



Localism in London

The implications for planning and
regeneration in the Capital

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Research Overview

This report is part of a research programme that Future of London is undertaking into the implications of the government's localism agenda for the Capital. This research has a particular focus on regeneration, planning and service delivery.

In the course of this research, we have undertaken a number of interviews with high level practitioners within London Boroughs and the Greater London Authority. The programme consists of three research seminars, each featuring over 25 participants from local authority planning and regeneration departments. We have also conducted a survey of around 50 senior local authority planning and regeneration officers.

Defining the Localism Agenda

Throughout this report we refer to the 'localism agenda'. This refers to a broad range of initiatives and reforms by Government. In many senses, the Localism Act, which became legislation in November 2011, is at the centre of this broader agenda, but the measures contained within it do not represent the full programme of reform that the Government has embarked upon.

For the purposes of this report, the localism agenda is taken to mean those reforms contained within the Localism Act, the draft National Planning Policy Framework and the emerging Local Government Finance Bill, which was at House of Commons Report stage at time of writing. It also includes specific new initiatives that are not included in the Act, such as Local Enterprise Partnerships and Enterprise Zones.

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Future of London is an independent, not-for-profit forum and policy unit focused on the challenges facing urban regeneration, housing and economic development practitioners.

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Executive Summary

The Coalition Government is committed to devolving power to local authorities and communities through its localism agenda. The agenda includes not only those reforms contained within the Localism Act, but also the National Planning Policy Framework and the emerging Local Government Finance Bill, which was at House of Commons Report stage at time of writing. It also includes other new initiatives that promote local autonomy and investment, but are not included in the Act, such as Local Enterprise Partnerships and Enterprise Zones.

The full implications of these reforms for London, with its unique governance and the challenges and opportunities associated with being a diverse, global city, have yet to be fully understood. The purpose of this report is to set out the implications of the localism agenda specifically for planning and regeneration in the Capital.

The analysis in this report demonstrates that some of these implications are being felt immediately, while others will take far longer to play out. While it is true that many of the reforms that make up the localism agenda represent an evolution of existing mechanisms or practices, rather than a revolution, analysis suggests that both regional and local government in London could be profoundly affected by the various measures being introduced.

In producing this report, we have undertaken a number of interviews with senior practitioners within London Boroughs and the Greater London Authority, as well as convening three research seminars each featuring over 25 participants from local authority planning and regeneration departments. We have also conducted a survey of around 50 senior local authority planning and regeneration officers.

Based on this research, it is clear that the main implications for London are as follows:

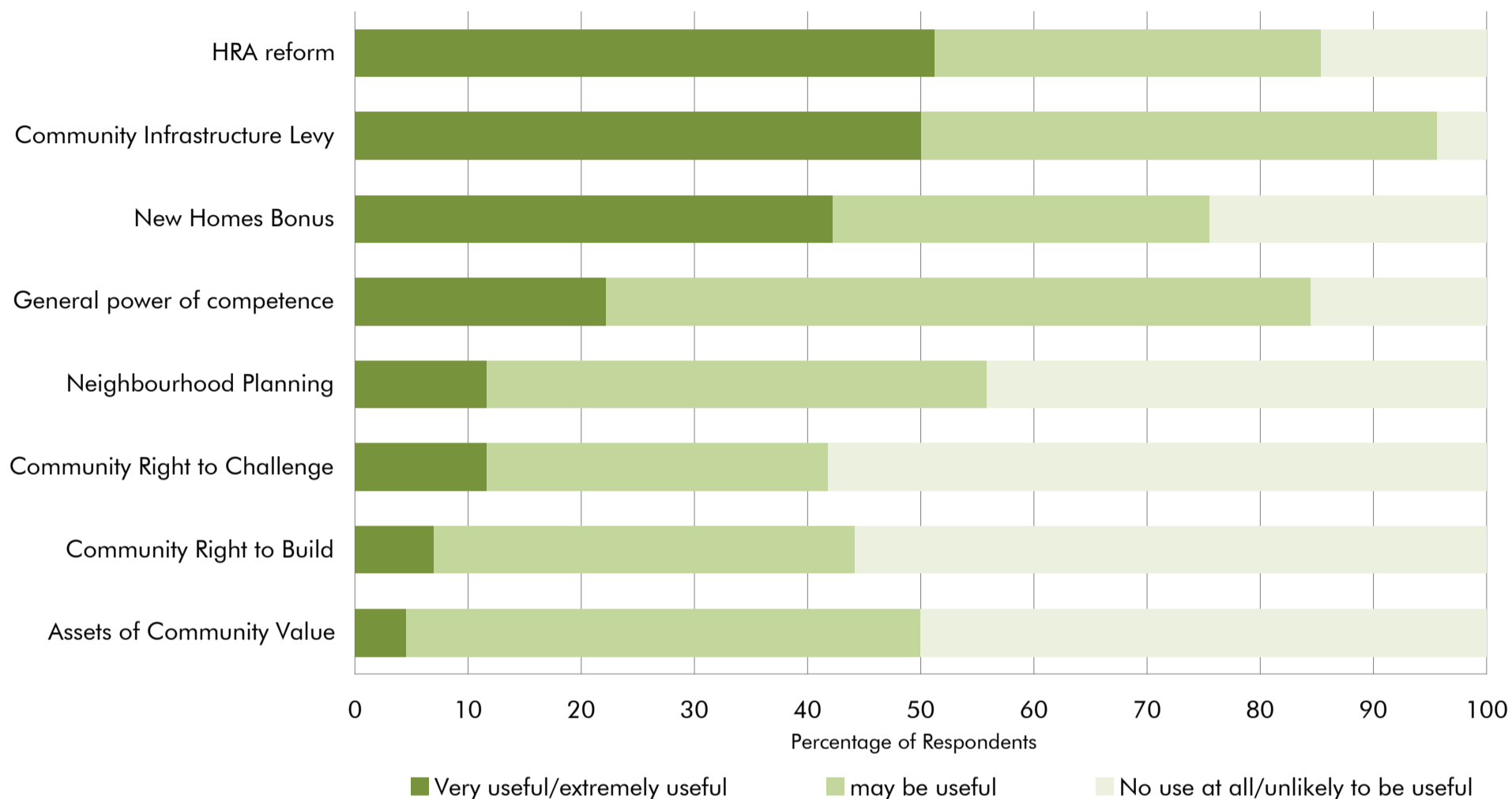
Regional Government has been consolidated and strengthened

Although it may at first seem counterintuitive, many reforms within the localism agenda have focused on strengthening the regional tier in London. The London Plan remains the spatial development strategy for London that all other local plans must correspond to. Meanwhile the Greater London Authority has absorbed a number of functions previously undertaken by quangos, providing democratic accountability to these activities, and aligning a range of strategic activities under the same organisation. And a range of new initiatives have been launched, including a London-wide Enterprise Partnership, an Olympic Mayoral Development Corporation and an Enterprise Zone in East London.

While more clarity is needed on the specific role and powers of each of these new initiatives, these reforms will mean that the winner of the Mayoral election in May 2012 will inherit a position of unprecedented authority in relation to the future development of the Capital, reinforcing their role as strategic lead for housing, planning and regeneration.

This is to be welcomed, as the successful regeneration of deprived parts of the Capital city depends on London maintaining its position as a global economic powerhouse. London needs to continually improve its strategic leadership, and given the current economic context, and the likely future direction of public spending, successful pan-London working will be critical to the future prosperity of the Capital. But as the Mayor recognises in the London Plan, regeneration is not just for City Hall. The analysis in this report demonstrates that Boroughs will have an increasingly important role to play.

Figure one: Overview of survey respondents' views on localism reforms



Source: Future of London (2012)

Localism will encourage a multitude of funding and delivery approaches

From a Borough perspective, analysis contained in this report suggests that when considering the localism agenda as a whole, London practitioners are sceptical about the totality of the Government's reform plans, and what they mean for their area. Over 70% of practitioners surveyed believed that the Government did not have a coherent approach to localism, while less than 10% felt that the localism agenda provided them with the tools they need to raise standards in planning.

However, when practitioners consider individual elements and specific tools within the localism agenda, there is more enthusiasm about potential opportunities. London Boroughs are currently facing significant funding cuts, and in many cases an

increased need to help drive stalled development in their area. Accordingly, around half of practitioners surveyed believed that the introduction of the Community Infrastructure Levy, the New Homes Bonus and Housing Revenue Account reform would be useful in their area – all key individual components of the localism agenda.

The extent to which Boroughs use the range of measures available to them will vary from place to place, depending on particular economic, development and political conditions. Such a diversity of approaches is of course not wholly new – London Boroughs have always sought different solutions to the problems they face, in line with their individual circumstances. But the further encouragement of local autonomy over the funding and delivery mechanisms used to drive regeneration in individual areas is to be welcomed.

Regardless of the specific tools that they use, it is vital that London Boroughs take an ambitious and innovative approach to the new powers that are on offer as part of the localism agenda. Around half of practitioners surveyed indicated that their Borough plans to take the General Power of Competence at face value and engage in innovative activity to help stimulate growth and regeneration in their area. By beginning to join up new revenue streams, powers and local assets, together with a more proactive, longer-term role in development, many Boroughs can ensure localism has a significant impact in relation to improving planning and regeneration in their areas.

The localism agenda could be enhanced by greater collaboration

Alongside the strengthening of the regional tier, and the encouragement of a multitude of funding and delivery approaches within individual Boroughs, the localism agenda also provides a number of opportunities for, and in some instances even necessitates, greater collaboration between the tiers of Government that run London, and the communities and businesses that they serve.

The mechanisms that make up the localism agenda should not be seen as a zero sum game between regional and local government, or between Boroughs themselves. Proposals are emerging across London that would encourage more cross-boundary collaboration between London Boroughs, with over 80% of practitioners surveyed confirming that they were looking into this prospect.

A number of Boroughs are understood to be considering the establishment of 'revolving infrastructure funds' that would cover sub-regions of London – the idea being that although individual

Borough revenue streams from CIL or NHB may not be significant in themselves, they could have a real impact if pooled across administrative boundaries, and used to target joint investment priorities. Similarly, research commissioned by London Councils highlights the potential for London Boroughs to work together in relation to the management of their HRA.

Although a clear majority of practitioners surveyed in our research did not feel the Neighbourhood Planning and community empowerment elements of the localism agenda would be useful in their area, experience from Boroughs with a long record of this kind of activity, such as LB Southwark, indicates that Localism will not mean the local state getting out of the way of neighbourhood groups. Rather, Boroughs will have a key role to play in supporting the development of neighbourhood plans, building local capacity for participation, and encouraging a positive approach to development.

