

# London Borough of Barking and Dagenham

## Notice of Meeting

### THE EXECUTIVE

**Tuesday, 27 September 2005 - 7:00 pm**  
**Council Chamber, Civic Centre, Dagenham**

**Members:** Councillor C J Fairbrass (Chair); Councillor T G W Wade (Deputy Chair); Councillor J L Alexander, Councillor G J Bramley, Councillor H J Collins, Councillor C Geddes, Councillor S Kallar, Councillor M A McCarthy, Councillor M E McKenzie and Councillor L A Smith

**Declaration of Members Interest:** In accordance with the Constitution, Members are asked to declare any personal or prejudicial interest they may have in any matter which is to be considered at this meeting.

16.09.05

R. A. Whiteman  
Chief Executive

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### AGENDA

1. **Apologies for Absence**
2. **Minutes - To confirm as correct the minutes of the meeting held on 13 September 2005 (circulated separately)**

#### **Business Items**

*Public Items 3 to 7 and Private Item 15 are business items. The Chair will move that these be agreed without discussion, unless any Member asks to raise a specific point.*

*Any discussion of a Private Business Item will take place after the exclusion of the public and press.*

3. **Asset Management: Condition Surveys and a Backlog Maintenance Programme for Corporate Buildings 2005 / 2009 (Pages 1 - 6)**
4. **East London Housing Partnership - Revised Protocol (Pages 7 - 11)**

5. **Response to Consultation on the Draft East London Sub Regional Development Framework (Pages 13 - 34)**
6. **Consultation Responses on Grant Distribution & New Schools Funding Arrangements for 2006/2007 (Pages 35 - 54)**
7. **Planning Advice Note No.2 - Local Labour and Local Business Agreements (Pages 55 - 76)**

#### **Discussion Items**

8. **Proposed Redevelopment of University of East London Longbridge Road Campus (to follow)**
9. **Delivering Best Value - The 2005/06 Review Programme (to follow)**
10. **Capital Strategy (to follow)**
11. **Any other public items which the Chair decides are urgent**
12. **To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted.**

#### **Private Business**

The public and press have a legal right to attend Council meetings such as the Executive, except where business is confidential or certain other sensitive information is to be discussed. The list below shows why items are in the private part of the agenda, with reference to the relevant legislation (the relevant paragraph of Part 1 of Schedule 12A of the Local Government Act 1972).

#### **Discussion Items**

13. **Pension Fund - Fund Managers (to follow)**  
Concerns the financial and business affairs of a third party (paragraph 7)
14. **Five Year Land Quality Investigation Programme - Appointment of Framework Consultants (to follow)**  
Concerns a contractual matter (Paragraphs 7, 8 and 9)

#### **Business Items**

15. **Internal Refurbishment (Kitchen & Rewires) Interim Phase II - Appointment of Consultants (Pages 77 - 81)**  
Concerns a contractual matter (paragraph 8)

16. Any other confidential or exempt items which the Chair decides are urgent

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## THE EXECUTIVE

27 SEPTEMBER 2005

## REPORT FROM THE DIRECTOR OF REGENERATION AND ENVIRONMENT

<b>ASSET MANAGEMENT – CONDITION SURVEYS AND A BACKLOG MAINTENANCE PROGRAMME FOR CORPORATE BUILDINGS 2005/2009</b>	<b>FOR DECISION</b>
<p><b>Summary</b></p> <p>A condition survey programme has been undertaken of the Council's corporate estate to obtain an assessment of the level of backlog maintenance and the investment required to clear any backlog.</p> <p>The condition survey was completed in August and of the 67 administrative buildings assessed, 64 require maintenance to a greater or lesser extent, some of which need urgent attention.</p> <p>The condition surveys have identified a need for £8.1m over 2005/06 to 2009/10 and the bid for these works will be considered in association with all other bids and priorities following project appraisal.</p> <p>The way the Council manages and uses its corporate buildings has an impact on the Audit Commission's Comprehensive Performance Assessment of the Council.</p> <p><b>Wards Affected:</b> None specifically.</p>	
<p><b>Implications</b></p> <p><b>Financial:</b></p> <p>The past investment by the Council in maintenance of its corporate estate has reduced the potential burden of backlog maintenance. It is estimated that investment to the value of £8.1 million over and above the existing capital budgets will be required to rectify the maintenance backlog over the five financial years 2005/06 to 2009/10. This is much lower than that currently anticipated by other neighbouring boroughs (no London-wide figures are available).</p> <p>If the future years' works (2006/07 onwards) are to be funded from the Capital Programme, additional resources would have to be identified, either from expected capital receipts, revenue or from prudential borrowings, or existing schemes re-prioritised. The request for the funding will be subject to a Capital Bid in line with Corporate procedures and will be considered in conjunction with all other potential projects and priorities. The outcome of the works will be at worst be revenue neutral but is more likely to yield net savings. These have not been quantified at this stage but the revenue status will be part of the detailed implications of the new bid and Capital Programme Management Office (CPMO) Appraisal Process.</p> <p><b>Legal:</b></p> <p>None</p>	

## **Risk Management:**

Asset management has an impact on the Audit Commission's Comprehensive Performance Assessment (CPA) 'Use of Resources' score so the way the Council manages and uses its corporate buildings will influence progress to 'excellent' council status.

Whilst the Council has continuously invested in its assets it now needs to expend sufficient sums to redress and arrest deterioration of its corporate buildings and to ensure their sustainability. Failure to do so, could lead to undesirable consequences for the Council, such as:

- Affecting the ongoing value of the Council's corporate Property Portfolio.
- Disruption and delays to high quality services because of buildings being in poor physical condition making services difficult to access or administer.
- Buildings which are expensive to maintain representing poor value for money in the use of scarce resources.
- Failure to maintain front line service buildings to an adequate standard resulting in a poor quality environment for staff and users.

In the case of limited funding being made available, any maintenance work classified as Category D will be given priority over other works.

There are sufficient resources in-house and through Term Contracts to ensure that the funds will be fully spent.

## **Social Inclusion and Diversity:**

The programme of maintenance work if carried out would provide 'fit for purpose' buildings within the limitations of the current building designs which promote health and safety in use for all community users and provide for easier accessibility in response to service demands.

## **Crime and Disorder:**

Section 17 of the Crime and Disorder Act 1998 places a responsibility on local authorities to consider the crime and disorder implications of any proposals. Studies have shown that buildings in good repair and condition are less likely to be the subject of vandalism.

## **Recommendation**

The Executive is recommended to support the inclusion of up to £8.1 million funding in the bidding process for the Capital Programme for backlog maintenance repairs of the Council's corporate estate as identified by the condition survey, subject to the schemes receiving "Four Green Lights" as part of the CPMO Appraisal Process and decisions on priorities during the 2006/07 Capital Programme bid process.

<b>Contact Officer</b>	<b>Job Title</b>	<b>Details</b>
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## **1. Introduction**

- 1.1 The Council is required to take stock of its assets that are used as corporate administrative buildings and manage those assets in such a manner to maintain their sustainability and to provide value for money in the way they are used. The Council is observing good practice in terms of asset management by completing a condition survey of its corporate buildings and by producing a programme of backlog maintenance repairs to be undertaken on these buildings.
- 1.2 The Corporate Asset Management Plan 2003/04 has been approved as 'good' by the Government Office for London. Since then, new asset management guidelines issued by the Office of the Deputy Prime Minister (ODPM) in 2005 seek to ensure that asset management is embedded in corporate priorities and strategies and that there is a link with improved service delivery and value for money.
- 1.3 A main consideration in the management of its corporate property portfolio is the way the Council manages repairs and maintains its corporate assets. The extent of backlog maintenance, if left unchecked, could become a major weakness which can undermine good property management and consequently the CPA assessment.
- 1.4 Although the Council has invested fairly heavily year-on-year in planned renewals programmes, such as providing access to comply with the Disability Discrimination Act (1995) and removal of asbestos, the true condition of the buildings has only become apparent as a result of the surveys. Over the years overall maintenance funding has been insufficient to totally arrest any decline and general building backlog of maintenance has gradually built up.

## **2. Condition Surveys**

- 2.1 Condition surveys on the corporate estate, some 67 operational administrative buildings, commenced in 2004 and were completed in 2005.
- 2.2 The surveys did not cover:
- Investment properties (commercial portfolio, including shops).
  - Buildings that accommodate voluntary groups.
  - Properties leased by LBBDD (as long term maintenance is usually the responsibility of the Landlord).
  - Housing stock.

- Schools and educational premises included within the Education Asset Management Plan.
- Dagenham Swimming Pool (as a decision on future facilities will be taken in the near future).

2.3 In line with current good practice, the survey consisted of visual inspections of the accessible parts of the buildings and the external areas. The surveys covered all major building components (structure, fabric, general decoration, maintenance, and mechanical and electrical services). It did not extend to hidden areas and no aggressive opening up was undertaken.

2.4 The category of assessment contained within the surveys is as follows:

<b>Assessed Level</b>	<b>Definition</b>	<b>Category</b>	<b>Anticipated cost of works</b>
<b>Good</b>	Performing as intended and operating efficiently.	Category A	Not included in the £8.1m
<b>Satisfactory</b>	Performing as intended may require minor repairs or servicing.	Category B	Not included in the £8.1m
<b>Poor</b>	Exhibits various defects - each of which might not be significant in its self but together need attention on a planned basis.	Category C	£7.32m
<b>Life Expired</b>	Exhibits major deterioration.	Category D	£0.78m

2.5 The aim should be to achieve Category A or B for the Council's buildings and work will concentrate on those buildings in Category C and D.

### **3. Key Findings from the Condition Survey**

3.1 The findings from the survey have been used to determine the extent, scope and cost of any property backlog maintenance.

