

CABINET

22 October 2013

Title: Growth Strategy 2013-2023	
Report of the Cabinet Member for Regeneration	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: David Harley, GM Economic Development and Sustainable Communities	Contact Details: Tel: 020 8227 5316 E-mail: david.harley@lbbd.gov.uk
Accountable Divisional Director: Jeremy Grint, Divisional Director Regeneration	
Accountable Director: Graham Farrant, Chief Executive	
Summary: <p>The existing “Economic Development Strategy 2003” and “Regeneration Strategy 2008-13” were published some time ago and both now require updating in light of significant economic, political and policy changes particularly at national and regional level. The proposed new Growth Strategy 2013-2023 (Appendix 1) combines the function of the two former strategies into a single comprehensive document recognising the inter-relation between economic development and regeneration and how the importance of delivering growth has risen up the local and national policy agenda.</p> <p>The draft Strategy sets out the significant growth potential in the Borough, which puts it at an advantage to many other boroughs, however it also sets out the challenges and barriers to achieving the full potential and how they can be addressed. The draft Strategy adopts four inter-related themes to achieving growth - attracting investment, creating a higher skilled workforce, building businesses and widening the housing choice.</p> <p>The document has been produced in a visually attractive format as it is recognised having a well presented strategy assists the Council in lobbying organisations who can assist with unlocking growth potential. It is intended to complement, but not replace, the Council’s ‘London’s Newest Opportunity’ brochure which remains the key inward investment document aimed at potential investors and business relocations.</p> <p>The final section of the Strategy lists specific deliverables for 2013-16 and beyond which are subject to their own delivery plans and, where necessary, Cabinet approvals.</p>	
Recommendation(s) <p>The Cabinet is recommended to approve the Growth Strategy at Appendix 1 to the report, which sets the vision, direction and deliverables for regeneration in Barking and Dagenham for 2013 - 2023.</p>	

Reason(s)

Implementation of the Strategy will be central to delivering the Council's overall objective of "Encouraging growth and unlocking the potential of Barking and Dagenham and its residents" as well as specifically addressing the following priority themes:

- Create thriving communities by investing in homes.
- Maximise growth opportunities and increase household incomes.

1. Introduction and Background

- 1.1 Barking and Dagenham last published an Economic Development Strategy in 2003 whilst the revised Regeneration Strategy was published in 2008 with a lifespan to 2013. Since this time significant changes have taken place economically, politically and regionally and the need to produce an updated strategy that reflects these changes has become important. Local changes have also impacted on the borough including demographic changes, geographical relationships and policy changes. The proposed draft strategy is informed by the work of the Local Economic Assessment produced in 2011 which provided an evidenced based narrative of the local economy.
- 1.2 Barking and Dagenham has experienced rapid population growth, evident in the initial release of the 2011 Census data last year. This revealed a population growth of 22,000 from 2001 to 2011. This has increased pressure on housing, schools and other community facilities. In addition, the economic downturn has resulted in higher numbers of residents out of work. The current Job Seekers Allowance claimant rate in the borough stands at 5.2% compared to the London average of 3.5%.
- 1.3 The Single Programme which falls under the Skills, Jobs and Enterprise Board provides an overarching programme of activity including skills, employment and youth agenda, the enterprise and business support programme and sustainable regeneration programme which includes improving housing. The Single Programme was a major factor in LBBD winning the Overall Best Small business supporting London Borough award.
- 1.4 The Growth Strategy aims to set out how progress can be made over the next 10 years to achieve these outcomes with more specific deliverables identified for 2013-16. Transport is clearly a critical issue to unlocking growth and there is a separate but related report on Transport Projects which are critical to deliver growth and increase opportunities for local residents.

2. Proposal and Issues

- 2.1 The new Growth Strategy 2013-2023 aims to combine the former economic development and regeneration strategies into one comprehensive document that sets out why growth is needed, what the Borough's growth potential is and how it can be delivered. The strategy focuses on four key themes of creating a successful local economy through attracting investment, creating a higher skilled workforce, building businesses and widening the housing choice. The strategy envisages the Council playing a pro-active role working with partners to unlock growth potential and utilising the range of tools it has available as set out on page 11 of the Strategy (Appendix 1).