In summary, the localism agenda presents practitioners and communities with a number of exciting opportunities to positively influence planning and regeneration decisions in their area. In the current funding and economic context, it is vital that these opportunities are seized and new approaches to delivery are pursued.

Introduction

Upon assuming office in 2010, the Coalition Government embarked on a wholesale transformation of the national planning system. In opposition, both the Conservatives and Liberal Democrats set out their separate ambitions to usher in a significant shift in power across the country through the implementation of a new localism agenda.¹

In Government, the Coalition has set about dismantling what they view as an overly bureaucratic, quango-dominated and Whitehall-centric planning system, in order to replace it with a more locally-driven, democratically accountable system with more emphasis on new financial incentives and revenue streams to deliver growth than centrally driven targets.

Following a number of precursors, such as the abolition of Regional Spatial Strategies in 2010, the Localism Act was passed at the end of November 2011 – nearly 500 pages of reforms seeking to devolve power from central to local government, such as the General Power of Competence, reforms to the Housing Revenue Account and a more locally focused Community Infrastructure Levy. It also aims to put increased powers in the hands of communities, through Neighbourhood Planning, Assets of Community Value and Community Right to Challenge.

Alongside this, the Coalition is also attempting a significant consolidation of planning policy guidance through the new National Planning Policy Framework (NPPF), and major reform of local government finance in the Local Government Resource Review (LGRR).

This report considers the implications of these reforms for planning and regeneration practitioners across London, where the development context is distinct from the rest of the country. In particular, this report provides:

- a summary of the political and economic context against which the localism agenda has emerged
- an assessment of the implications of the localism agenda for delivering successful planning and regeneration across regional and local government in London
- a series of conclusions that point towards how practitioners can ensure Localism works effectively for London.

¹ See *Conservatives (2010), New Homes and Jobs Through Open Source Planning*. http://www.conservatives.com/News/News_stories/2010/02/New_homes_and_jobs_through_Open_Source_Planning.aspx; *Liberal Democrats (2010), Manifesto 2010*. London: Liberal Democrats.

Policy and Economic Context

“The desire for growth may well, in some places, override sensible place-shaping initiatives.”

(Senior research participant, 17th January 2012)

Before considering the localism agenda in detail, it is important to understand the policy and economic context that has informed the measures contained within two key parts of the broader agenda: the Localism Act and the new National Planning Policy Framework (NPPF). Given the deterioration of macro-economic conditions over the past two years, localism has shifted from being an agenda primarily focused on the empowerment of local people, to one aimed at boosting local economic growth – a shift which has, and will continue to have, a profound impact on the implementation of localism across London.

Evolution of localism

The introduction of the Localism Act and the NPPF have recently elevated planning in the national consciousness and sparked a lively public debate. But the often competing challenges of delivering major infrastructure and economic prosperity, and the need for more local control of decisions, have been a focus of successive Governments throughout previous decades. For years, politicians from all parties have promised greater local accountability in the hope of countering growing civic disengagement in politics and community life, each launching a wide array of consultation papers, pilots and initiatives to boost local participation in decision making (see Box one overleaf).

It should not be a surprise that localism has featured so heavily in the Coalition’s programme for Government. When in opposition, both Coalition

partners held a commitment to delivering greater local accountability across a range of policy areas. In many respects, this commitment has been a sustaining shared value between the Conservative and Liberal Democrat Parties to date.

In 2009, the Conservative Party published their Green Paper, *Control Shift*, which set the scene for what a decentralised government would look like with the Tories at the helm. It included proposals for the abolition of Regional Spatial Strategies and the Infrastructure Planning Commission, local government finance reform and a new General Power of Competence for local authorities – much of which they have subsequently implemented in Government. Indeed, their policy paper, *Open Source Planning*, was in some senses a more radical precursor to the community empowerment aspects of the Localism Act. This paper also highlighted a desire to develop a new, more concise, national framework for planning underpinned by a “presumption in favour of sustainable development”.²

Localism has also been at the heart of Liberal Democrat policy for some time. In particular, party representatives have long argued for significant financial devolution to local government, underpinned by a belief that “within an effective and fair local democratic structure, localised control of resources is crucial for encouraging, supporting and delivering appropriate policies”.³

2 Conservative Green Paper (2010) *Open Source Planning*. London: Conservatives

3 Liberal Democrats Policy Consultation (2011), *Local Government Finance Policy*. London: Liberal Democrats

Box one: Devolution and Localism – a recurring theme

- *Strong and Prosperous Communities* (CLG, 2006) – White Paper aiming to give local people and local communities more influence and power to improve their lives. Included the suggestion of ‘neighbourhood charters’ setting out local standards and priorities, as well as the birth of Local Area Agreements.
- *Communities in control: Real People, Real Power* (CLG White Paper, 2008) – White Paper setting out local councils’ responsibilities to engage their communities. Included ‘duty to involve’, ‘duty to promote democracy’ and participatory budgeting.
- *The Balance of Power: central and local government* (CLG Committee, 2009) – Paper scrutinising CLG local government reform policy. Argues that the department needs to push for a cultural shift to a more decentralised governance structure, particularly around local government financing.
- *Control Shift* (Conservative Paper, 2009) Opposition policy paper calling for economic and social challenges to be tackled by increased local government accountability and greater local say. Introduced the General Power of Competence, local setting of business rates and the removal of RDAs and the National Infrastructure Commission.
- *Total Place* (Government Initiative, 2009) – Government initiative that put “citizens at the heart of service delivery”. Worked on different spatial levels, from devolving power and control to city regions to promote growth, to Neighbourhood Agreements and Community Cashback.
- *Open Source Planning* (Conservative Green Paper, 2010) – paper that formed the basis of the subsequent National Planning Policy Framework, with plans to abolish Regional Spatial Strategies and introduce local plans designed from the bottom up.
- *Local Growth: Realising Every Place’s Potential* (BIS White paper, 2010) – Coalition’s approach to local economic growth through the leverage of private sector investment, including the establishment of the Regional Growth Fund.
- *Localism Bill* (2010) – bundle of policies aimed at devolving power to the lowest possible level: to local authorities with the General Power of Competence, Community Infrastructure Levy and Housing Revenue Account reforms, and to communities with Neighbourhood Planning, Community Right to Challenge and Build and Assets of Community Value. Became the *Localism Act* in November 2011.
- *National Planning Policy Framework* (2011) – attempt to make the planning system less complex and more accessible, and create a “presumption in favour of sustainable development”.
- *Open Public Services White Paper* (2011) – Coalition’s vision for community-led public services reform – encouraging services to be run by voluntary and private sectors.
- *Local Government Resource Review* (2011) – Government review of how local authorities are funded, with a view to giving authorities greater autonomy. The first phase is focusing on retention of local Business Rates.

The aspiration of devolving power and responsibility from Whitehall to communities is nothing new. However, the Localism Bill was published in December 2010 amid a significant amount of controversy, in part due to the sheer number of reforms included within it. After spending a year progressing through the Parliamentary Houses, it became an Act in November 2011, purporting to empower both local authorities and the communities they serve. At the same time, the Coalition promised a radical rethink of public service delivery through the Open Public Services White Paper, a transformation of local authority financing with the Local Government Resource Review, and an overhaul of the national planning system through the National Planning Policy Framework.

Whilst many of these measures are still under consultation, with the detail yet to be finalised, this package of reforms sends a strong message that the Coalition is serious about delivering real change through the localism agenda.

Planning and regeneration in an era of austerity

Alongside these commitments to improve local accountability, it must be recognised that the final content of the Localism Act, and the emphasis of the NPPF, have been fundamentally shaped not just by a desire to deliver on promises of local empowerment, but also by the deteriorating national economic picture.

Upon assuming office, the Coalition was clear that their reform agenda for local government would be taking place against a backdrop of financial austerity. However, projections of a 2012 return

to strong economic growth have turned out to be inaccurate, and all parties now accept that economic growth will continue to be sluggish for some time, and that the UK's structural deficit will not have been eliminated within the course of this Parliament.⁴

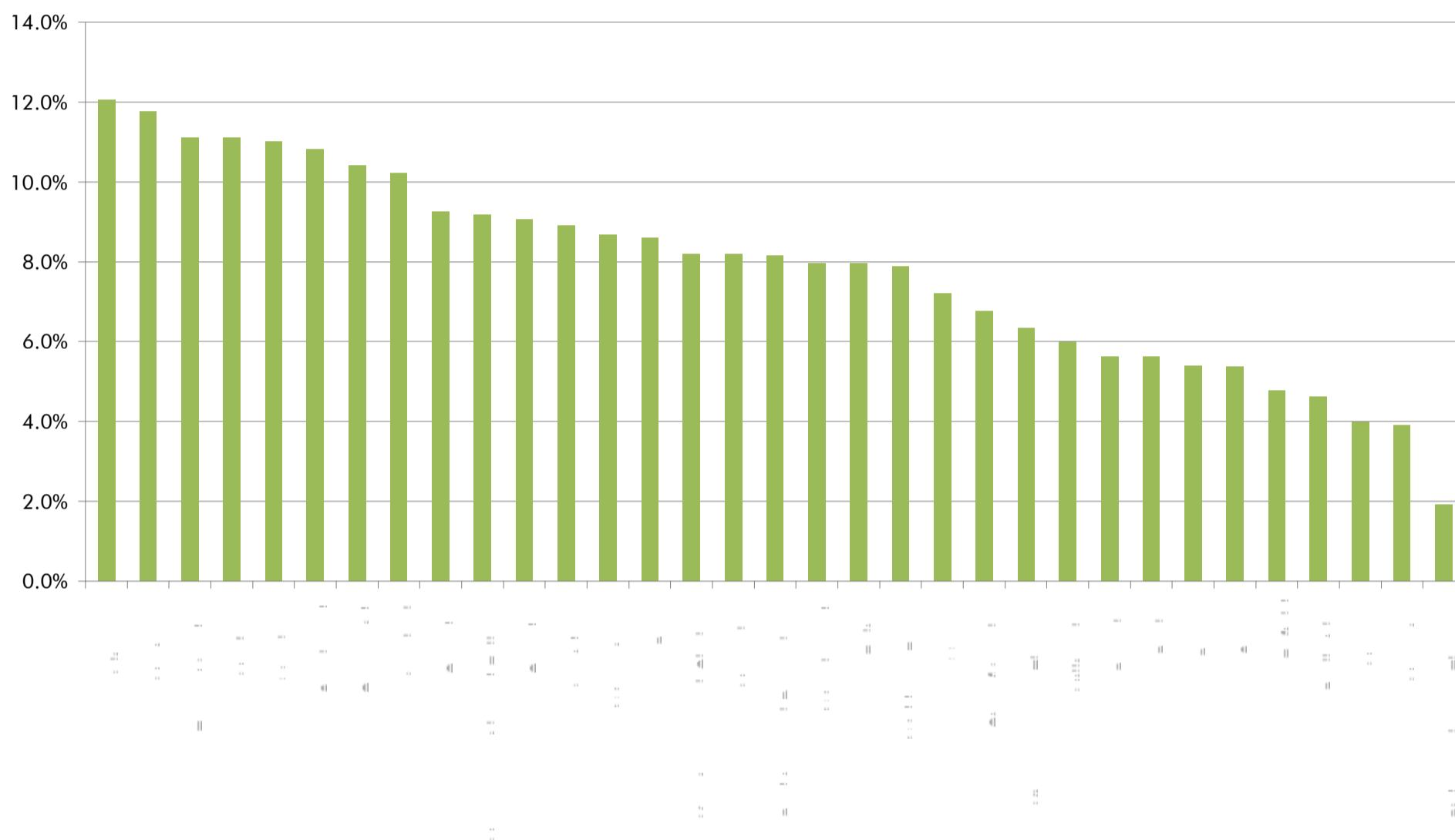
The government's measures to tackle the deficit have led them to try to reduce public spending, and local government budgets have been hit hard, with councils experiencing an average reduction of 28% over four years.⁵ Figure one shows the relative scale of these cuts across London Boroughs.