3.2 Overall the report covers 67 buildings, of which 64 require some degree of backlog maintenance work. Many of the buildings are in 'good' to 'fair' repair, however, eight buildings of the main administrative estate require substantial backlog maintenance repair (works of a value greater than £100,000).

3.3 These proposed schemes are not intended to include an element of betterment or improvement except where replacement is required, (e.g. obsolete boilers would be replaced to modern energy efficient standards) otherwise replacement is on the basis of like for like.

3.4 The reason why the backlog maintenance has been contained at this level can be attributed to sustainable levels of past and current revenue and capital expenditure on planned and routine maintenance the Council has undertaken in the past.

3.5 In order to provide a budgetary figure the estimates for the works are based on current Term Contract(s) prices, with an allowance for inflation, contingencies and fees. These figures will form the basis from which projects can be developed for appraisal.



## **4. Financial Implications**

- 4.1 Outside of the scope and timescale of this survey, separate surveys have been undertaken to cover access to premises required under the Disability Discrimination Act (1995), Asbestos Removal and Regulation L8 Compliance (Legionella). These are all the subject of separate programmes with approved Capital Programme funding and are therefore not included in these proposals.
- 4.2 The backlog maintenance programme is to be the subject of a new capital bid in 2006/07. The whole programme will have to undergo the Capital Programme Management Office (CPMO) Appraisal Process and would only be able to proceed subject to receiving “Four Green Lights” and allocation of funding.
- 4.3 If the current maintenance backlog were to be addressed in full over the next five years and if the Corporate Estate remained unchanged, then some savings in reactive maintenance should be achieved.
- 4.4 A Corporate Accommodation Strategy is being developed to address the level of property assets the Council requires to deliver its present and future services. The current Corporate Estate are all operational assets. The strategy challenges the need for all the buildings to be operational. One outcome of the strategy is the possible substantial reduction in the number of operational administrative buildings which would lead to reduction in revenue budgets on premises maintenance.
- 4.5 It is proposed that no work be carried out (other than health and safety related work) to buildings that are affected by the implications of the Corporate Accommodation Strategy.

## **5. Consultation**

### **Lead Councillors**

Leader’s Portfolio, Councillor Fairbrass.  
Deputy Leader’s Portfolio (Performance Monitoring), Councillor Wade.  
Civic Services Portfolio, Councillor H Collins.  
Adult Social Services and Lifelong Learning (Finance), Councillor Bramley.

### **Officers**

Extensive consultation has been held with departments and those with intimate knowledge of the buildings throughout the survey.

The following have seen this report and are happy with it as it stands:

### **Corporate Strategy**

Muhammad Saleem, Solicitor to the Council  
Robin Hanton, Corporate Legal Manager

### **Finance**

Alexander Anderson, Head of Finance (DRE).  
Alan Russell, Head of Audit.  
Joe Chesterton, Head of Financial Services.  
Lee Russell, Head of Central Finance.

## **Housing and Health**

Jeff Ellsom, Community Protection Unit Manager.**DRE**

Jim Mack, Head of Asset Management and Development.

Graham Stocker, Building Surveying Manager.

## **Background Papers**

- Office of the Deputy Prime Minister Guidance on Asset Management Guidance 2005– [www.info4local.gov.uk](http://www.info4local.gov.uk).
- The Council's Capital Programme 2005/06 to 2008/09.

## THE EXECUTIVE

27 SEPTEMBER 2005

## REPORT OF THE DIRECTOR OF HOUSING AND HEALTH

EAST LONDON HOUSING PARTNERSHIP (ELHP) REVISED PROTOCOL	FOR DECISION
<p><b>Summary:</b> Following the decision by the East London Housing Partnership (ELHP) to put forward a revised protocol that sets out the responsibilities of its Board, it was agreed that the protocol would be adopted by the Board and then be submitted through the individual constituent Local Authority democratic processes as appropriate.</p> <p><b>Wards Affected:</b> All Wards.</p>	
<p><b>Implications:</b></p> <ul style="list-style-type: none"> <li>• <b>Social Inclusion and Diversity:</b> As this report does not concern a new or revised policy and only seeks to formalise an existing arrangement there are no specific adverse impacts insofar as this report is concerned.</li> <li>• <b>Crime and Disorder:</b> Section 17 of the Crime and Disorder Act 1998 places a responsibility on local authorities to consider the crime and disorder implications of any proposals. In relation to this report there are no crime and disorder implications</li> <li>• <b>Risk Management:</b> The principal risk of not engaging with the ELHP Board would be that decisions on housing investment will be made without influence from Barking &amp; Dagenham.</li> <li>• <b>Financial:</b> There are no financial implications in that the Board does not have any statutory or specific financial duties. However, the Board has clear responsibilities in relation to the way Housing Corporation funds new housing and the way the Office of the Deputy Prime Minister funds private sector renewal.</li> <li>• <b>Legal:</b> There are no legal implications.</li> </ul>	
<p><b>Recommendation(s)</b></p> <p>The Executive is recommended to agree that</p> <ol style="list-style-type: none"> <li>1. The East London Housing Partnership protocol is adopted</li> <li>2. To note that Councillor Kallar as the Executive Lead Member with responsibility for Housing Strategy, is the Council's representative on the ELHP Board</li> </ol>	

<b>Reason(s)</b>		
<p>The Board has clear responsibilities in relation to investment in new homes and the management of the nominations protocol. There is a need to be represented on the partnership Board to ensure that the views of the borough are presented on all business concerning the East London Housing Partnership.</p>		
<b>Contact:</b> Ken Jones	<b>Title:</b> Head of Housing Strategic Development	<b>Contact Details:</b> Telephone: 020 8227 5703 Fax: 020 8227 5799 Email: Ken.Jones@lbbd.gov.uk

## 1. BACKGROUND

- 1.1 The ELHP which comprises the London Boroughs of Barking and Dagenham, Corporation of London, Hackney, Havering, Newham, Redbridge, Tower Hamlets and Waltham Forest has been meeting on a regular basis for two years now and in the course of that period has approved a number of broad policy documents and actions arising from the sub-regional agenda.
- 1.2 The Board does not have any statutory or specific financial duties but has clear responsibilities in relation to the way Housing Corporation funds new housing, the way the ODPM funds private sector renewal and in relation to the management of the nominations protocol.
- 1.3 The decision to put forward a revised protocol was agreed at the Partnership Board meeting on 27<sup>th</sup> June 2005 following a meeting with the Greater London Authority (GLA) at which it was identified that there was the need for a more robust terms of reference. The following points were also agreed:
- That Local Authorities should take the protocol through their own Council processes and that it will be revisited in September to look at any issues that have been raised.
  - That a minimum of 4 boroughs would need to be represented in order for a decision to be reached.
  - That the process of making decisions should be included in the protocol
  - That the Board needs to be mindful of the types of decisions it can make and minutes will need to distinguish between decisions over which the Board has clear responsibility and where it can adopt a line and where the responsibility to agree and implement lies with individual Authorities.

## 2. TERMS OF THE PROTOCOL

- 2.1 The revised Protocol attempts to capture the main purpose and responsibilities of elected Members on the Board.

- 2.2 The Protocol covers issues relating to the role of nominated Lead Members and meeting arrangements and does not differ greatly from that previously agreed by the Partnership Board.
- 2.3 The protocol gives a set time for the election of the Chair and Vice Chair in June or July which flows on from Borough Executive appointments and does allow for deputy members to be appointed. The revised Protocol is attached as Appendix A.

### **3. CONSULTATION AND IMPLICATIONS**

- 3.1 A copy of the revised protocol was circulated by the Thames Gateway Strategy Officer to Officers and members of the Partnership Board for comment.
- 3.2 The following have been consulted and are happy with the report and protocol as it stands

Councillor Sidney Kallar, Member for Housing Strategy  
Paul Field, Principal Solicitor Legal Services

### **4. CONCLUSION**

- 4.1 Members are asked to agree the protocol and note Councillor Kallar's membership of the Partnership Board as the portfolio Lead member for Housing Strategy. Also members are asked to comment on whether the roles and responsibilities set out in the Protocol are the appropriate ones.

### **5. BACKGROUND PAPERS**

- 5.1 Appendix A – East London Housing Partnership Revised protocol dated 27 June 2005.

## **East London Housing Partnership - Revised Protocol**

### **Background**

**The East London Housing Partnership** covers the London East sub-region and is an alliance of the following local authorities: Barking and Dagenham, Corporation of London, Hackney, Havering, Newham, Redbridge, Tower Hamlets and Waltham Forest. The ELHP brings together politicians and senior officers from these councils.

In 2002/3, the Housing Corporation concluded that the 'problems of high housing demand and limited supply cannot be resolved within Borough boundaries' and consequently agreed that the London housing region should be divided into five sub-regions. Funding decisions are now made in line with priorities identified the Housing Corporation at a sub-regional level and 50% of lettings to properties funded by the Corporation will be made sub-regionally based on housing need in each borough as identified by the national housing needs index.

The ELHP's work includes broad strategic and operational issues with the aim of extending housing options across the sub-region for the benefit of the people of east London.

### **A Role of Local Authority nominated Lead Members**

**Members from each borough will represent their individual boroughs on the Board of the East London Housing Partnership with the objective of presenting the views of their boroughs on all business concerning the East London Housing Partnership including:**

- The development and implementation of the overarching East London Housing Strategy to meet both housing need and provide appropriate housing options across all tenures in the sub-region.
- Approval of investment priorities presented to the Housing Corporation for new housing development in the sub-region in terms of location, unit mix and tenure.
- Meeting housing need and the development of the new housing opportunities provided in the sub-region which comply with the principles set out in the ELHP Vision for the Thames Gateway document.
- The implementation and review of the sub-regional nominations protocol
- The development of an ELHP perspective on pan-London issues such as lettings plans and nominations agreements on pan-London sites and the development of pan-London choice and mobility.
- Co-ordination on responses to both national and London consultations on both housing policy and operational issues.