- 2.2 The Strategy has been produced as a visually attractive document clearly showing the borough's growth possibilities and our focus on delivering them as it is critical in persuading national and regional government to make the investments required to deliver outcomes that boost the regional and national economy. The Strategy will therefore be a useful tool for the lobbying required. It should be noted however it does not replace the Council's 'London's Newest Opportunity' brochure which remains the key inward investment document seeking to attract investors and business relocations.
- 2.3 Barking and Dagenham forms part of the wider East London 'Growth Boroughs' opportunities which have strategic importance to the London and national economy. Work carried out by Oxford Economics has shown the economic potential of East London and the Strategy falls within that wider narrative and evidence base. Whilst there are specific convergence targets applicable to all Growth Boroughs, the Growth Strategy also identifies a number of Barking and Dagenham specific deliverables.
- 2.4 The Heseltine Growth review recognised the important role Local Authorities working with partners can play in supporting economic growth. There is even a resurgence in the idea of enterprising councils and the model of Joseph Chamberlain in Birmingham where civic leadership on infrastructure provision grew the local economy. There are clearly significant benefits for Barking and Dagenham in delivering growth. These include:
- Physical improvements/improved appearance (helping raise pride and confidence)
 - New jobs and facilities for residents
 - Widens choice of housing available
 - Growth attracts growth (virtuous circle)
 - New residents/staff/visitors help increase demand for local shops/services and help widen the offer
 - Enhanced image and profile
 - Financial:
 - Community Infrastructure Levy/Section 106
 - New Homes Bonus
 - Increased Council Tax
 - Business rates retention
- 2.5 However it is essential that the negative impacts of growth are mitigated by development proposals delivering the necessary infrastructure and that Government and other funding agencies provide the relevant resources to cover the costs to local agencies of the increased population.
- 2.6 Attracting new development, growth sectors and high growth businesses to utilise the significant amount of available affordable land is at the forefront of the strategy. The strategy sets out the potential growth sectors within the borough but recognises it is equally important to take actions to ensure residents can access employment opportunities elsewhere in London and the South East. Harnessing the borough's excellent connectivity into Central London and the South East will be crucial in delivering growth and attracting new businesses. The need to align the borough to

emerging growth sectors such as environmental technologies, sustainable construction and digital technologies is a priority going forward.

- 2.7 Housing is an essential part of the economic regeneration for the borough. Widening the housing choice to both existing residents and potential new residents is critically important to raising household incomes and growing the local economy. An influx of higher skilled residents and higher disposable incomes would have a knock on effect in the local economy as would new housing generating employment in construction and supporting the local supply chain. Major infrastructure will also be required to connect new communities such as a new rail link to Barking Riverside. Initiatives such as the estate renewal programme and new build programme will contribute to realising the above priorities.
- 2.8 The strategy has been produced in accordance with the new Community Strategy and other plans and strategies including the Single Programme, Local Development Framework, Corporate Housing Strategy, Area Action Plans, the Arts Strategy, Health and Well being strategy and the emerging Barking Town Centre Strategy. The Barking Town Centre strategy will take account of demand studies and other research underway which concludes in December enabling a new draft strategy to be presented to Cabinet early in 2014.

3. Options Appraisal

- 3.1 The Strategy is not seeking agreement or funding to any specific project – every element will be subject to its own approval processes. Options appraisals have been or will be carried out for individual projects and programmes within the strategy. The document itself does however seek to clearly state the Council's approach and direction for the broad ambitious economic development and regeneration agenda and as such there are a range of possible broad options.
- 3.2 At one end of the spectrum an alternative approach could be to resist new development and rather than support growth to actively hinder it. This option has been rejected as it would fail to address the challenges which make regeneration essential (as set out in page 9 of the strategy). A more laissez-faire approach could be adopted whereby the Council leaves regeneration to the private sector. This has been rejected as it is clear that even at the height of the property boom, the public sector needed to be a key player in the borough to help unlock development potential and this role is even more important during challenging economic conditions. The strategy recognises the Council has to work with partners to realise growth but the extent of Council involvement varies from project to project, site to site from being project lead through to supporting and lobbying.

4. Consultation

- 4.1 A number of meetings and workshops have been held with the Skills, Jobs and Enterprise Board – the private sector led board supporting the Single Programme – to discuss and develop the strategy. The Strategy has also been discussed at the regular Roundtable events for the Chamber of Commerce to meet the Cabinet member for Regeneration. These events gave the private sector as well as other public and third sector organisations the opportunity to input into the strategy and confirm our shared focus for unlocking growth.

- 4.2 A Pre-assembly briefing open to all Councillors was held on the 16th January 2013 on 'implementing growth strategies' which provided the chance to have a general discussion on the potential content of the strategy.