Local authority planning departments are losing resource capacity fast: the Audit Commission have predicted that planning and development budgets will fall by 28% in single tier and county councils, and that almost half of the savings needed will come from planning, housing and cultural services.⁶

Alongside this, unemployment across the Capital is rising – in London it stood at 235,177 in January 2012, representing an 8.8% increase over the previous year, placing significant pressure on national and local government to help create more jobs at a time when public funding is facing unprecedented cuts.

Under pressure to formulate an economic strategy in response to these circumstances, the Coalition Government have placed the delivery of housing growth and supporting infrastructure at the heart of their approach. In order to achieve this, a range of new policy reforms and incentives have been introduced intended to engender more positive local attitudes towards development. These include the introduction of the New Homes Bonus and the retention of the Community Infrastructure Levy.

Figure two: London cash reductions in government grant 2011-12 settlement



Source: LB Islington (2011)

Looking specifically at London, practitioners have highlighted this continuing macro-economic uncertainty as a key barrier to successful regeneration in their area, together with the related challenges of low investor confidence, a lack of public funding for new infrastructure investments, and a lack of available finance for development.

between April and September 2010, just 1,746 were in the same period of 2011, of which 259 were affordable and zero were intermediate rent. While there has been an increase in London’s affordable housing completions this year, the affordable housing budget is decreasing rapidly to 2015, with much now depending on the success of the Government’s new Affordable Rent Model.⁹

House building has been particularly badly hit. Where 18,527 new homes were started in London

4 HM Treasury (2012) *Budget 2012*. London: HM Treasury

5 *Ibid.*

6 Audit Commission (2011) *Tough Times: councils’ responses to a challenging financial climate*. London: Audit Commission.

7 CLG (2011) *Draft National Planning Policy Framework*. London: CLG.

8 Written evidence from London Councils to Parliament Session 2010-12 <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmcomloc/writev/nppf/m111.htm>

9 HM Treasury (2010) *Comprehensive Spending Review*. London: HM Treasury

Box two: Introducing national planning reform

Alongside the Localism Act, the Coalition Government has condensed the plethora of national planning policy statements into one National Planning Policy Framework (NPPF), a move that has generated much heated debate from both those in favour of rationalising the system, and those who fear much important detail and guidance for local areas will be lost.

A key tenet of the framework is the “presumption in favour of sustainable development”, an element that has been met with vocal opposition for its perceived focus on economic growth at the expense of environmental and social concerns, and the fear that it could lead to development on unprotected countryside and further urban sprawl.

However, much of the opposition to the framework does not take into account that the NPPF sets out a “plan-led system”. All local authorities are instructed to produce up to date Local Plans that whilst needing to be in accordance with the framework’s development strategy, should guide the long-term vision for an area. Alongside this, Neighbourhood Plans should provide community-led guidance for a smaller area, granting communities the ability to set overarching planning policies, as well as granting planning permission through Neighbourhood Development Orders and Right to Build Orders.⁷

The NPPF consultation received thousands of submissions, with the Government finally introducing the new NPPF on 27 March 2012. Boroughs should now focus on putting local plans in place, as “the NPPF will be the default planning framework where local plans are out of date.”⁸

In response to these trends, the government used the 2011 November statement to pledge an extra £5bn to deliver key infrastructure investments over the next three years, with an additional £20bn to come from private sector sources. Despite this £5bn boost, capital investment will still fall by 30% (around £14bn) between 2010-11 and 2013-14, and most of the £5bn boost will come from 2013-14 onwards.¹⁰

In the same month, the Coalition published a Housing Strategy that included a number of measures to boost supply and kick-start stalled schemes. The £400 million Get Britain Building investment fund is aimed at supporting building firms in need of development finance. In addition, there is a multi-departmental drive within Central government to release public land for development, with Ministers hoping this will free up capacity

to build 100,000 new homes within the current Spending Review.¹¹ In this context, Government has refined their promotion of the localism agenda, claiming the planning regime they inherited has left, in the words of Grant Shapps, a ‘legacy of a draconian system of top-down targets that pitted communities against developers’.¹²

With this in mind, the side-lining of some elements of the localism agenda, such as the removal of binding ‘local referenda’ on development decisions, together with the emphasis placed on promoting development contained in the NPPF, begin to make political and economic sense. Questions remain over whether these distinct policy aspirations of delivering local empowerment and boosting economic growth can be achieved.

Implications for Regional Government

“How bizarre for a government that hates regionalism to enhance regionalism in London and call it localism.”

(Senior research participant, 10th January)

Achieving the dual aspirations of the localism agenda – local empowerment and boosting economic growth – is particularly challenging in London, where unlike other parts of the country, the regional tier has not been abolished, but rather, strengthened. Furthermore, the existence of 33 local authorities across the Capital, together with an array of differing communities and neighbourhoods, makes for a particularly complex landscape within which to implement the localism agenda.

Regional and local government in London

Though London’s governance is a complex and multi-layered system, it has a dominant leading authority. The Greater London Authority (GLA), with a democratically elected Mayor at the helm, was created in 2000 to have a strategic overview of London, collaborating with each of the 33 boroughs, both to help them achieve their individual aims, and to work towards the aims of London as a whole. In planning terms these aims are set out in the London Plan, the spatial development strategy for London.¹³

Underneath the GLA are 33 individual London Boroughs, each acting as local planning authority for their administrative area. Their individual needs and aspirations are formulated into a Local Development

Framework, which includes development plan documents (DPD). London Borough DPDs must be in ‘general conformity’ with the London Plan. The Core Strategy is a key document which includes an overall vision, how the area and places within it should develop, strategic objectives and a delivery strategy for meeting those objectives. As such, Core Strategies are the principal planning document for an individual area.¹⁴

The actors and relationships that determine planning policy in London are summarised in Figure two. It highlights the fact that London is very much the exception in England in that it has a three-tier (national, regional and local) planning system, although as London Councils have commented, some work remains to be done in aligning the NPPF to the London Plan.¹⁵

The evolution of Mayoral planning powers

In 2007, the GLA Act strengthened Mayoral planning powers in London by amendment to the Town and Country Planning Act. The most significant element of these reforms was in relation to ‘Planning of Strategic Importance’, which allows the mayor to determine planning applications if it is of potential strategic importance i.e. large-scale development, major infrastructure or development that may affect strategic policies.¹⁶ It is not a power that the Mayor has chosen to use often, having only granted four planning applications that had been previously refused by their respective planning authorities since October 2008.

10 HM Treasury (2011) Autumn Statement. London: HM Treasury.

11 CLG (2011) Laying the Foundations: a housing strategy for England. London: CLG.

12 CLG (2011) Greater Local powers to boost community-led regeneration (news story) <http://www.communities.gov.uk/news/corporate/1829706>

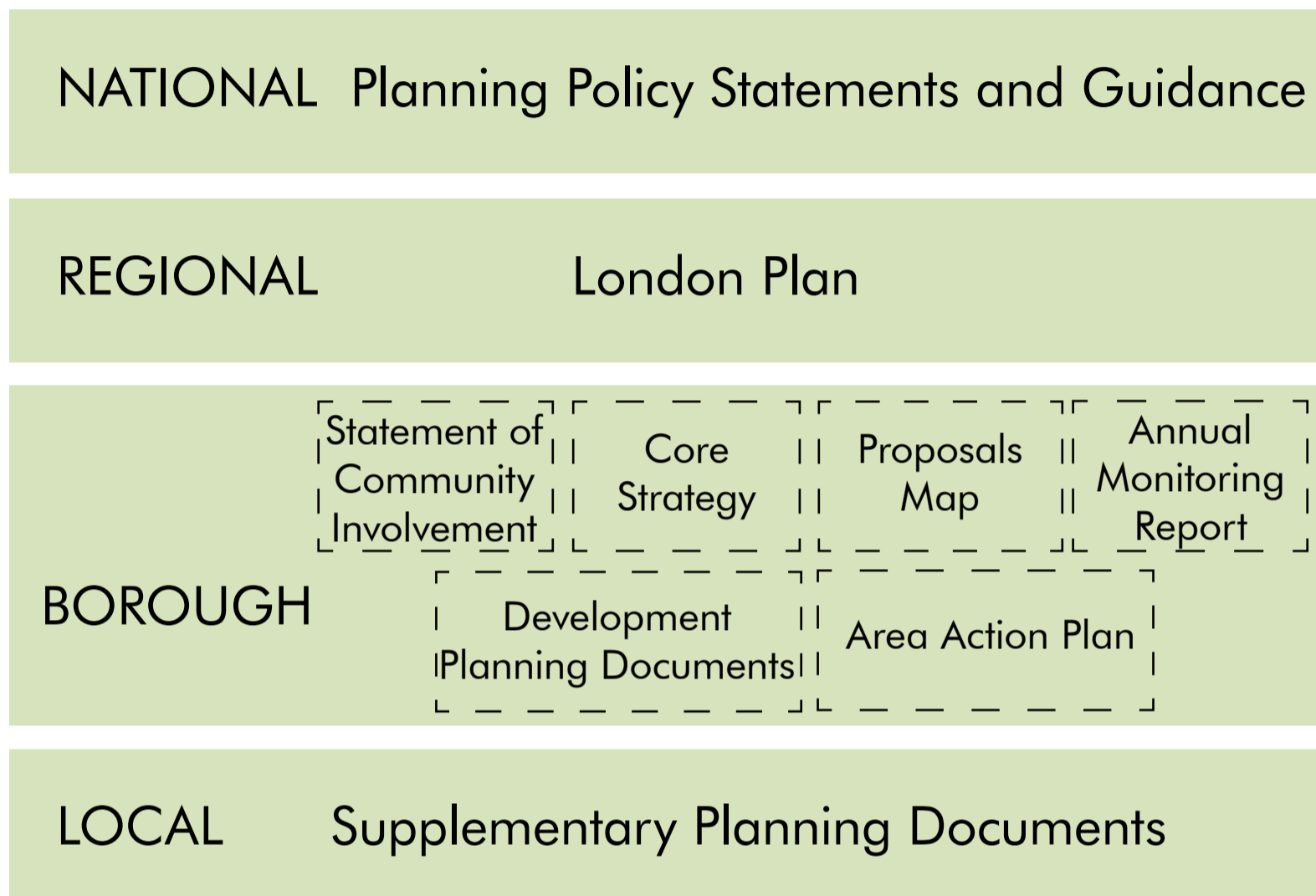
13 Planning and Compulsory Purchase Act 2004 <http://www.legislation.gov.uk>