- The development of joint initiatives aimed to both improve performance and efficiency across the sub-region.
- To appoint both Members and Officers to represent the Partnership in discussions with other national or London bodies or to sit on any such regional or sub-regional Boards as required.
- To seek the views of other Members at either a Council, Executive or Cabinet, or Group level on specific sub-regional housing issues and report back borough views to the ELHP as appropriate.

## **B Meeting arrangements**

### **Host**

- That ELHP meetings are held every six weeks and rotate around the eight Boroughs.

### **Chair and Deputy Chair**

The elected Board Members will appoint the Chair and Deputy Chair through a simple vote every June or July depending on meeting cycle.

### **Attendance**

- That there be one nominated Member from each borough
- That there be one nominated Lead Officer from each borough
- That each borough Officer has a nominated Deputy Officer to attend in their absence
- A representative from the Thames Gateway London Partnership.

### **Quorum**

- The quorum for meetings will be attendance by a minimum of four Boroughs

### **Voting**

- Where a vote is required on any decisions, a simple majority will be required for a decision to be carried. In the event of a tie, the Chair will have a casting vote.

### **Paperwork**

- That papers are received one week prior to the meeting
- That minutes are circulated no later than two weeks after the meeting.

That all reports are presented in the set ELHP report template and supporting documents are attached.

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## THE EXECUTIVE

27 SEPTEMBER 2005

## REPORT OF THE DIRECTOR OF REGENERATION AND ENVIRONMENT

THE COUNCIL'S RESPONSE TO THE DRAFT EAST LONDON SUB REGIONAL DEVELOPMENT FRAMEWORK (SRDF)	FOR DECISION
<p><b>Summary:</b>            LB Barking and Dagenham, along with the City of London, and the boroughs of Hackney, Tower Hamlets, Newham, Havering, Redbridge, Lewisham, Greenwich and Bexley make up the East London Sub Region. The Mayor of London has now published the East London Draft Sub Regional Development Plan (the SRDF) for consultation. It brings together a wide range of data and information about East London and makes suggestions as to how councils should address issues in their Local Development Frameworks (LDF).</p> <p>The SRDF is regarded to be an important stage in the implementation and review of the London Plan. For this reason, it is important that the Council comments on the consultation draft.</p> <p>Appendix 1 of this report outlines the Council's comments on the draft SRDF. One of the key concerns highlighted is the need to make sure that an appropriate level of physical and social infrastructure is planned and committed to meet the demands and expectations of the new and existing people living and working in East London. The proposed growth in the number of houses in East London must be matched with facts and figures relating to the location and funding of essential facilities such as public transport, schools, health and social services, cultural and leisure facilities and improved open spaces.</p> <p>Appendix 2 details the response of the Thames Gateway London Partnerships (TGLP) Transport Task Group to the transport issues contained in the SRDF. Members are asked to give the Council's endorsement to this TGLP response on transport related matters within the SRDF</p> <p><b>Wards Affected: All</b></p>	
<p><b>Implications:</b></p> <p><b>Financial:</b>            There are no direct financial implications generated by commenting on the draft SRDF. However, the cost of providing the necessary infrastructure to meet the needs of the new communities proposed by the SRDF will need to be met by a number of government and other external partners as well as the private sector.</p> <p><b>Legal:</b>            Once adopted by the Mayor, the SRDF will be a material consideration in appropriate planning applications.</p>	

<p><b>Risk Management:</b> The Council needs to comment on the draft SRDF to ensure its interests and concerns are represented at a regional government level.</p> <p><b>Crime and Disorder:</b> There are no specific implications insofar as this report is concerned. However, the provision of high quality social and physical infrastructure in the Borough to meet the increased demands of additional residents and businesses will reduce the risk of crime in the longer term.</p>		
<p><b>Recommendation(s)</b> The Executive is asked to agree:</p> <ol style="list-style-type: none"> <li>1. to submit Appendix 1 to the Mayor of London as LB Barking and Dagenham's response to the East London Sub Regional Framework , and</li> <li>2. to endorse Appendix 2 as the Council's response to the specific transport related issues within the SRDF</li> </ol>		
<p><b>Reason(s)</b> To meet the Council's corporate priority to regenerate the local economy, raise pride in the Borough and to make Barking and Dagenham cleaner, greener and safer. The Council also needs to make sure that the best interests of the Borough and East London as a whole are considered by the Mayor as part of the SRDF process</p>		
<p><b>Contact Officer:</b> <a href="#">Gordon Glenday</a></p>	<p><b>Title:</b> Group Manager Sustainable Development</p>	<p><b>Contact Details:</b> Tel: 020 8227 3929 Fax: 020 8227 3821 E-mail gordon.glenday@lbbd.gov.uk</p>

## 1 Background

1.1 The Mayor of London's SRDF is now out for consultation. Comments need to be submitted by 30 September 2005. Once considered, the Mayor is looking to finalise the SRDF by January 2006 with a view to it being considered at the London Assembly in April 2006. The SRDF will also be an important consideration in the review of the London Plan.

## 2. LBB D Comments on the SRDF (see Appendices 1 and 2)

2.1 The Council's comments are outlined in the Appendices of this report. The comments relate to both general points relating to the proposed growth in the East London Sub Region as well as to more specific Barking and Dagenham issues.

2.2 The population of East London is projected to grow by 233 000 to 2.24 million by 2016, an annual growth of 16 640. These new people will generate a demand for

new facilities. The over arching concern for Barking and Dagenham is the need to ensure that this proposed growth is matched by an appropriate level of investment in the necessary physical and social infrastructure (including public transport, education, health and social services, public utilities, leisure facilities and open space improvements). If the new development is to be sustainable, a high quality physical, social and economic environment needs to be planned for and funded.

- 2.3 A clear commitment from Government and other relevant bodies and agencies is required to give existing communities the reassurance they need to be convinced that the additional homes will not mean more crowded buses, trains, hospital waiting rooms, leisure centers, schools. The SRDF needs to take these issues on board now and ensure that the London Plan review addresses the concerns of existing communities and the needs of the new ones.

### **3. Financial Implications**

- 3.1 **Capital Issues:** There will be capital implications with regard to the provision of appropriate infrastructure relating to the proposed growth in population in East London. The amount of investment required is yet to be determined but will run into millions of pounds. Funding this infrastructure will be an issue for government (central, regional and local) as well as the private sector.
- 3.2 **Revenue Issues:** Additional public transport facilities, schools, health care etc will mean more bus/train drivers, teachers and health care staff. Other key workers such as police and firefighters will also need to be funded through revenue funding. As with the capital expenditure, external partners will be expected to make provision for the majority of this increased provision though there will be an impact on the Council's own resources.

### **4. Consultation**

#### **4.1 Councillors:**

##### **Portfolio Holders**

The following Portfolio Holders have been advised of the proposals

##### **Ward Councillors**

The following Ward Councillors have been advised of the proposals:

#### **4.2 Officers**

The following Officers have seen this report and are happy with it as it stands.

##### **DRE**

##### **Finance**

Alexander Anderson, Head of Finance (DRE)

##### **CS**

Muhammad Saleem, Solicitor to the Council  
Robin Hanton, Corporate Legal Manager

## **H and H**

Jeff Elsom, Crime and Anti Social Behaviour Unit Manager

4.3 **External:** None

### **Background Papers**

- The London Plan
- The Draft Sub Regional Development Framework
- The Planning and Compulsory Purchase Act 2004
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## APPENDIX 1

### **LONDON BOROUGH OF BARKING AND DAGENHAM'S (LBBD) RESPONSE TO THE DRAFT EAST LONDON SUB REGIONAL DEVELOPMENT FRAMEWORK.**

#### **General points**

1. Clarification of the status of the SRDF is welcomed though not entirely clear. As non-statutory guidance on how to implement the London Plan, it does not contain enough detail on infrastructure needs and funding. The document appears to be more of an early consultation on the revised London Plan.
2. LBBD is disappointed that the SRDF is not more prescriptive in identifying how the physical and social infrastructure associated with the planned increase in population will be provided. Housing figures and population projections are detailed yet there is little information as to how the necessary infrastructure will be provided and funded. The London Plan's growth agenda for East London is broadly supported provided the infrastructure is forthcoming. New and existing communities need to be satisfied that this will happen otherwise it will be difficult for boroughs to gain support for such policies in their individual LDFs. The SRDF should provide greater clarity on this, setting out projected infrastructure needs, costs and funding sources. While it is accepted that there are plans to include more detailed information in the final SRDF, it will be too late for boroughs to comment at that point.
3. The London-wide issue of redressing the balance between East and West merits greater emphasis. If East London is to lose its "dumping ground" image, the SRDF should give greater focus to the need for high quality regeneration of all sites in the sub region. The East cannot be seen as a dumping ground for all of the new houses needed in London. The housing led regeneration of the East must be balanced with a requirement to provide the necessary infrastructure up front so that it is in place when the new houses are occupied.
4. There is some concern that a many projections appeared to be based on past trends in the boroughs. For example, East London's projected share in comparison goods is only 13% though it is to absorb 47% of London's housing growth. If this increased population is to be encouraged to shop in East London, a more ambitious percentage of comparison shopping needs to be encouraged in the sub region.
5. If new sustainable communities are to be created, there will be a need to be less reliance than has traditionally been the case on the rest of London for the various services needed. For instance, many of Barking and Dagenham's existing residents work and use health,

leisure, shopping facilities outside the borough. If Barking and Dagenham's population is to increase by 50 000 or more over the next 15 – 20 years, a higher percentage of residents should be able to access more local jobs and use facilities located within the borough. This will be more sustainable, reducing the strain on the transport system in particular.

