and TfL choose to justify spending on transport infrastructure on the basis of regeneration. It is also unclear how the Growth Fund has a different function to other Mayoral investment in transport to support regeneration.

The Committee could investigate TfL's decision to set aside £360 million for the Growth Fund, and the characteristics of the projects it has decided to support through this funding stream. The investigation will focus on what makes the projects allocated the Growth Fund distinct to other transport schemes. It will also assess the criteria that have informed the Mayor's decision-making about where to spend the Fund, including how the Mayor has distributed the Fund across the 45 areas identified as Opportunity Areas or Areas for Intensification in the London Plan,²² and why some of these areas will not receive Growth Fund support for transport. It will be important for the Committee to examine how the Growth Fund interacts with other Mayoral funding sources supporting transport-led regeneration, including funding allocated to transport through the Housing Zone programme.²³

The Committee can add value to the Transport, and Budget and Performance Committees' scrutiny of TfL decision-making, by focusing on the Mayor and TfL's spending specifically designed to influence regeneration. Our investigation will examine whether the Fund is consistent with the Mayor and LEP's regeneration priorities delivered through policies and programmes including the London Plan, Housing Zones, and Growth Deal, for example.

The Committee could also examine the potential impact of the Fund, and the effects on regeneration if it was not available. For example, TfL made the case for investment in transport improvements worth £154.1 million at Elephant and Castle on the basis that the proposed development of 5,000 homes and 4,000 jobs would put additional pressure on a major interchange.²⁴ At the Committee's site visit to Vauxhall Nine Elms Battersea in June 2015, TfL explained that prior to the Growth Fund, development could not progress because there was an impasse between developers (who argued that it was not viable for them to fund the full cost of the works),²⁵ the borough and the GLA, meaning that the GLA could not approve planning applications if funding for the transport works was not in place. This example also raises questions

²² Mayor (March 2015) The London Plan – Consolidated with alterations since 2011, p. 79

²³ For example, transport improvements will be supported by Housing Zone funding in several of the selected areas, including: the Abbey Wood, Plumstead and Thamesmead HZ; Clapham Junction to Battersea Riverside; New Bermondsey; and Tottenham (GLA, London Housing Zones – The First Eleven Zones)

²⁴ Finance and Policy Committee, 11 March 2015, [Item 13 – Elephant and Castle Funding Agreement](#)

²⁵ TfL observed that developers contested lack of viability for funding transport improvements on the grounds of affordable housing they are required to provide in the area (meeting with officers, 30.04.15)

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about the negotiation process between TfL and developers in co-funding transport improvements for regeneration.

Key issues to explore in the investigation

The investigation will seek to ask the following questions:

- What is the rationale behind TfL's Growth Fund?
- How has TfL decided the overall quantum of funding available?
- What makes the selected projects different from other TfL and mayoral investments, which are also designed to support regeneration?
- What types of transport improvements (across different modes) has TfL selected to benefit from the Growth Fund?
- How does TfL define regeneration for the purposes of this Fund? How is TfL seeking to influence physical, social, and economic regeneration?
- How does the Mayor weigh up the needs of local communities with the wider strategic benefits that improved transport may generate?
- On what basis has TfL allocated the £360 million Growth Fund; how does the Growth Fund relate to Opportunity Areas, and areas of social deprivation, and why has it selected particular areas and not others?
- What information does TfL use to assess the economic returns transport investment can generate?
- What would the consequences be for local regeneration if TfL did not provide this funding in the selected areas?
- How could TfL improve its approach to investing in transport to support regeneration?
- If the Growth Fund was allocated more funding, how would it be used?

Methodology

- **Stakeholder mapping:** To include academics and experts, policy makers and community groups or campaigns which have been impacted by the regenerative effect of transport infrastructure schemes, past and present. The Committee may wish to invite relevant stakeholders to provide written views and information.
- **Write to TfL:** The Chairman has written to TfL to request information on the design of the Growth Fund ahead of its formal meeting in July.
- **First meeting slot (2nd June):** Site visit to Vauxhall Nine Elms Battersea (VNEB) to receive a briefing from TfL on the transport improvements it is making in the area. Vauxhall Cross has been allocated over £38 million from the Growth Fund for the removal of the gyratory and redevelopment of the bus station. In addition to TfL, the Committee also heard from representatives of the Nine Elms partnership, the boroughs of Wandsworth and Lambeth, and developers. (There may be opportunities for site visits to other areas during the course of the investigation.)

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- **Second meeting slot (2nd July):** A formal Committee meeting with guests from TfL, and representatives from academic and community perspectives.
- **Publish issues paper (September 2015):** Analysis of evidence received, facing transport planners. This paper would form the basis for discussion at a seminar with stakeholders in early 2016.
- **Seminar (January 2016):** The Committee could hold a seminar to discuss the positions raised in the issues paper, inviting guest speakers to present a series of perspectives on transport-led regeneration. This could use a dragons' den format to invite speakers to pitch how they think TfL can best support regeneration through investment in transport.

Possible key messages and recommendations

An issues paper could:

- Assess how TfL has prioritised projects and the extent to which the Growth Fund is aligned with the priorities of the LEP and GLA;
- Analyse the regeneration impacts the Growth Fund is designed to have, and on which groups;
- Assess how the Mayor and TfL enable local communities to influence transport schemes promoting regeneration;
- Highlight any potential adverse effects of the Fund, on particular communities;
- Identify the trade-offs involved if TfL did not invest in the earmarked projects;
- Identify options to improve how the Growth Fund is used (e.g. to benefit local groups, or to support different modes of transport);
- Develop a list of places that could benefit from future investment; and
- Set out what the evidence tells us about the decisions facing a future Mayor to use transport as a lever for regeneration

Key stakeholder groups

The Committee will engage with representatives of the GLA Group and external stakeholders, including:

- Transport for London
- GLA
- Academic experts on transport infrastructure/ urban regeneration/ planning
- Community interest groups, such as JustSpace, and London Forum of Amenity and Civic Societies.