14 CLG (2008) Planning Policy Statement 12: Local Spatial Planning. London: CLG

15 House of Commons CLG Committee, Report of Session 2010-2012

16 The Town and Country Planning (Mayor of London) Order 2008, <http://www.legislation.gov.uk/uksi/2008/580/schedule/made>

Figure three: Relationships between current planning tiers



The Localism Act has further strengthened Mayoral powers in relation to planning and regeneration, primarily through the creation of new Mayoral Development Corporations, the abolition of the London Development Agency (LDA), and the absorption of the Homes and Communities' (HCA) London office.

Mayoral Development Corporations

A major change contained within the Localism Act is the creation of Mayoral Development Corporations (MDCs). MDCs afford the Mayor the authority to designate areas of London where regeneration is seen as a priority, and establish a body mandated specifically to drive forward that activity. So far, the Mayor has only established one MDC, for the Olympic village and surrounding area.

It remains unclear how the MDC will interact with the Olympic host boroughs and other stakeholders in the area. However, there is clear potential for these arrangements to consolidate links across the host boroughs beyond the Games themselves, providing a clearer governance structure and engendering greater long-term collaboration.

Absorbing the London HCA and the LDA

The Mayor already oversaw the direction of housing investment and economic development funds for London, in his role of Chair of both HCA London and the LDA. However, as part of the Localism Act, both HCA London and the LDA have been absorbed into the GLA, as constituent parts of the new Housing and Regeneration Unit, giving a clearer overall responsibility for housing strategy and delivery to the Mayor.

Box three: Planning of Strategic Importance in action

In June 2011, the Mayor of London directed Camden Council that he would act as chief planning authority for the planning application of the Saatchi Block, Fitzrovia. Camden had refused the application, due to concerns with overdevelopment and lack of fit with the local area. In October 2011, the Mayor approved the development, citing contributions to office and housing targets and the sizeable contributions to Crossrail associated with the development.¹⁷

Box four: The Royal Docks Enterprise Zone

The Royal Docks was awarded Enterprise Zone (EZ) status in March 2011. Detailed arrangements, including the area to which the business rates discount will apply, are yet to be finalised. Negotiations between GLA, London Borough of Newham and central government for potential additional benefits also continue, with an announcement made in the Budget 2012 that the area will enjoy enhanced capital allowances to boost business activity.

The London Local Enterprise Panel and Enterprise Zones

The Coalition created 24 Local Enterprise Partnerships (LEPs) in autumn 2010 nationwide, aimed at driving local growth by creating a formal partnership between local authorities and business within particular areas. Enterprise Zones are specific growth areas that benefit from business rates reduction of up to £275,000 over five years, retention of business rates growth for at least 25 years and reduced planning restrictions.¹⁸

Rather than facilitate the delivery of a number of sub-regional LEPs across London, London is host to a city-wide LEP. This LEP will not function as those across the rest of the UK do, but rather as a panel. It will focus on “strategic investment to support private sector growth and employment, promote enterprise and increase skills levels”.

The Panel has been boosted by the award of an additional £70m of funding to allocate across London through the Growing Places Fund in Budget 2012. It will be co-chaired by the Mayor and Harvey McGrath, chairman of financial services company Prudential Plc. The Panel will be limited to an advisory role, and work within the framework set by the London Plan and other mayoral strategies.¹⁹

A strengthened regional tier for London

Taken together, these developments underline a potentially significant strengthening of the regional tier in London with regards to planning and regeneration. However, the GLA is keen to stress that they too are committed to greater levels of community engagement, and that London Boroughs and the communities that they serve continue to have a key role to play in developing local approaches to delivering growth across the Capital.

17. All documentation regarding the process can be found at: <http://www.london.gov.uk/priorities/planning/public-hearings/saatchi-block>

18. Silvertown Quays (website) www.silvertown-quays.com/enterprise-zone-status

19. GLA, About the London Enterprise Panel <http://www.london.gov.uk/business-economy/working-partnership/lep/about>

Implications for London Boroughs

London Boroughs have always had a pivotal role in planning and regeneration. The strengthening of strategic Mayoral powers in the areas described in the previous chapter does not necessarily equate to a dilution of Borough influence or autonomy. Indeed, additional powers introduced as part of the localism agenda could combine to provide real opportunities for ambitious and innovative London Boroughs.

The analysis contained in this chapter is driven by a survey of 50 regeneration and planning practitioners from across London Boroughs, including a number of Directors of Development, Planning and Regeneration, as well as individual stakeholder interviews and the views of research seminar participants – also drawn from across London local government.

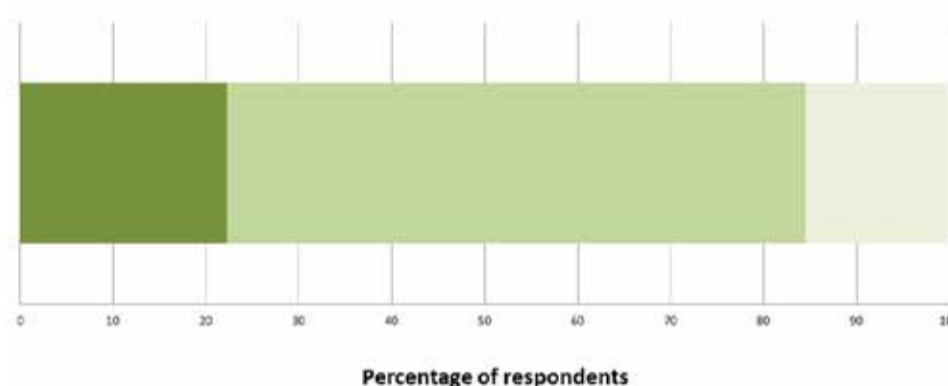
Assessing the impact of the localism agenda for London Boroughs

When considering the agenda as a whole, analysis of practitioner attitudes towards the localism agenda indicates a significant degree of scepticism about the usefulness of localism for their areas. Over 70% of practitioners surveyed believed that the Government did not have a coherent approach to localism, while less than 10% felt that the localism agenda provided them with the tools they need to raise standards in planning. However, more detailed consideration of specific measures contained within the wider package of reforms clearly shows that practitioners across London believe a number of the new powers and initiatives being brought forward in the localism act and related legislation could afford them significant new opportunities to further shape and improve their Borough.

General Power of Competence

The General Power of Competence, long sought by the local government sector, has been presented by Government as a fundamental shift in the freedom of local government and its relationship to the centre. However, practitioners across London remain unclear just how much more freedom local authorities are being given over and above the existing well-being powers introduced in the Local Government Act 2000.

Figure four: How useful will the introduction of the General Power of Competence be? (45 respondents)



Source: Future of London (2012)

Although many local authorities with the capacity and appetite for innovation may already exploit such powers, the Local Authorities Mutual Limited case highlighted the limitations of the well-being power, and undermined local authority confidence to exercise such power. It is likely that local authorities will still continue to have to seek legal advice before seeking to rely on this new power.²⁰ In this sense, the General Power of Competence is as much a statement of encouragement from the government as a truly liberating power in and of itself.

This lack of clarity was reflected in the views of those practitioners who responded to our survey. Over 20% of respondents thought it would be very useful,

with a majority of respondents believing it may be useful, and only 16% thought it was unlikely to be useful or of no use at all. Despite this uncertainty, these powers could be significant in light of the current financial climate. As outlined in the Policy and Economic Context section, London Boroughs currently face significant funding cuts, together with increased demands for their services. This will necessitate a fundamental change of outlook and approach from most Boroughs with regards the range of services they provide, their willingness to borrow against or invest local revenue streams and their own asset base.

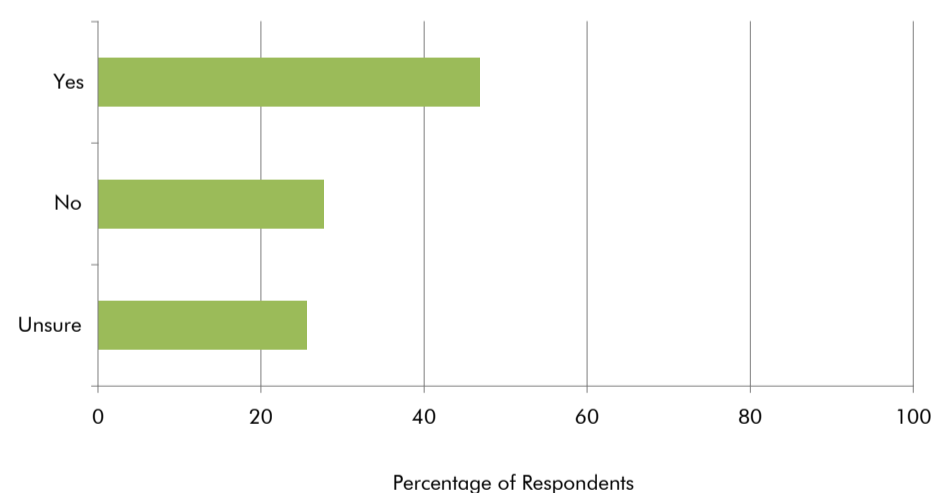
The new General Power of Competence has the potential to create the space where innovative and proactive attitudes to these challenges could be rewarded – with those Boroughs who are prepared to accept a greater degree of risk or take a more long term stake in local developments, now able to do so more easily.