6. The SRDF could be interpreted as a market-driven document as opposed to a plan led one. It seems to assume that because the market wants to focus particular land uses in particular areas then that is what will happen, regardless of whether or not that is the most sustainable approach for London. The focus on Canary Wharf, the City Fringe and, to a lesser extent, Stratford as the key areas for growth in the highest paid jobs assumes that there are no suitable locations for such activities in other centres such as Barking, despite being very accessible by public transport. If Barking and Dagenham residents are to access well paid jobs, the assumption is that they will need to travel outside the Borough to do so. The SRDF could, for instance, provide a more plan-led approach and suggest that a certain percentage of financial/business floorspace should be provided in existing town centres throughout the region. This is particularly relevant given that the London Plan expects that 90% of the 249 000 new jobs projected for East London will be in this sector and that the industrial sectors are expected lose 11 000 jobs. The SRDF should also give more consideration to the likely increases in jobs in the public sectors as they will be needed to serve the increased social infrastructure. East London should see several thousand additional teachers, police officers, health/social care workers, firefighters and public transport workers.
7. The growth agenda will result in a significant increase in construction activity in East London, particularly in the Barking and Dagenham area. Jobs in construction and related industries will bring great opportunities to local people and need to be planned for. Appropriate training for East London residents will give them the skills to deliver the regeneration agenda, feel part of it and so create less transient and more sustainable communities in the future.
8. The SRDF was prepared prior to London's successful 2012 Olympic bid therefore it could not be precise about how this will affect growth and development in the sub region. The final SRDF and the subsequent review of the London Plan will need to address the impact of the Olympics on East London and on London as a whole. LBBB welcomes the successful bid but requires clarification as to how the regeneration of the Lower Lea Valley in particular might impact upon the regeneration proposals in the Borough. For instance, clarification is needed to show how will the existing businesses in the Lea Valley be encouraged to relocate in other parts of the sub region. The Olympics will require substantial investment in infrastructure as will the rest of the East London. The SRDF/London Plan needs to demonstrate how the

Olympics can be delivered without undermining the wider regeneration objectives and funding sources of the sub region.

9. An increase of 233 000 people in East London by 2016 means that the waste generated in the area will increase significantly. This, as well as a similar level of increased waste in the Central Sub Region (of which the London Plan acknowledges will need to be processed outside central London) means that more waste disposal/recycling facilities will be needed. If the “dumping ground” label for East London is to be removed, waste from elsewhere in London should not be sent to the East as has historically been the case. New waste facilities need to be high tech, clean, safe, effective and efficient. If East London does end up processing the waste of other sub regions, the East’s contribution to this key London role needs to be acknowledged and rewarded with high quality, well funded facilities.
10. The SRDF’s reference to sustainable development, construction, energy and air quality is broadly supported. Particular reference to the need to exploit the wasted energy from Barking Power Station to heat/power new developments in the Borough is welcomed. The recent designation of Barking Town Centre as an Energy Action Area will help drive this work forward.
11. There is little reference to the role of the Urban Development Corporation (UDC) in the SRDF. Such a key player in the delivery of the regeneration proposals for East London should have a more prominent reference in the SRDF. This should include how the UDC will contribute to the funding of the necessary infrastructure requirements for the growth agenda.
12. The Green Grid and open spaces are referred to in the SRDF. However, an increased population in the sub region will expect more quality open spaces to enjoy. Vacant brownfield land should not be solely reserved for housing or other built development. Areas of East London with particular open space deficiencies should be allocated, with appropriate funding, for the creation of new, high quality open spaces. Additional schools will also require playing fields and so land and resources need to be allocated for this important function. The Capital’s successful Olympic bid should act as the catalyst for major improvements to the amount and quality of East London’s open spaces.

### **Specific Points**

13. LBBD is disappointed that the SRDF does not promote the removal of the pylons in East London. Burying pylons in East London will increase the amount of available developable land significantly and improve the

physical environment dramatically. The image of East London as a desirable place to live and work would be greatly enhanced. A detailed cost-benefit analysis of the removing the pylons should be undertaken in the SRDF and London Plan review.

14. Transportation is going to be a key element in ensuring that the proposed growth in East London meets the Government's sustainable development objectives. Clarity is needed re the provision, funding and phasing of key transport proposals. Developer confidence in the opportunities available in East London would also be greatly enhanced if a clear set of priorities were set out with definite timescales and funding sources. Transport needs to be at the forefront of the SRDF and not be viewed as an add on. Currently, the SRDF suggests an approach that will, at best, keep pace with demand. A more ambitious goal of capitalising on new development opportunities to reduce congestion should be pursued.
15. The issue of housing numbers and affordable housing provision throughout the sub region need to be carefully addressed. Paragraphs 41-43 recognises that Barking and Dagenham has a higher than average proportion of social housing. The SRDF's recognition that locating additional social housing away from areas with existing high social housing levels is welcomed. However, LBBB expects greater clarity in the final draft as to how boroughs will be expected to achieve this in practice. Different affordable housing percentage targets for different boroughs would be one way of achieving this rather than having a blanket 50% target for London as a whole. The reference to greater levels of investment subsidy in paragraph 44 should be expanded upon to outline what sources of funding this should include.
16. Employment is a key issue for LBBB. Residents, both existing and new need jobs if development is to be sustainable. More opportunities in the office sector should be promoted throughout the sub region. High tech industrial jobs are also needed to improve the training and employment opportunities available to Borough residents. The retail sector also offers appropriate job opportunities to less skilled residents and so should be encouraged in the existing town centres. However, the suggestion that Chequers Corner could become a new town centre is premature (paragraphs 61 and 130). Any such designation would need to be addressed through the LBBB LDF process and take into account the potential impact on existing centres, particularly Dagenham Heathway.
17. The Strategic Employment Locations designation for LBBB appears to be incorrect. The outlined area around Dagenham Dock appears to be drawn too widely and so should be revised. More discussion is needed on this, using information from our Employment Land Review.



18. The current developments proposed at South Dagenham need to be recognised. (Kevin Munnely to give more details – do we want it as a separate Area of Opportunity/intensification for instance?).
19. Within the Opportunity Areas, it is stated that Barking Reach has planning approval. This is not the case. It would also be more appropriate to have this Opportunity Area called Barking Riverside from now on as this is the term used when referring to it. The London Riverside Opportunity Area is not clear. It appears that a significant proportion of Dagenham Dock is included in this area yet there is no mention of the Sustainable Industrial Park. This needs to be reviewed.
20. Paragraph 162 implies DLR to be delivered by 2020. LBBD's objective is to have DLR up and running by 2012/2013.
21. Paragraph 164 requires positive commitment to further development of a sub regional network (Thames Gateway Transit); full segregation; and a tram upgrade (a periodic review at least)
22. Paragraph 166 states that Beam Reach is the agreed location for a station whereas it is only one of two options
23. Paragraph 175 needs to say that the Mayor/TfL needs to review as a first initiative tolls on all river crossings, including Blackwall and Silvertown. Firstly, to remove possible distortions and anomalies in the extent of the tolling (TGB will be tolled, Dartford is tolled, central London crossings are within congestion charging zone); for demand management objectives; and to raise further revenue for (public) transport investment.
24. The whole Freight section needs to be caveated/reviewed and set in the context of the London freight Plan. We cannot anticipate a full and considered development of freight policy through the SRDF. Any intermodal facility needs to consider the sub regional (South East) context and demands on road/rail; local road and environmental impacts; local and London planning policy context; impact on passenger train paths and capacity; jobs and employment. Wharf safeguarding also needs to be regularly reviewed so untenable wharves do not prejudice other beneficial uses.
25. There is a lot said re specific schemes but not on interchanges. There needs to be a comprehensive programme of upgrade, including Barking.
26. There needs to be a reference to the need for a comprehensive upgrade of the Barking/Gospel Oak Line. Also needs to be a further extension to Rainham. Reference to the TfL/Boroughs partnership for this and the North London lines should be made.

27. References need to be made to new roads infrastructure to serve development, the A13?Renwick Road junction for example.
28. Reference needs to be made to the role of Airports/London City Airport in East London's regeneration.

## APPENDIX 2



DRAFT 1

### **DRAFT EAST LONDON SUB - REGIONAL DEVELOPMENT FRAMEWORK: STAKEHOLDER CONSULTATION**

**RESPONSE OF THE THAMES GATEWAY LONDON PARTNERSHIP**

**TRANSPORT (DRAFT)**

**SEPTEMBER 2005**

# DRAFT EAST LONDON SUB-REGIONAL DEVELOPMENT FRAMEWORK

## RESPONSE BY THE TGLP TRANSPORT TASK GROUP

*This review focuses principally on Section 2F – Transport and Accessibility (Pp 47-54) as well as the relevant sections of Annex 2 (Opportunity Areas and Areas of Intensification), Annex 3 (Indicative Phasing of East London transport schemes and Annex 5 (Issues for review of the London Plan). Other sections of the document are referred to where relevant.*

### 1. GENERAL COMMENTS

Thames Gateway London Partnership Transport Task Group welcomes the publication of the Draft EL-SRDF and the sub-regional steer which it gives to the strategic policies of the London Plan, especially Chapter 3C which deals with transport and accessibility. As GLA will be aware, the Partnership was involved in detailed discussions over the drafting of a number of sections of the document, including transport, and we are pleased to see that a number of our proposals have clearly been reflected in the text.

The broad thrust of Section 2F is supported. The Partnership is also pleased to see that a number of the scheme proposals, such the DLR Extension to Woolwich or Thames Gateway Bridge, are either already under construction or at an advanced stage of planning. The EL-SRDF, together with the London Thames Gateway Investment and Development Framework, continues the momentum which has risen behind the growth agenda for East London and the Thames Gateway and the role of transport investment in supporting it.

We also welcome the “snapshots” of each of the 16 Opportunity Areas and Areas of Intensification contained in Annex 2 of the document. For the first time, this provides a detailed and consistent picture of the key transport interventions considered as being necessary for the key locations of growth of housing and employment in the sub-region.