5. Financial Implications

Implications completed by: Martin Henwood, Deputy Chief Financial Officer

- 5.1 The change in funding system for local government from April 2013 transfers much financial risk from central to local government. However, it also provides opportunities for pro-active Councils to benefit directly from improvements to local economies and housing stock. This can happen in three ways:
- Gains from increases to NNDR (National non-domestic rates) income. For information, LBBD will receive 10% of any net increases above base level income. Lobbying will occur to have this increased, but HM Treasury has set a low level at this stage to create flexibility in the system in case of teething issues and fundamentally as a help towards the national finances;
 - New Homes Bonus grant;
 - Council Tax from the new properties.
- 5.2 The Growth Strategy identifies the numerous challenges and opportunities for the Council. In order to create a virtuous circle and realise the financial gains it will be essential for the Council to ensure its priorities reflect the need for delivery, and capacity is geared towards this.
- 5.3 Whilst the new funding system for local government is transferring risk to local government which would encourage an increase in reserves, it would be a sound action to use of part of these towards pump priming. This would increase the likelihood of achieving quick wins and early momentum towards creating a virtuous circle of realised outcomes underpinned by operational success and financial resilience. The alternative of failure to deliver will lead to a vicious circle of increasing demand and insufficient resources to meet this.

6. Legal Implications

Implications completed by: Eldred Taylor-Camara, Legal Group Manager

- 6.1 Legal Services has been consulted in the preparation of this report and has no legal comments to add.

7. Other implications

- 7.1 **Risk Management** - Specific projects identified within the strategy which are led by the Council or involve funding going through the Council's accounts will all be subject to the Council's internal Capital Programme Management Office processes. This requires all of the project risks to be identified and mitigated via an actively managed risk management plan before approval is given for the scheme to commence.
- 7.2 **Staffing Issues** - Delivery of the ambitious proposals in the strategy does require sufficient staff resources and skills. A 33% cut to the Economic Development Team budget for 2014/15 will reduce staff resources and funding for enterprise and

business support projects. A restructure will focus the team on delivering the Strategy's objectives however any further reductions would severely impact on delivery potential. The private sector recognises the role Local Authorities can play in supporting and enabling growth and are supportive of adequate resourcing to ensure opportunities are unlocked.

7.3 Customer Impact - The Strategy is focussed on delivering two of the Council's key priorities.

7.4 Safeguarding Children - A key focus of the Strategy, as well as specific deliverables, concern delivery of new affordable housing and estate renewal alongside improving the environment and employment prospects. The Strategy aims to give better life chances to residents.

7.5 Health Issues - The important role that housing, the local environment and in particular employment can play in people's health is well recognised. The development of new affordable housing will have a positive impact on ill health attributed to poor housing conditions and overcrowding. General health and wellbeing will be improved as a result of improved visual appearance of the borough, thereby increasing the regeneration impact and civic pride. Overall, bringing forward new homes and jobs would be expected to result in a benefit upon local wellbeing and an improved quality of life for our residents. Supporting walking and cycling in new developments will also support health improvements.

The strategy will contribute to reducing health inequalities by applying consistent standards across the borough. The Joint Strategic Needs Assessment housing section and the Health & wellbeing Strategy are both in alignment with the strategy.

7.6 Crime and Disorder Issues – There is evidence that increased employment and an improved environment and facilities can help reduce crime and anti-social behaviour. New development and public realm that is attractive and well maintained helps to ensure that an area is kept clean, is well used and less likely to attract crime and anti-social behaviour. The perception of crime is a recognised barrier to inward investment and something that needs to be addressed.

7.7 Property / Asset Issues- The way the Council utilises its property assets can enhance or potentially hinder economic growth potential. Utilising its assets to unlock potential is a key example of how we have been a 'Can Do Council' unlocking growth (eg. London Road/North Street, Dagenham Library etc). The Strategy seeks to ensure the Council continues to use its assets to maximise growth and therefore the Strategy will influence the emerging Assets Management Strategy.

Background Papers Used in the Preparation of the Report:

- Local Economic Assessment 2011
- Local Development Framework
- Community Strategy
- Arts Strategy
- Corporate Plan 2013/14
- Draft Housing Strategy 2012 – 2017
- Health & wellbeing Strategy

- Joint Strategic Needs Assessment
- Strategic Regeneration Framework (Olympic Convergence)
- London's Newest Opportunity brochure

List of appendices:

Appendix 1: Draft Growth Strategy