This links with other parts of the Government’s localism agenda which sit outside of the Act itself, such as plans for a partial re-localisation of the business rate and tax increment financing contained within the Local Finance Bill. Yet in response to the question of whether their Borough was considering new ways to fund infrastructure, including additional prudential borrowing, or the pursuit of joint ventures, less than half of practitioners surveyed confirmed that they were, with a significant proportion unsure as to whether such moves were likely or not.

Those practitioners who responded positively to this question made specific reference to their Borough examining the potential to pursue tax increment financing, prudential borrowing against CIL revenues and HRA headroom, as well as taking a new, and more proactive approach to asset and land management. A smaller number of practitioners also made reference to the scope for new joint ventures with private sector partners, and the need to take advantage of discreet funding pots at both a national and European level.

To an extent, responses to this question reflect the continuing uncertainty being felt at a local level, as Boroughs assess the full impact of local funding cuts, and restructure their departments and their priorities for the coming period.

Figure five: Is your area considering other forms of fundraising to deliver infrastructure? (47 respondents)



Source: Future of London (2012)

20 In 2006 and 2007 various London local authorities set up a shared service vehicle called the London Authorities Mutual Limited (LAML) to provide insurance services. Authorities wanted to give their business to LAML without going through a full competitive process; an external insurance firm objected, and the Courts initially found against the Authorities on the ground that improving the Authorities’ financial position should not be considered as promoting or improving the well-being of its area.

Practitioners from across London are actively exploring the potential to work across Borough boundaries to drive both efficiencies and better outcomes for their areas. Over 80% of practitioners surveyed confirmed that they were looking into the prospect, with potential areas of collaboration including the creation of sub-regional infrastructure funds to drive growth.

Ultimately, it could take a decade to see the full implications of the General Power of Competence for London Boroughs. Inevitably, some Boroughs will go further with it than others, which is likely to lead to different activities and models of delivery emerging across the Capital, depending on their policy aims, capacity and skill sets.

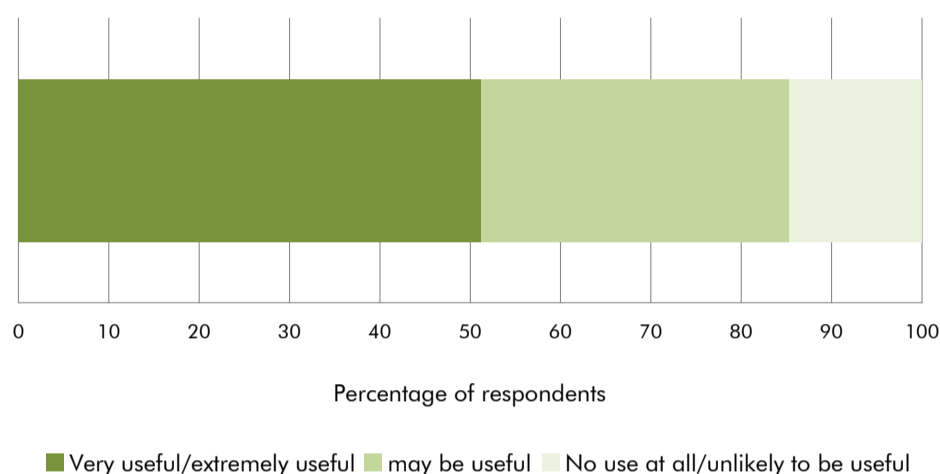
Housing Revenue Account reform

Heralded as “the biggest change to council housing since right-to-buy”, reforms to the Housing Revenue Account (HRA) will see councils being given full powers over their housing stock and will be able to keep all rental income from their tenants.²¹

In London, 29 boroughs still own and manage council housing, and under new arrangements, they will be responsible for an estimated £7.2bn of housing debt.²² These councils will be able to make local decisions on how to manage or improve their existing stock, how much to borrow on their existing assets to build new homes, or choose to pay back debt owed to central Government. Such decisions have never been in local hands before.

There was a high degree of optimism among our research participants for the potential usefulness of HRA reform, with over 80% thinking it may be useful, very useful or extremely useful.

Figure six: How useful will the introduction of Housing Revenue Account reform be? (41 respondents)



Source: Future of London (2012)

Practitioners believe HRA reform has the potential to have a big impact for London Boroughs, enabling them to better predict their income and to borrow against future returns. Practitioners from across London felt this could have a particular impact on allowing local authorities to develop their own land, and to enter into more development joint ventures themselves.

However, if London Boroughs are to successfully take advantage of this new power, they must approach it with a clear focus on the risks and implications of doing so, as well as the likely timeframe across which any financial returns are anticipated. In many Boroughs this will require a fundamental culture shift, moving towards a more strategic administration of their property portfolio. This in turn will require skills which may not currently exist within the Borough, and may need to be recruited.

Community Infrastructure Levy

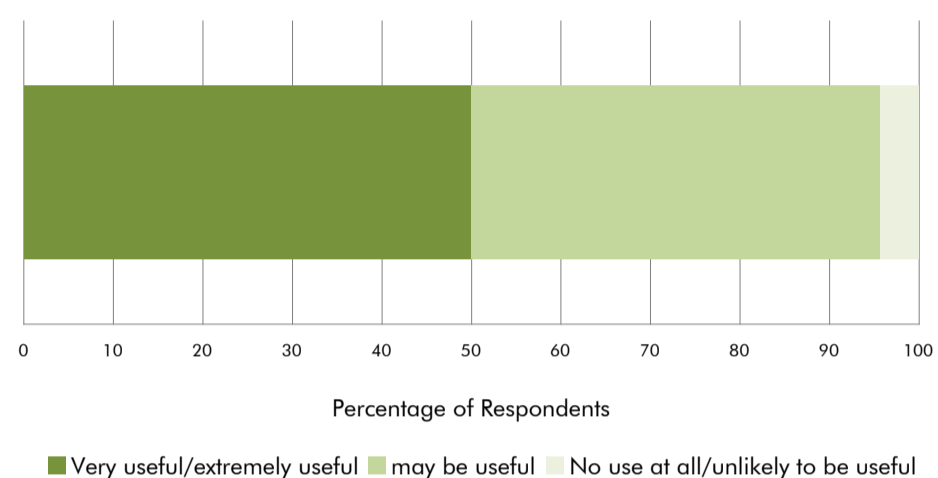
The Community Infrastructure Levy (CIL) was introduced by the previous Government and retained by the Coalition, and came into force in April 2010. Drawing inspiration from a number of tariff schemes pursued by individual local authorities (including a number of London Boroughs) to formalise developer contributions for their areas, the mechanism permits local authorities in England and Wales to raise funds from developers undertaking new building projects in their area through levying a charge on new development. These funds can be used to deliver a wide range of infrastructure that is needed as a result of development. This includes transport schemes, flood defences, schools, hospitals and other health and social care facilities, parks, green spaces and leisure centres.

The Coalition Government has decided to retain the mechanism, albeit making some significant changes to how it can be used, including a stipulation that a “meaningful proportion” of the fund must be allocated to the locality where the development takes place so that those who are affected by the development may also benefit from it.

London Boroughs will need to work closely with neighbourhoods to assess where the money could be most meaningfully spent. CIL could unlock necessary investment for projects that would otherwise have stalled.

Our research showed an impressive 94% of our senior local authority regeneration officers thought

Figure seven: How useful will the introduction of CIL be? (46 respondents)



Source: Future of London (2012)

that CIL may be useful, very useful or extremely useful in regenerating their local areas.

“CIL helps boroughs to be more proactive and to think more long-term – Section 106 was always about short-term gain”

Source: Future of London Seminar Participant (2012)

Despite this, there are some potential challenges regarding the implementation of CIL across London. There could be tensions as to where CIL revenue is spent, particularly in the light of reduced local authority budgets. Revenues raised by CIL may, in practice, end up being used to plug holes in existing budgets rather than support communities facing new development or funding elements of new development itself. The establishment of effective local monitoring procedures to ensure transparent use of CIL monies will be critical in ensuring that funds generated using this mechanism are targeted to deliver prioritised initiatives and outcomes.

21 Guardian Local Government Network, HRA Reform: The biggest change to council housing since right-to-buy' (news story) <http://www.guardian.co.uk/local-government-network/2011/nov/07/councils-housing-revenue-account-right-to-buy>

22 London Councils (2011) *From Self-Financing to Self-Determination: Local Authority Self Financing in London, Exec. Summary*. London: London Councils

Alongside this, a number of practitioners voiced concerns over the local viability of CIL charges, particularly in light of the Mayoral CIL designed to part-fund the construction of Crossrail. As the charging of CIL is non-negotiable once a charging schedule has been adopted, there will be a limit to how much individual schemes will be able to generate in contributions towards local priorities such as affordable housing provision, on-site section 106 costs, and sustainability regulations.

Finally, there is also the potential challenge of variation between Boroughs in how they were setting the levels of CIL. The primary purpose of CIL is to simplify the existing system of Section 106 negotiations and to increase local authority revenue to fund infrastructure. There is a danger that if each London Borough takes a separate approach to CIL – with some intending to set varying levels across their Boroughs to take into account local development economics – that ‘cliff-edges’ could appear between neighbouring areas that in turn have perverse and unintended effects on the future direction of development across the capital. There could also be implications for future cross-borough developments where different rates may apply to different elements

Box five: Mayoral CIL charging zones and rates (April 2012)

Rate Zones	London Boroughs	Rates (£ per sq. m.)
1	Camden, City of London, City of Westminster, Hammersmith and Fulham, Islington, Kensington and Chelsea, Richmond-upon-Thames, Wandsworth	£50
2	Barnet, Brent, Bromley, Ealing, Greenwich, Hackney, Haringey, Harrow, Hillingdon, Hounslow, Kingston upon Thames, Lambeth, Lewisham, Merton, Redbridge, Southwark, Tower Hamlets	£35
3	Barking and Dagenham, Bexley, Croydon, Enfield, Havering, Newham, Sutton, Waltham Forest	£20

of a scheme. London Boroughs should, therefore, think very carefully in determining CIL levels for their area.