The Draft EL-SRDF clearly recognises the need for integrated land use and transport planning of East London through matching development to transport accessibility and capacity. Indeed, Paragraph 172 of Section 2F states this explicitly. Attention is also given to improved travel choice through investment in public transport. Both these principles are supported. However, the principle that demand needs to be managed within the capacity of the network in order to tackle congestion and serve development in a sustainable manner, comes through less strongly as set out below.

These fundamental principles also need to be more clearly referenced in other parts of the document, particularly Part One which deals with the overall direction of the sub-region. Whilst the focus of Paragraphs 14-18 is on the significant improvement of public transport, there needs to be more emphasis on the phasing of land use to the capacity of the highway and public transport networks to serve it, the role of

Transport Assessments in detailing the demand, mode share and traffic generation potential of new development and the need for demand management measures on the highway network to ensure that regeneration does not result in unsustainable increases in traffic.

The text as it stands remains quite scheme-focused in many places and does not reflect either principles of network management or the concept of a transport hierarchy offering sustainable and integrated access to town centres, employment areas, local communities and wider destinations at regional, national and international level. This hierarchy includes:

- heavy rail and metro for international, national and regional links, connecting the major centres to each other and to Central London, and providing the public transport “skeleton” for East London, for example, through CTRL, Crossrail, upgrades to the c2c Line and the East London Line Extensions;
- Docklands Light Railway and tram-based transit services for intra-regional access to town centres, major public transport hubs and development areas;
- enhanced bus services for links within and between suburban areas, with a particular focus on orbital and cross-river trips such as provision across Thames Gateway Bridge;
- walking and cycling links for local access, integrated with the Green Grid Network; and
- effective physical and operational interchange at all levels of the hierarchy and effective deployment of passenger information in order to provide “seamless” journey opportunities.

We would like to see this holistic approach more fully reflected throughout the document.

In this context, the document, as currently drafted, also lacks a clear evidential basis for the transport interventions put forward. For example, nowhere is there an indication of the infrastructure deficit which will occur on the highway and public transport networks if only committed transport schemes are implemented. Nor is there evidence that the schemes put forward will be sufficient to close any gap between demand for road and public transport capacity and its current and planned supply. This type of analysis should, of course, be emerging from the Gateway Integrated Land Use and Transport Strategy (GILTS), but the results are not finalised or public at the current time and this weakens the evidence base on which the EL-SRDF is grounded.

We also have other concerns that the text as currently drafted:

- says little specific on schemes and policies which are not funded or committed in the TfL Five Year Investment Programme, with the exception of Crossrail Line 1 and Lower Thames Crossing. Examples include the Silvertown Link and further transit extensions. This is particularly a concern if subsequent analysis

shows that further interventions are necessary to address any infrastructure deficit emerging from proposed development;

- has little to say on the issue of tackling existing levels of congestion and network delay which are likely to increase without a coherent approach to demand management;
- focuses transport infrastructure investment on the western side of the sub-region and is less effective in proposing appropriate transport solutions (infrastructure and policy based) for the eastern side; and
- is weak on linkages between East London and demand generators beyond the London boundary which will have important implications for the sub-region, such as the proposed second runway at Stansted, London Gateway development at Shellhaven and housing and employment growth in Thames Gateway South Essex and North Kent. The general comments in Paragraph 31 are not sufficient from a transport perspective.

Hence, we believe that the EL-SRDF approach to transport needs to stretch the proposals in the London Plan (i) to fully encapsulate the entire period up to 2016, clearly and transparently matched to the phasing of development (ii) fully cover the whole of the sub-region with appropriate solutions, both public transport and highway-based and (iii) fully consider what actions may be necessary to serve, and mitigate the traffic impacts of, major developments between the Greater London boundary. As set out above, the approach could also be made more analytically robust through the inclusion of capacity modelling evidence from GILTS.

Demand management is mentioned at a number of points in Section 2F, but we believe that the focus given to the need for demand management measures to manage traffic growth and tackle congestion is far too weak. Indeed, the statement “Thames Gateway London Partnership has stated that it wishes the Mayor to establish a study programme to explore options for managing travel demand,” (Paragraph 175) gives no indication whether the Mayor agrees with our viewpoint or intends to act upon it. We believe he should do both.

This is not an academic point. Demand management is increasingly a Central Government agenda, set out in the Future of Transport White Paper and Guidance on the Transport Innovation Fund. The Mayor’s recent Guidance on Local Implementation Plans (LIPs) also sets quite demanding targets for limiting traffic growth to prescribed levels for East London between 2001 and 2011; however, neither the EL-SRDF, LIP Guidance, nor the TfL Business Plan provide adequate explanation or guidance to the boroughs as to how these will be achieved. We are aware from reviewing boroughs’ Draft LIPs, that many require sub-regional guidance on how to set and achieve locally relevant targets for traffic growth and we see the EL-SRDF as essential to provide this in its finalised form.

The remainder of this response now deals with specific sections of the draft EL-SRDF document.

## **2. COMMENTS ON SPECIFIC SECTIONS AND PROPOSALS FOR TEXT CHANGES**

### **Paragraph 150 (Integration of Transport and Land Use)**

Add “and performance” to the end of the last sentence in this paragraph. There also needs to be a mention of the need to tackle congestion in this introductory section.

### **Paragraph 156 (Challenge and Opportunity)**

Extend third sentence to read “Transport investment, concentrated mainly on public transport infrastructure, also creates an opportunity for a major shift in transport use, provided it is supported by demand management measures to prevent rising congestion on the roads.”

### **Paragraph 158 (Transport Projects)**

This paragraph should provide greater structure to the following sections by referring to, and defining the concept of a hierarchy of transport modes as set out above and linking to Map 2.1.

As well as necessary to “meet forecast growth,” strategic public transport is necessary to tackle existing and increasing levels of congestion so long as they are combined with effective demand management measures.

### **Paragraph 159 (Crossrail)**

This paragraph should reflect two of TGLP’s key concerns about the current Crossrail proposals, namely that a station should be provided at Woolwich and that the Mayor supports the extension of some Crossrail services to connect with the CTRL at Ebbsfleet.

### **Paragraph 160 (Channel Tunnel Rail Link)**

The text needs to include a commitment on the Mayor to maximise the benefits of CTRL Domestic Services (within the Integrated Kent Franchise) to development at Stratford.

### **Paragraph 161 (River Crossings)**

This needs to mention that traffic demand on Thames Gateway Bridge will also be managed through the allocation of road space to an attractive level of public transport service via Thames Gateway Transit and regular bus services. Tolls will also be flexible, so that charge levels can be adjusted to regulate the flow of traffic within the highway capacity provided. TfL will work with the relevant boroughs on developing and funding appropriate mitigation measures.

We would like to see a separate paragraph on Silvertown Link and a stronger statement of how this scheme will be taken forward and in what form.

### **Paragraph 162 (Docklands Light Railway)**

Whilst all of the proposed extensions of the DLR are strongly supported, this paragraph will need to be updated with the findings of the DLR 2020 Horizon Study which is likely to propose a number of further extensions for detailed study. TGLP has yet to see the Final Report for the Horizon Study or comment formally on the findings; however, we would expect our views, once set out, to be reflected in the final document.

### **Paragraph 164 (Thames Gateway Transit)**

We would wish to see a stronger commitment by the Mayor to completing a comprehensive sub-regional transit network. This goes beyond the Phase 1 of East London Transit and Greenwich Waterfront Transit, but includes full and comprehensive planning of the transit network to be linked via the Thames Gateway Bridge and consideration of transit extensions beyond existing plans, such as Abbey Wood to Dartford, the Royal Docks and the Lower Lea Valley.

The Mayor should also commit to assess the business case for upgrading Thames Gateway Transit from a bus-based system to a light rail system where demand is sufficient to justify an increase in capacity. He has already given such an undertaking for Thames Gateway Bridge and Greenwich Waterfront Transit and we would like this commitment repeated in this paragraph.

### **Paragraph 168 (Implementation of Transport Schemes)**

As set out above, this paragraph raises the question of what transport policies and interventions are appropriate for the east of the sub-region. By focusing on public transport accessibility, the text also overlooks the likely decrease in highway accessibility across the sub-region as congestion levels rise. This again reinforces the need to highlight a strong approach to demand management as part of the EL-SRDF strategy.

### **Map 2.1 (Public Transport Improvements)**

This map is inadequate for its stated aim of showing the key public transport improvements in East London to 2016. It should be redrawn and expanded to indicate major highway improvements such as Thames Road Dualling and the Lower Lea Valley Spine Road as well as showing the transport hierarchy or national, regional and local links as set out above.

### **Paragraph 172 (Land Use and Development)**

This paragraph needs to explicitly mention the requirement for all new developments to include an effective travel plan to create the desired change in travel behaviour (i.e. mode shift to public transport, walking and cycling) and the importance of Transport Assessments as a key element of the Development Control process.

Specifically, the text should be amended to read as follows:



*“The Mayor will provide Guidance to the boroughs on Transport Assessments by 2006 and this will serve as the basis or ensuring that negotiations with major developers gains the most from Section 106 Agreements, accommodation of sustainable modes and reduced parking provision.”*

### **Paragraphs 174-176 (Managing Demand)**

Our original submissions to GLA on the content of the EL-SRDF placed substantial emphasis on the importance of demand management in ensuring mode shift and supporting additional housing and employment development within the capacity of the current and planned transport networks. The Stage III Sustainable Transport Study which TGLP has just commissioned will consider this topic in further detail and aim to make recommendations on a realistic, but challenging, demand management strategy for East London in the short-, medium- and long-term, including within the traffic growth targets set out in LIP Guidance.

We are disappointed that little of this thinking has made it through into the Draft document and would wish to see this section of the transport policy expanded and strengthened as well as stronger references to the need for demand management in preceding paragraphs.