Box six: Local CIL charges

Most London Boroughs are still deciding how to set their CIL. However, LB Redbridge’s schedule has been approved, and other boroughs have revealed draft schedules. They indicate that Boroughs are considering CIL carefully and adopting a variety of approaches.

LB Redbridge is charging a flat rate of £70 per square metre, regardless of the type of development.²³ By contrast, LB Wandsworth plans to charge a variable rate across the Borough, with residential charges within the Nine Elms regeneration programme being set at either £315 per square metre, or £625 per square metre across two distinct residential zones. Across wider Wandsworth, the residential charge will be just £300 per square metre.²⁴

LB Lewisham is consulting on proposals for residential charges of £100 per square metre along the northern fringe of the borough, £70 per square metre in the remainder. Retail developments would be charged at £80 per square metre across the whole borough, with office and storage uses exempt.²⁵

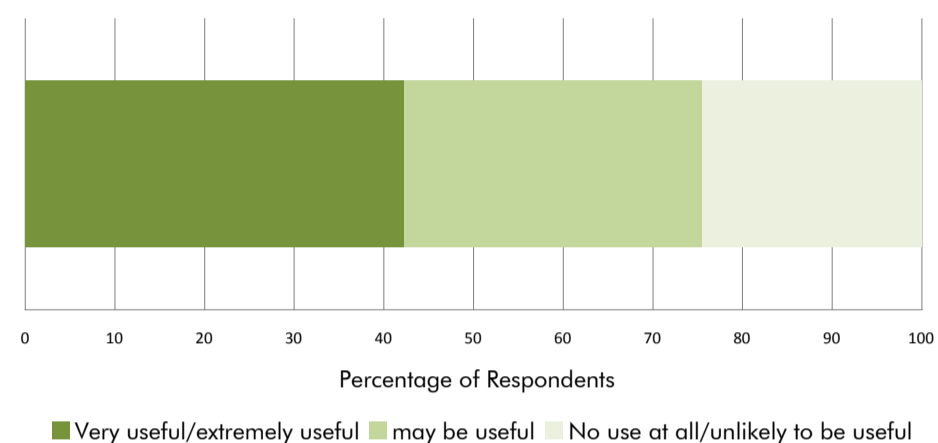
New Homes Bonus

The New Homes Bonus (NHB) mechanism is intended to increase incentives within the local government finance system for local areas to embrace growth. To do this, the NHB allocates local match funding to the additional council tax raised through the provision of new homes and properties brought back into use, with an additional amount for affordable homes, for the following six years. CLG has set aside almost £1 billion over the Comprehensive Spending Review period for the scheme, including nearly £200 million in 2011-12 in year one and £250 million for each of the following three years.

Funds will be paid over six years, giving authorities (and by extension, communities) a transparent and strategic award for enabling local growth. The funding is ring-fenced – requiring local authorities to collaborate closely with communities to agree priorities. However, when the current CSR is up, the funding will come from boroughs' formula grant, thus potentially redistributing funds that they would have used elsewhere.

The first two allocations of NHB monies have been announced by Government, with Boroughs across London receiving differing levels of NHB depending on development activity in their area. Overall the majority of survey respondents believed that NHB would be useful in their areas, although when compared to other mechanisms, such as the Community Infrastructure Levy, there was a greater

Figure eight: How useful will the introduction of the New Homes Bonus be? (45 respondents)



Source: Future of London (2012)

degree of scepticism on the ultimate benefits of NHB. 25% of respondents believed that the NHB was unlikely to be useful or no use at all, reflecting the fact that for practitioners in Boroughs such as Kensington and Chelsea, Havering and Bexley, the scale of revenues that the NHB stands to generate will not be sufficient to create a meaningful incentive to embrace growth or guide development decisions.

The success of the NHB will be dependent on whether it effectively acts as an incentive for communities to get behind additional growth in their areas. It is unclear at this stage whether it will achieve this – a view shared by a number of practitioners across the Capital who are struggling with how to best make the revenues generated tangible for local people.

“The public don’t think ‘oh great the council’s going to get more into its coffers’ – there’s no clear link to community benefit.”

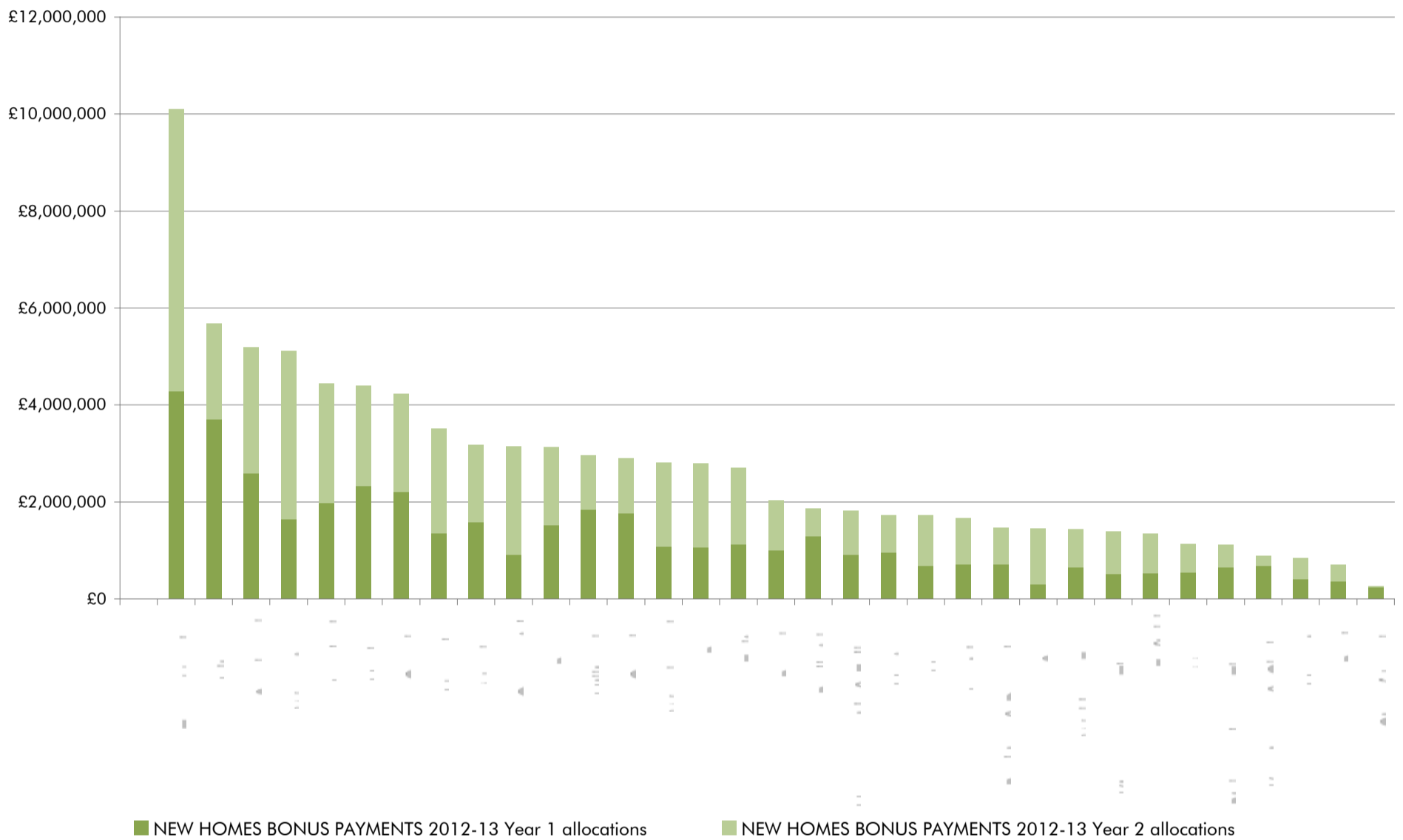
Source: Future of London Research Seminar (2012)

23 LB Redbridge (2012) *Community Infrastructure Levy Charging Schedule*. London: LB Redbridge.

24 LB Wandsworth (2012) *CIL - Draft Charging Schedule*. www.wandsworth.gov.uk/downloads/file/4359/cil-preliminary_draft_charging_schedule

25 LB Lewisham (2012) *CIL Viability Appraisal*. London: LB Lewisham.

Figure nine: Year one and year two New Homes Bonus allocations for London



Source: CLG (2012)

Neighbourhood Planning

As well as boosting the abilities of local authorities, the primary focus of the localism agenda is to empower individual neighbourhoods and communities. However, despite being trailed as a substantive move to devolve power to people and communities, there is scepticism within the sector around the impact Neighbourhood Planning will have in reality.

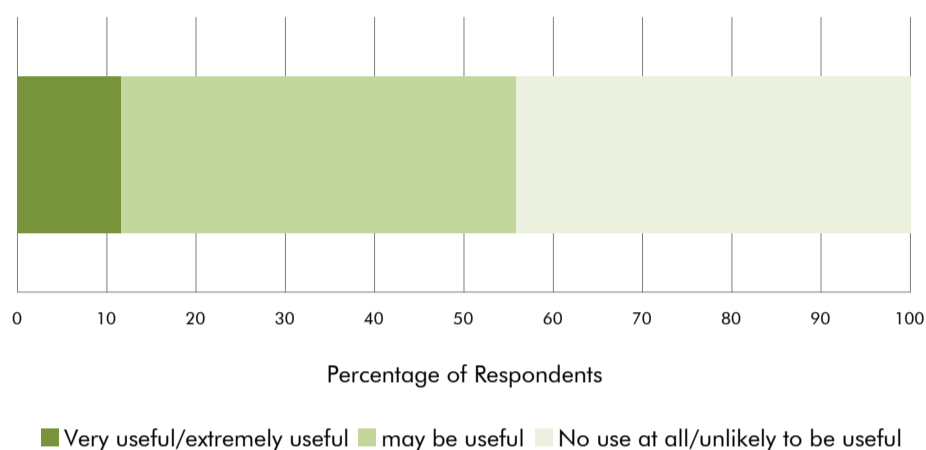
Many communities already influence the shape of their areas – either independently through specific projects, or through the standard channels of development consultations. Indeed, across London, Boroughs work closely with communities on the regeneration of their housing or public realm, in many cases arranging detailed consultation events

and processes, or design workshops between architects and communities.

Similarly, there have been examples of communities taking matters into their own hands to redevelop their own areas or save historic buildings.²⁶ In many cases, these require grant funding from organisations such as Arts Council England, which is increasingly scarce.

Within the Localism Act, there is an emphasis placed on London Boroughs engaging with community groups and forums to actively shape development that impact upon their area. However, Borough practitioners appear to be sceptical of the benefits of these new guidelines. Of those surveyed, just over 10% felt that the Neighbourhood Planning powers

Figure ten: How useful will the introduction of Neighbourhood Planning be? (43 respondents)



Source: Future of London (2012)

included in the Localism Act would be very useful in their area, with nearly half of all respondents feeling they would likely be of limited, or no use.

Despite the scepticism of survey respondents, it is generally accepted that the promotion of community-led planning presents a significant opportunity in some areas, either where forums already exist, or there is enough momentum to create one in a neighbourhood. Forums themselves can be community or borough developed, and although the former appears more authentically 'localist', the latter may be better connected to the authority itself, and stand a better chance of success.

"We'll probably end up with something that's not a specific neighbourhood plan but will mean more involvement with communities – I don't expect communities to come to us with clearly devised plans. Developers will have to have a greater consultative role too."

Source: Future of London Research Participant (2012)

Box seven: Neighbourhood Planning in Southwark

Southwark currently has two neighbourhood forums working towards plans in Bermondsey and Bankside. The Bermondsey Neighbourhood Forum was formed in late 2010 at the time of the publication of the Localism Bill. They approached the council with the suggestion that Southwark should make an application to become a 'vanguard' authority (later renamed 'front runner' authorities) to trial the principles of Neighbourhood Planning being proposed in the bill.

The Bankside Residents Forum, which has been in existence for around 10 years and which had previously assisted the council with consultation on the Bankside, Borough and London Bridge SPD, then came forward with the suggestion that they also should prepare a Neighbourhood Plan and a joint bid for two Neighbourhood Planning front runners was subsequently submitted to the Department for Communities and Local Government. Simon Bevan, Acting Director of Planning for Southwark, explained that localism and Neighbourhood Planning did not seem to have been designed for London. He therefore wanted the Borough to take the lead in overcoming the challenges London would face in meeting the agenda. The front runner status of both was agreed in March 2011.

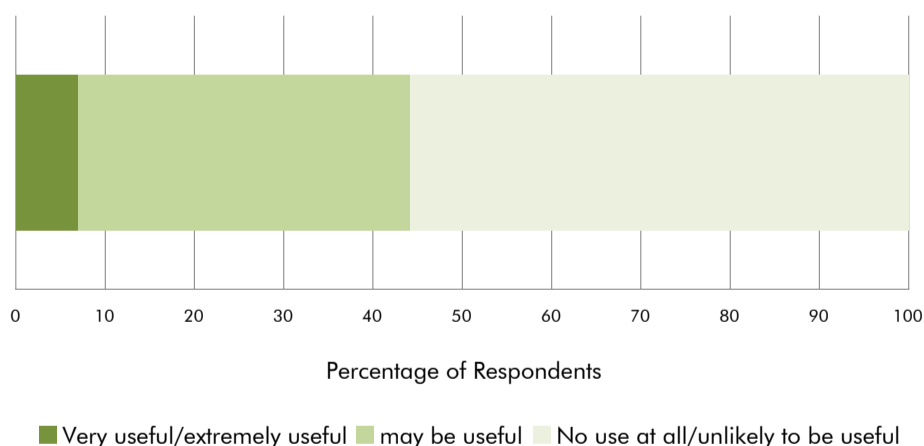
Bankside Residents Forum already had a close partnership with the Better Bankside business improvement district who were brought into the process early on. Bankside was identified as one of the 'business led' front runners when this aspect of Neighbourhood Planning was launched in June 2011. Together, Bankside Residents Forum and Better Bankside have formed a wider alliance of local groups and organisations, including the Bankside Open Spaces Trust, Borough Market and other business and community groups.

Community Right to Build and Assets of Community Value

The Community Right to Build gives groups of local people the power to deliver development that their local community wants, while in theory reducing the amount of red tape for them to navigate. Communities may wish to build new homes or new community amenities, and providing they can demonstrate overwhelming local support, the Community Right to Build will give communities the powers to deliver this directly.

Generally, practitioners across London do not believe that the take up of these powers would be significant in their area, with many citing capacity constraints within communities as a major hurdle, as well as local opposition to all new development, whether owned privately or by the community.

Figure eleven: How useful will the introduction of Community Right to Build be? (43 respondents)

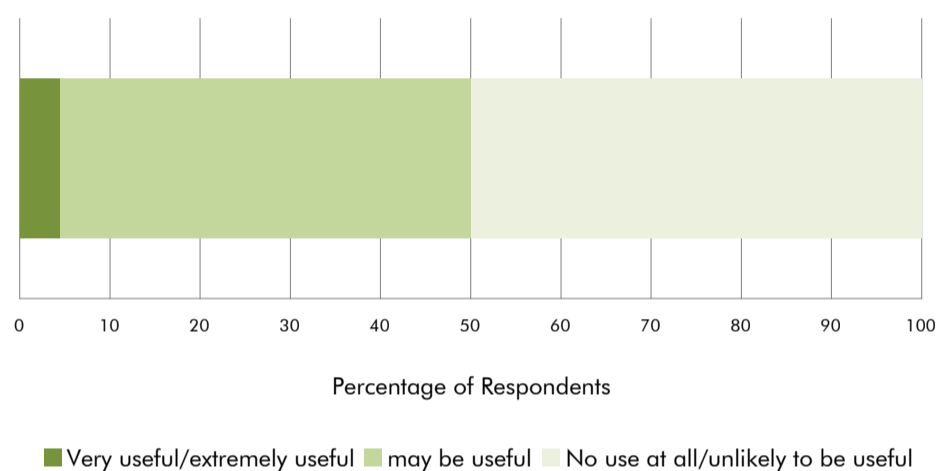


Source: Future of London (2012)

The provisions surrounding Assets of Community Value give communities a right to identify a building or other land that they believe to be of importance to their community's social well-being.

The aim is that if the asset comes up for sale, then they will be given a fair chance to make a bid to buy it on the open market.

Figure twelve: How useful will the introduction of Assets of Community Value be? (44 respondents)



Source: Future of London (2012)

Survey respondents were generally pessimistic regarding the usefulness of this initiative. Many practitioners felt that realistically London Boroughs and the GLA would not have many suitable sites to be disposed of in this manner. It was also felt that given the economic and funding environment, Boroughs would likely want to maximise receipts from sites, an objective that would be unlikely to be compatible with selling to the community, who may not have access to as much development money.

However, in some Boroughs there are examples of communities getting involved with both design and land management decisions, and considering community ownership strategies such as Community Land Trusts, with the aim of securing the long-term affordability of housing and other assets on designated land. While these schemes are by no means abundant, they could function as exemplars from which group with similar aspirations could learn.

Box eight: New homes as the catalyst for community-led development

Residents on the Andover estate, one of Islington's largest, are working with the Council to improve poorly used land and buildings across the estate. After the Decent Homes programme, residents decided that new homes were still a major priority in the area, especially in reducing overcrowding, under-occupancy and special needs of various kinds.

With the help of a Design Council CABE Neighbourhood Design Project grant, the Finsbury Park Community Hub has created a resident panel to help agree the principles for new development: key locations, rent levels, local lettings priorities, and ownership and management options. There are also opportunities to relocate facilities like a ball games area to release land for housing, and create a better planned and managed sports facility for the neighbourhood, and for reusing small open spaces and disused garages for food growing enterprises.

Additional help has been provided through the Community Land Trust Facilitation Fund, which has helped residents and the Council consider a range of community led development, funding and ownership options, including co-operative ownership and management and CLTs.

The Community Hub has also worked to secure both high level political support for this approach from the Leader, and from local ward members. The Executive Member for Housing and the Service Director of Housing are keen to see how this collaborative approach can be replicated as part of the Council's plans to maximise the supply of genuinely affordable housing from council owned land.

Making Localism Work for London

The localism agenda will have a number of implications for planning and regeneration across the Capital; some that are being felt immediately and others which will take far longer to play out. While it is true that many of these reforms represent an evolution of existing mechanisms or practices, rather than a revolution, the analysis contained in the previous two Chapters suggests that both regional and local government in London could be profoundly affected by the various packages of reforms.

Regional Government has been consolidated and strengthened

Although it may at first seem counterintuitive, many reforms within the localism agenda have focused on strengthening the regional tier in London in relation to planning and regeneration. The London Plan remains the spatial development strategy for London that all other local plans must correspond to. Meanwhile the Greater London Authority has absorbed a number of functions previously undertaken by quangos, providing democratic accountability to these activities, and aligning a range of strategic activities under the same organisation.

A range of new bodies and initiatives have been established, including a London-wide Enterprise Partnership, a Mayoral Development Corporation for the area surrounding the Olympics site and an Enterprise Zone in East London.