Paragraph 174 needs to be strengthened to explain why there is a need to manage the demand for car travel. This includes tackling congestion, ensuring efficient network operation and supporting housing and employment growth in a sustainable way.

The following text should be inserted after Paragraph 174:

*“The following demand management measures will be pursued by the Mayor, TfL, boroughs and other strategic partners as follows:*

- *using LDFs to bring forward new development with a location, mix of uses, density and parking provision which reduces the need to travel, particularly by car;*
- *using the TfL Five Year Investment Programme, borough Local Implementation Plans and parallel delivery mechanisms to make significant investment into sustainable modes in terms of capital infrastructure, revenue support and new services, integration and targeted promotion;*
- *planning and delivering initiative to derive maximum capacity and benefit from the existing transport network, including user information, management of road works and measures available under the Traffic Management Act;*
- *promoting a significant expansion of “soft” measures based on achieving attitudinal and behavioural change with travel planning, car sharing, teleworking and e-services being areas of particular focus;*
- *considering more active measures such as physical roadspace re-allocation and progressively constrained parking strategies based on availability, condition and price; and*

- *considering financial levers, including the tolling of river crossings and the introduction of targeted or areawide road user charging in the longer-term.”*

We would wish to see the last sentence of Paragraph 175 rephrased to *“The Mayor will establish a study programme, with TfL, the LDA, TGLP and boroughs, to explore the case, and options, for strengthened approaches to demand management in East London, including tolling or river crossings and road user charging in the medium- to long-term. The results of this study will inform how the Mayor’s existing traffic growth targets for the sub-region can be achieved as well as the revision of the London Plan and the Mayor’s Transport Strategy.”*

In the third bullet point under Proposed Actions 2F.2, it would be useful if TfL could set out what is meant by *“innovative options.”*

### **Paragraphs 177-179 (Freight and Distribution)**

As with demand management, our original submission to GLA on draft material for inclusion within the SRDF included much more than has actually been set out. In particular, the important contribution that freight vehicles make to overall increased traffic levels in East London needs to be acknowledged together with the impact of congestion on the logistics and distribution sectors.

Key items which the Transport Task Group would wish to see included in this section (probably after Paragraph 178) are:

- the role of TfL and the London Sustainable Distribution Partnership in drawing up a London Freight Plan by early 2006 which will include a key focus on each sub-region;
- the role of the boroughs in managing freight traffic within their Local Implementation Plans through measures to discourage freight traffic from residential and other environmentally sensitive areas, managing loading and unloading within town centres and ensuring that servicing needs are considered within travel plans for new development;
- exploring the potential, through pilot projects and industry collaboration, of Intelligent Transport Systems for maximising efficiency of freight journeys and delivery schedules, especially in congested locations; and
- working with rail industry partners to move freight from road to rail and balance the competing demands of passenger and freight traffic on the rail network.

On a very specific point in Proposed Actions 2F.3, TGLP is now looking to develop a sub-regional Freight Quality Partnership, building on the local pilots for Bexleyheath and Belvedere and looking to support the development of the London Freight Plan.

Further discussion is needed on the question of the two proposed intermodal freight depots. This proposed action should also refer to the need to manage the traffic impacts of the proposed London Gateway development at Shellhaven which now has “in principle” support from the Secretary of State.

### **Paragraph 178 (Lower Thames Crossing)**

This paragraph is broadly supported, but should include a brief statement of why the Mayor supports proposals for a Lower Thames Crossing, namely to provide an eastern bypass of London for rail-freight movements, although road- and rail-based passenger movements may also be considered in any feasibility study. The Mayor is likely to have work with the Department for Transport, Network Rail, Highways Agency and local and regional interests outside of London in taking any feasibility work forward.

### **Paragraph 180 (Monitoring and Review)**

What is meant by “regular” assessments? When does TfL intend to produce the proposed integrated sub-regional transport network plan, which stakeholders will be involved and in what capacity? This section needs to be much more specific, especially as very little quantified assessment of transport capacity is provided in the current document.

## **3. INDICATIVE PHASING OF EAST LONDON TRANSPORT SCHEMES (ANNEX 3)**

This schedule needs to include a number of additional schemes and policies, including:

- Lower Thames Crossing (Post 2016);
- Stratford-Stansted rail enhancements (2012-2016);
- C2C Upgrade (2007-2011 and 2012-2016); and
- Demand management measures (including travel planning, parking management, river crossing tolling and road user charging).

## **4. REVIEW OF THE LONDON PLAN (ANNEX 5)**

During the preparation of the EL-SRDF, TGLP made a number of suggestions for issues to be considered as part of the review of the London Plan, looking beyond 2016. These issues will also be relevant to the review of the Mayor’s Transport Strategy. We note that the document only currently refers to a small number of these.

To recap, TGLP believes that the following issues should be considered as priorities during the review of the London Plan and Mayor’s Transport Strategy.

- The Mayor should fully consider the final outputs of the Gateway Integrated Land Use and Transport Study (GILTS) in assembling revised proposals for phasing of land use, infrastructure investment, and demand management measures in East London;
- The Mayor should publish Guidance on Transport Assessments and the development and monitoring of effective travel plans to be reflected by boroughs in their LDFs;

- The Mayor and Cross London Rail Links should examine the precise role, alignment and scheme specification for Crossrail Line 2, including its potential to improve rail connections to an expanding Stansted airport;
- The Mayor should consider the recommendations of the Regional Planning Assessments currently being prepared by the Strategic Rail Authority for the East of England and Kent and South East London in assembling future proposals for the rail network in East London.
- The Mayor should fully consider the findings of the DLR Horizon 2020 Study in deciding which, if any, further extensions of the DLR to pursue beyond existing commitments and proposals.
- The Mayor and TfL should investigate potential corridors for extensions of East London and Greenwich Waterfront Transit beyond the currently proposed networks (e.g. Lower Lea Valley). An immediate priority is to define the network of transit and bus services using the Thames Gateway Bridge and the Silvertown Link.
- The Mayor and TfL should do further work to define the scheme specification, benefits and business case for the Silvertown Link, including its role in developing an integrated approach to management of demand within the Blackwall corridor.
- The Mayor should consider giving more priority on the potential role of travel plans and other “soft” measures in increasing the non-car mode share of new development, raising development potential within the capacity of the transport networks, and potentially reducing the need for expensive infrastructure investment in favour of best use of existing network capacity. This should reflect recent research from the Department for Transport that such measures, if intensively applied, may have a significant impact on mode share and traffic levels.
- The Mayor should fully consider the role of information technology in assisting the safe and efficient operation of the transport network, providing user travel information, promoting modal shift and reducing the need to travel.
- The Mayor should consider the preparation of a tolling strategy for all existing and new river crossings on the eastern side of London, including Blackwall. This could be taken forward, in the medium term, within the context of a wider road user charging strategy for the whole of the sub-region.
- The Mayor should carefully consider the potential need, and options for, the introduction of areawide road user charging within East London within the context of wider regional and national policy developments. This should include tolling of river crossings and cordons around selected centres as intermediate steps to an areawide scheme and include full evaluation of the transport, economic, social and environmental impacts.

- The Mayor should undertake a full assessment of the transport implications of new runway capacity at Stansted and the need to ensure the best possible public transport connections with North East London for passengers and employees.
- The Mayor should consider the impact of the successful Olympic bid for London in 2012 in terms of the transport infrastructure and service requirements, the regeneration effects and any legacy for East London in terms of the built environment.

## 5. FINAL REMARKS

The Draft EL-SRDF is an important step forward for the future development of the East London and there is much in the Mayor's proposals for TGLP to support. We congratulate the GLA on producing a comprehensive and cross-cutting document which endeavours to address all of the key issues in developing the sub-region over the next 11 years.

We remain concerned, however, at the lack of firm resolve and commitment to bringing forward some of the key transport investments necessary to support the scale of housing and employment growth planned for the sub-region beyond those already committed in the TfL Five Year Investment Strategy and the piecemeal way in which some proposals have been taken from previous plans rather than developed in context to map onto the housing and employment projections to 2016. The evidence from GILTS, once available, will assist in addressing these concerns.

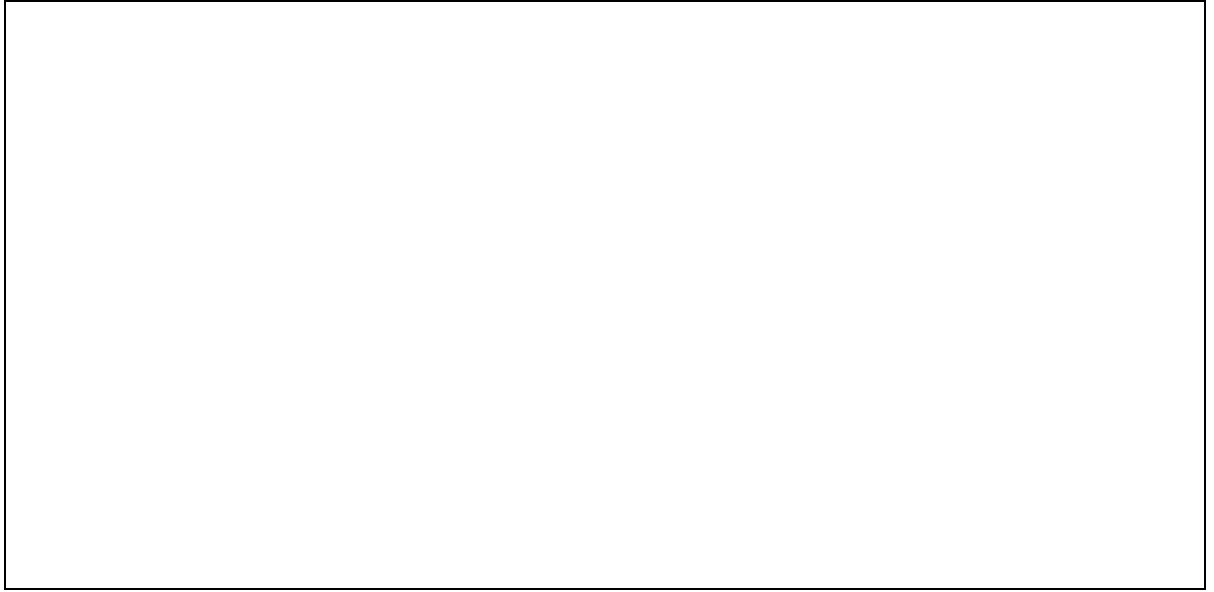
We also remain concerned that the Framework, as it stands, underestimates the challenge of tackling growing congestion across much of the sub-region and the underplays the need for a coherent and comprehensive demand management strategy to address this.

In this context, the Transport Task Group is keen to work with GLA and other colleagues within the Partnership to develop final proposals for the final EL-SRDF when it is published in due course.

### **TGLP Transport Task Group – Draft 2 Response 16/08/2005**

**pecific Sections and Proposals for Text Changes**

**Comments on Specific Sections and Proposals for Text Changes**



DRAFT 1

**THE EXECUTIVE****27 SEPTEMBER 2005****REPORT OF THE DIRECTOR OF FINANCE**

<b>CONSULTATION RESPONSES ON GRANT DISTRIBUTION AND NEW SCHOOLS FUNDING ARRANGEMENTS FOR 2006/07</b>	<b>FOR DECISION</b>
<p><b><u>Summary</u></b></p> <p>In July this year, the Office of the Deputy Prime Minister (ODPM) issued a consultation paper on proposed changes to the formula (revenue support) grant distribution system from April 2006.</p> <p>This consultation poses a number of questions to local authorities regarding changes to the way funding is distributed. These questions range from comments on updated social services indicators through to consideration of a revised methodology for calculating wage cost pressures (known as the Area Cost Adjustment). The consultation end date is 10 October 2005.</p> <p>The Department for Education and Skills (DfES) also announced in July that they were considering a modified method of distribution for the Dedicated Schools Grant (DSG). The DSG will be introduced in 2006/07 and will see schools funding allocated by means of a direct grant, rather than coming in as part of the Council's overall funding.</p> <p>This consultation poses questions to local authorities particularly around what general or specific criteria should be used for distribution of the DSG for 2006/07 and 2007/08. The consultation end date is 30 September 2005.</p> <p>This report puts the issues coming out of each consultation in context for Barking and Dagenham Council.</p> <p><b>Appendix A</b> shows the potential gains and losses for the Council as a result of the ODPM's proposals.</p> <p><b>Appendix B</b> is the Council's proposed response to the ODPM consultation.</p> <p><b>Appendix C</b> is the Council's proposed response to the DfES consultation.</p> <p><b><u>Wards Affected</u></b></p> <p>All wards</p> <p><b><u>Implications</u></b></p> <p><b>Legal:</b> None</p>	

**Financial:**

This report highlights the key issues coming out of the 2006/07 formula grant distribution consultation. This has significant financial implications on the Council, as detailed in the report.

**Risk Management:**

It is important that the Council is aware of potential changes to funding streams, and minimises the risks associated with a poor grant settlement in future years.

**Social Inclusion and Diversity:**

As this report does not concern a new or revised policy, there are no specific adverse impacts insofar as this report is concerned.

**Crime and Disorder:**

There are no specific implications insofar as this report is concerned.

**Recommendations**

The Executive is recommended to:

- Approve in principle the consultation responses drafted by officers (**Appendix B** and **Appendix C**); and
- Delegate responsibility to the Director of Finance to submit the final response to the DfES by 30 September 2005 (subject to potential call-in) and to the ODPM by 10 October 2005.

**Reason**

The consultation papers on grant distribution and new schools funding arrangements have a fundamental impact on the Council's funding across all services. It is vital that the Council responds appropriately to ensure the best possible outcome.

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**Section A: OFFICE OF THE DEPUTY PRIME MINISTER CONSULTATION****1 INTRODUCTION**

- 1.1 Local government funding is distributed by central government by means of specific departmental grants (from the Department of Health and Department for Education and Skills, for example), and through a general, "formula grant". This is calculated through a complex methodology based on indicators that determine local levels of need, deprivation, population changes, wage pressures, and so on. These formulae are used to compile formula spending share (FSS) totals for services within each authority, as a means of distributing the total funding available.



1.2 The ODPM consultation paper addresses the following key themes:

- the proposed changes to the FSS formulae
- potential changes in the way which formula grant is calculated

This report explains what the proposed changes are, and how they impact on Barking and Dagenham.

## **2 CHANGES TO FORMULA SPENDING SHARE (FSS) FORMULAE**

### **SOCIAL SERVICES**

- 2.1 The most significant concern for London boroughs generally arises from the proposed changes to the social services FSS distribution formula. Barking and Dagenham, however, is one of the few boroughs which shows a potential marginal gain from the proposed FSS formula changes (children's +£0.2m to £0.5m; elderly - £0.3m to +£2.6m and younger adults +£0.1m to +£0.9m).
- 2.2 The Council is projected to lose around £0.9m in FSS on the needs element of the proposed childrens formula, but this is offset by gains of between £1.1 and £1.5m for the foster cost adjustment element. The ALG is commissioning external consultants to produce an alternative needs formula although there is no guarantee that the outcome of the research will be beneficial to Barking and Dagenham, as its deprivation profile is different to that of most inner London boroughs which see FSS losses of up to 50% under the proposed new formula.
- 2.3 Barking and Dagenham is the only London borough to show gains in both the potential younger adults FSS formula options. This again reflects the differing deprivation profile of the borough (e.g. high proportions of long term unemployed and people in routine occupations) relative to the rest of the capital. Newham is the only other London borough which gains FSS on either of the younger adults options.
- 2.4 There are two main options for the needs element of the elderly formula which produce different outcomes for Barking and Dagenham ranging from a loss in FSS £0.3m to a gain of £2.6m (see **Appendix A**).

### **EPCS (Environmental Protective and Cultural Services)**

- 2.5 The EPCS exemplifications produced in the consultation paper focus primarily on the impact of incorporating the new 2001 census indicators on density, country of birth and net in-commuters. Barking and Dagenham would potentially lose £0.8m from introducing the new data as its weighted density indicator has fallen in the 2001 census compared to the 1991 data.
- 2.6 The consultation paper also invites views as to whether:
- a new waste sub block should be introduced to reflect the growing importance of this area of expenditure and how this should be distributed
  - the EPCS formula should be adjusted to address the concerns expressed by some metropolitan passenger transport authorities about the additional costs

arising from the introduction of statutory free off peak bus travel for pensioners and the disabled from April 2006. An additional £350m of funding is being provided in 2006/07 to support this change and Barking and Dagenham would see an uplift to its formula grant baseline of around £1.5m to fund this change on the basis of the option proposed

### **OTHER ISSUES (INCLUDING AREA COST ADJUSTMENT - ACA)**

2.8 The consultation paper also contains options relating to FSS formula changes which would be likely to affect the Council's funding moving forward:

- removal of the annual ceiling on increases in LEA central and youth services funding
- introduction of individual area cost adjustment factors for each London borough (gain in FSS for Barking and Dagenham of between £3.8m to £5.7m – the difference being due to where the authority receiving an ACA of 1 (the lower limit) is set. This gain could offset by other ACA losses due to the potential removal of rates cost adjustment of up to £0.3m.
- the use of population projections as part of the three year settlement process (potential FSS gain for LBBD of £0.9m based on ONS 2005 projections)
- use of updated day visitor data which would see Barking & Dagenham's count rise by 110% (potential rise in FSS on current formula of £0.3m)
- small changes to the highways maintenance formula – the impact of these is not material
- changes to the capital financing FSS relating to the interest receipts block (potential gain of up to £1.8m ranging to a possible loss of £1.1m)

### **DAMPING OF IMPACT ON SCHOOLS FUNDING TRANSFER ON FORMULA GRANT**

2.9 The schools transfer creates transitional difficulties for non schools formula grant as most authorities either spend above or below their schools FSS. The consultation paper proposes to address this issue by adjusting each authority's baseline grant (before applying any increases for 2006/07) in proportion to the level of its 2005/06 actual schools budget rather than by its notional schools FSS allocation. The precise adjustment is dependent on the amount transferred to the DfES to fund the new DSG which is still to be announced. Any non schools formula grant increase in 2006/07 would be applied to this 2005/06 'schools budget' adjusted grant.

2.10 The two options in the consultation (SCLT1 and SCLT 2) would lead to projected grant uplift for Barking and Dagenham of £0.7m and £0.5m respectively.

## **3 CHANGES IN THE WAY FORMULA GRANT IS CALCULATED**

### **ALTERNATIVE GRANT SYSTEMS**

3.1 The government is also inviting views as to whether changes should be made to the way in which grant allocations are calculated. Its proposals would see the end of notional figures for local authority spending allocations (formula spending shares)

and a move to a system which would focus on grant levels (i.e. the FSS formula changes in the consultation paper may turn out to be academic).

3.2 The consultation proposes moving away from a relative measure of need and instead allocating grant using a “four block” model, comprising:

- a relative needs block
- a resource block
- a basic amount block
- a damping block.

3.3 The relative size of the totals of the relative needs block and resources block would be set by ministerial judgement. The consultation seeks views on whether to use the proposed alternative grant system.

### **OTHER CHANGES TO WAY IN WHICH FORMULA GRANT IS CALCULATED**

3.4 The grant system takes account of the relative ability of different councils to raise council tax. This process is known as resource equalisation. It assumes a national level of council tax rather than using locally determined levels of council tax. In 2005/06 the average band D council tax was £1,214. The assumed national council tax (ANCT) for resource equalisation purposes was £1,102.