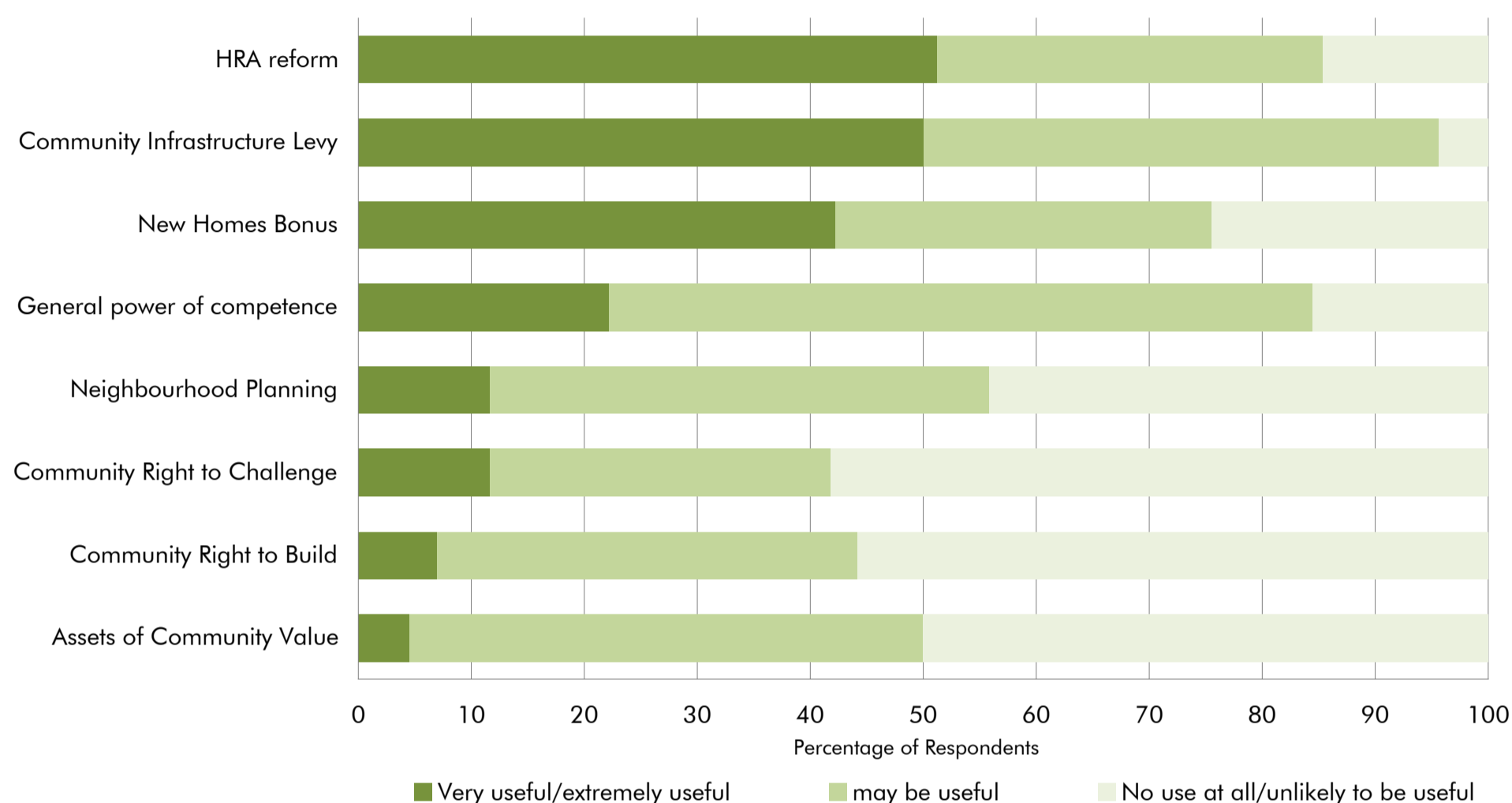
All of these reforms mean that the winner of the Mayoral election in May 2012 will inherit a position of unprecedented authority in relation to the future development of the Capital, reinforcing their role as strategic lead for housing, planning and regeneration. This is to be broadly welcomed, as the successful regeneration of deprived parts of the Capital depends on London maintaining its

position as a global economic powerhouse. London needs to continually improve its strategic leadership, and given the current economic context, and the likely future direction of public spending, successful pan-London working will be critical to the future prosperity of the Capital.

However, given the economic headwinds facing the Capital and the UK as a whole, as well as the potential consequences of other policy interventions from Government, a number of challenges to the success of the London-wide localism remain.

As outlined in Chapter Two, the London LEP will not function in the same way as those across the rest of the UK. More needs to be done to articulate how it will work alongside existing bodies across the Capital, the specific role it will have in helping to allocate funding streams across London Boroughs, and the tangible measures and objectives that it will be judged against over the years ahead. Likewise, the specific arrangements underpinning the Enterprise Zone in East London need to be finalised, and provide sufficient incentives to kick-start development and business growth in the area. And there needs to be further clarity on whether there will be further Enterprise Zones for London, and what their scope is likely to be.

Figure thirteen: Overview of survey respondents' views on localism reforms



Source: Future of London 2012

Localism will encourage a multitude of funding and delivery approaches

From a Borough perspective, analysis contained in this report suggests that when considering the localism agenda as a whole, London practitioners are sceptical about the totality of the Government's reform plans, and what they mean for their area. Over 70% of practitioners surveyed believed that the Government did not have a coherent approach to localism, while less than 10% felt that the localism agenda provided them with the tools they need to raise standards in planning.

However, when practitioners consider individual elements and specific tools within the localism agenda, there is more enthusiasm about potential opportunities.

As set out in the Policy and Economic Context section, London Boroughs are currently facing significant funding cuts, and in many cases an increased need to help drive stalled development in their area. Accordingly, around half of practitioners surveyed believed that the introduction of the Community Infrastructure Levy, the New Homes Bonus and Housing Revenue Account reform would be useful in their area – all key individual components of the localism agenda.

However, the extent to which Boroughs use the range of measures available to them will vary from place to place, depending on particular economic, development and political conditions. When considering the implementation of CIL, for example, it is already clear that a range of approaches are being adopted. Some Boroughs,

such as LB Redbridge, plan to charge a flat rate across all types of development, whereas others are pursuing more complex arrangements that respond to particular development conditions or proposals. Other Boroughs are going even further, and continue to explore the potential to borrow against CIL as a revenue stream with HM Treasury.

The same is true of the other reforms within the localism agenda. For some Boroughs, like LB Tower Hamlets, the New Homes Bonus represents a significant sum of revenue that has the potential to have a real impact for local communities. For others this is not the case, and depending on their local asset base, they are more likely to focus their attention on the implications of HRA reform for their area, and how they can maximise the opportunities of additional borrowing headroom at a local level.

Likewise, while local capacity and skills constraints may mean we are unlikely to see a wave of new Neighbourhood Plans, or community owned assets emerging across the Capital. Opportunities presented by these measures will be positively embraced by communities already engaged in such activity and by London Boroughs with the capacity and appetite to assist communities to deliver local development and regeneration.

A diversity of approaches is of course not new – London Boroughs have always sought different solutions to the problems they face, in line with their individual circumstances. But the further encouragement of local autonomy over the funding and delivery mechanisms used to drive regeneration in individual areas is to be welcomed.

Regardless of the specific tools that they use, it is vital that London Boroughs take an ambitious and innovative approach to the new powers that are on offer as part of the localism agenda. It remains

unclear as to whether there exists a genuine appetite for increased risk within London Boroughs, even those promising to take on more proactive roles in driving development in their area. Likewise, in the current funding context, London Boroughs are likely to be under intense pressure from a capacity and skills perspective, meaning that in the short term, there may be a limit to the extent that they can pursue innovative approaches to delivery.

Nevertheless, by taking advantage of the General Power of Competence and by beginning to join up new revenue streams, powers and local assets, together with a more proactive, longer term role in development, many Boroughs can ensure localism has a significant impact in relation to improving planning and regeneration in their areas.

The localism agenda could be enhanced by greater collaboration

Alongside the strengthening of the regional tier, and the encouragement of a multitude of funding and delivery approaches within individual Boroughs, the localism agenda also provides a number of opportunities for, and in some instances even necessitates, greater collaboration between the tiers of Government that run London, and the communities and businesses that they serve.

The economic context, which means there is less growth in the economy and less investment available for stimulating regeneration, makes successfully implementing the localism agenda all the more challenging. Tensions have always existed between investing in major infrastructure of strategic importance to the Capital as a whole, such as Crossrail, and ensuring that local priorities are also met. In an environment where resources are

constrained, these tensions are likely to increase.

The mechanisms that make up the localism agenda should not be seen as a zero sum game between regional and local government, or between Boroughs themselves. Proposals are emerging across London that would encourage more cross-boundary collaboration between London Boroughs, with over 80% of practitioners surveyed confirming that they were looking into this prospect.

A number of Boroughs are understood to be considering the establishment of 'revolving infrastructure funds' that would cover sub-regions of London – the idea being that although individual Borough revenue streams from CIL or NHB may not be significant in themselves, they could have a real impact if pooled across administrative boundaries, and used to target joint investment priorities.

Similarly, research commissioned by London Councils highlights the potential for London Boroughs to work together in relation to the management of their HRA. Their work indicates that a shared service approach to HRA finance could improve performance and reduce costs for participating authorities across the Capital.

Although a clear majority of practitioners surveyed in our research did not feel the Neighbourhood Planning and community empowerment elements of the localism agenda would be useful in their area, experience from Boroughs with a long record of this kind of activity, such as LB Southwark, indicates that Localism will not mean the local state getting out of the way of neighbourhood groups. Rather, Boroughs will have a key role to play in supporting the development of neighbourhood plans, building local capacity for participation, and encouraging a positive

approach to development.

In summary then, the localism agenda presents practitioners and communities across London with a number of exciting opportunities to positively influence planning and regeneration decisions in their area. In the current funding and economic context, it is vital that these opportunities are seized and new approaches to delivery are pursued.

Summary

This is both a challenging and exciting time for regeneration in London. The localism agenda provides real opportunities for ambition and innovation at a regional, borough and community level.

The financial climate has created an urgency for partners to seize the new tools provided and to work together; across Borough boundaries, with local communities, and with the strategic leadership of the Mayor and GLA.

If London is to play its role as a major global city and if its people are to continue to want to live, work and thrive here, these new approaches to planning and regeneration must succeed.

Appendix: Future of London Localism Survey

Future of London carried out a survey of around 50 senior London Borough planning and regeneration officers between 24th January and 24th February 2012. The majority of participants filled it in online, with a few preferring to complete it over the phone.

The following questions were included in the survey:

1. In your view, does the government have a coherent approach to Localism? If not, where do you see the clash?

YES/NO/NOT SURE + comments

2. Does the localism agenda provide you with the tools you need to raise standards in planning, economic development and local service delivery?

YES / NO for each theme + comments

4. Rate these new powers as to how useful you think they will be in improving or regenerating your local place:

- General power of competence
- Community Infrastructure Levy
- New Homes Bonus
- HRA reform
- Neighbourhood Planning
- Community Right to Build
- Assets of Community Value
- Community Right to Challenge

5. Rate these challenges to the success of localism in terms of difficulty (not challenging at all to extremely challenging):

- Lack of clarity of agenda
- Challenges of engaging the community
- Community capacity
- Diversity of demand within the community
- Lack of money (local gov cuts)
- Competing democratic legitimacy
- Cross-borough working
- Risk-aversion in local authorities

- Broader economic climate
- National government and GLA powers and strategies

6. What do you think are the main barriers standing in the way of encouraging growth in your area (in order of relevance)?

7. Is your area considering other forms of raising funds to deliver infrastructure, such as prudential borrowing, joint ventures? If yes, please explain

Yes/No/Not sure + comments

8. How high an impact has the reduction in local authority budgets had on the following services in your area?

- Environment
- Children and young people
- Social care
- Housing
- Leisure services
- Transportation

9. Which of the following responses are you undertaking as a result of the cuts? And how optimistic are you about them being successful in terms of a) efficiencies b) better outcomes?

- Better joining up across agencies
- Increasing diversity in provision
- Using community capacity more – eg. Big Society or Co-operative Councils
- Revisiting entitlement
- Looking to work more across boroughs.



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