3.5 Given the current mismatch between ANCT and average council tax, the consultation paper seeks views on whether the Government should increase resource equalisation. This would distribute more grant to high needs authorities with low council tax bases relative to their needs (e.g. the Council could see a potential rise in formula grant of up to £2m).

### **2004/05 AMENDING REPORT**

3.6 The Council's 2006/07 grant will also be marginally affected by the 2004/05 and 2005/06 amending reports. This arises because the borough's 2002 population estimates were revised downwards by around 1,000 residents after the original 2004/05 settlement. This could adjust the Council's grant baseline downwards by around £0.4m.

### **OTHER ISSUES – CHILDRENS SPECIFIC GRANT FUNDING**

3.7 There is significant uncertainty regarding the future of a number of children's social services specific grants which are currently allocated using the children's FSS formula. The safeguarding children grant is likely to end in 2006/07 due to lack of available funding at the DfES.

3.8 Several separate children's specific grants are likely to be merged into a new single children's grant next year. It is not yet known how much funding will be provided for this new merged grant or how it will be distributed. Clearly if the new children's FSS formula were to be used this would be create significant turbulence and it is likely that some form of damping for these grants would be applied on a transitional basis.

3.9 A large rise in national funding is being provided through the children's FSS in 2006/07 (7.5%) which should partially offset the impact of these specific grant changes for Barking and Dagenham.

#### **4 ODPM CONSULTATION RESPONSE – SUMMARY**

4.1 The potential net gains in formula spending share for Barking and Dagenham arising from the proposals in the ODPM's consultation paper range from a loss in FSS of £1.1m to a gain of up to £14.2m (see **Appendix A**).

4.2 Although it is difficult to predict Barking and Dagenham's 2006/07 and non schools formula grant with any certainty, it is likely on the basis of the options presented in the ODPM's consultation paper to see a more favourable outcome from the changes compared to the majority of London boroughs.

4.3 The key areas that the Council's response will focus on are as follows:

- That the Council supports a move to individual "area cost adjustment" factors, on the basis that this method of adjusting for local wage pressures best reflects the underlying data;
- That the Council supports changes to Social Services indicators (based on updated data) will be supported, albeit recognising the concerns that some authorities have over the robustness of the data; and
- That the Council supports the introduction of population projections in the calculation of grant settlements. This comment will be expanded on to raise concerns over the robustness of Office of National Statistics (ONS) data.

Full details of the consultation response are included in **Appendix B**.

### **Section B – DEPARTMENT OF EDUCATION AND SKILLS CONSULTATION**

#### **5 DEDICATED SCHOOLS GRANT (NEW SCHOOLS FUNDING ARRANGEMENTS)**

5.1 A separate announcement was made by the DfES on 21 July outlining the new schools funding arrangements from 2006/07. Every authority will receive an increase in schools funding (dedicated schools grant or DSG) of at least 5% per pupil for 06/07 and 07/08 compared to their actual 2005/06 schools budget (not their schools FSS).

5.2 It is not yet clear whether the existing schools formula will be used to determine increases above this 5% per pupil minimum or whether ministers will apply judgement for the entire allocation above this amount.

5.3 The Council's consultation response will highlight the need to ensure that increases above the 5% minimum are applied based on robust data on respective cost pressures and levels of need, rather than on ministerial discretion. Full details of the consultation response are included in **Appendix C**.

#### **Background Papers**

None

## **Consultation**

Julie Parker – Director of Finance

Roger Luxton – Director of Education, Arts and Libraries

Joe Chesterton – Head of Financial Services

Mohammed Saleem – Monitoring Officer

Lee Russell – Head of Corporate Finance

Paul Pearson – Head of Education Finance

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## APPENDIX A

### SUMMARY OF POTENTIAL GAINS AND LOSSES IN FSS FOR BARKING AND DAGENHAM BY SERVICE BLOCK

(COMPARISON WITH 2005/06 SETTLEMENT – OPTIONS IN CONSULTATION PAPER ONLY)

	Best Case Change in FSS £m	Worst Case Change in FSS £m
Education – LEA & Youth Services Block	+£0.1m (Ending of LEA ceiling)	£0m (LEA Ceiling retained)
Childrens social services – Needs based element	-£0.92m (Only one option proposed)	-£0.92m (Only one option proposed)
Childrens social services – Foster care adjustment	+£1.50m	+£1.13m (Higher weighting for female professionals/graduates)
Older persons social services – needs formula and new low income adjustment	+£2.58m (similar approach to current formula - option SSE1)	-£0.33m (small area analysis – option SSE2)
Younger adults social services	+£0.88m (High weight long term unemployed/routine occupations)	+£0.10m
Highways maintenance	+£0.13m (use of 3 year average traffic flows)	-£0.03m (use of 2001 census commuter data)
EPCS (Use of 2001 census indicator data) <sup>1</sup>	-£0.76m (lower weighted density indicator for LBB in 2001)	-£0.76m (lower weighted density indicator for LBB in 2001)
EPCS (Use of new day visitor data) <sup>1</sup>	up to £0.3m (estimated)	£0m (Existing visitor data used)
EPCS – Fixed costs	-£0.08m	-£0.08m
Area cost adjustment – using new ASHE data	+£0.19m (only option available)	+£0.19m (only option available)
Area cost adjustment – rates cost adjustment	-£0.07m (reduction in rates cost adjustment weighting)	-£0.31m (full removal of rates cost adjustment)
Area cost adjustment – individual ACA factors	+£5.69m (individual ACA factors for each upper tier authority with current lower limit)	£0m (existing geography retained with B&D in east London region)
Capital financing	+£1.83m	-£1.07m
Use of 2005 population projections as part of move to 3 year settlements (instead of 2004 mid year estimates)	+£1m (SWG Paper)	+£1m (SWG paper)
<b>Total Range of FSS Changes</b>	<b>+£14.21m</b>	<b>-£1.08m</b>

Note: 1. Assumes ministers do not re-exercise adjustment on indicator weightings i.e. is purely illustrative of incorporating census data in existing formula. An option for distributing the £350m of new concessionary fares funding in 2006/07 using a different EPCS formula with higher weight for pensioner income support indicators is also proposed (see grant table below)

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**Formula Grant Distribution  
DRAFT Consultation response**

**London Borough of Barking and Dagenham**

This Appendix sets out proposed lines to take in response to the ODPM's consultation on formula grant distribution.

Work in preparing the Council's response is being finalised with a view to meeting the deadline of 10 October. The final response will follow these key themes, but may be updated as a result of work done between the drafting of this document, and the consultation deadline.

**Chapter 2 Schools Transfer**

*Question 1: Do you think that there should be a customised damping system?*

The Council supports the 'no losers' line. That is, the change to ring-fence funding for the schools budget is a Government policy. Individual authorities and their taxpayers should not be penalised for such a change.

*Question 2: Do you have comments on the Government's other proposals, to adjust the base using spend figures and to isolate police, fire and shire district authorities from the effects of the transfer?*

It is the Council's view that EPCS services in shire districts should not be protected against the school's transfer.

**Chapter 3 New Grant System**

Comment that work seen so far has focused on the ability for such a system to duplicate the current distribution. No details about how the Government would actually implement the new system have been provided. There is no advantage in changing to this system if needs are going to be based around FSS formulae.

*Question 3: Whether we should use the proposed alternative grant system?*

The Council believe that there could be advantages in alternative systems – but argue that sufficient work should be carried out to confirm if an alternative system would be better prior to implementation. At this stage it is not apparent whether sufficient work has been done.

**Chapter 4 Three-year settlements**

The Council supports the use of population projections in three year settlements; however has significant concerns over the robustness of ONS population data. While it is understood that the recently published 2004 estimates will not be used for 2006/07, they are likely to impact in the future. Barking and Dagenham has seen one of the highest drops in population in London – against a backdrop of growing housing / Council Tax base and local indicators. This is an issue that the Council will take up with ONS.

## **Chapter 5 Amending reports**

The Council would like to highlight the need for authorities to be given information at an early stage. Impact of amending report on 2006/07 needs to be assessed and steps may have to be taken to prevent inappropriate impact on authorities.

## **Chapter 6 Education – LEA Block**

*Question 4: Do you think we should remove the element for Further Education residual pensions?*

The Council supports the continued use of further education residual pension expenditure data in the FSS formula.

*Question 5: Do you think the LEA damping block should be removed?*

The Council supports the principle of removing sub-block damping, unless it is necessary to avoid inappropriate turbulence in FSS levels.

## **Chapter 7 Personal Social Services**

This section will start with a critique of the statistical work underpinning the new formulae options. It will make the point that it would be completely inappropriate to introduce some of these options without significant further development and improvement.

*Question 6: Do you agree with the Government's proposal to implement option SSC1? If not, what alternative would you propose?*

The Council would like to see a grant distribution mechanism that is based on a sufficiently robust formula which in turn addresses levels of need. If the proposed changes are sufficiently robust, the Council would support them, however is sympathetic to the view that further work may be required.

*Question 7: Which option for updating the Foster Cost Adjustment do you prefer?*

### **To be finalised.**

*Question 8: Do you think that there should be specific floors with either ceilings or scaling factors on the children's social services FSS to limit the extent of the changes?*

The Council supports implementation of robust FSS formulae which, ideally, should therefore not need to be damped.

*Question 9: Which needs formula option do you prefer– SSE1 or SSE2?*

The Council would favour SSE1.

*Question 10: Do you agree with the proposal to revise the Low Income Adjustment to include 2001 Census data?*

No. Not appropriate to rely on a single indicator that results in this level of turbulence.

*Question 11: Which method of distributing the sparsity top up do you prefer?*

**To be finalised.**

*Question 12: Do you favour increasing the quantum for the sparsity adjustment to more than 0.4%?*

The Council acknowledges the need for an adjustment to reflect settlement patterns, but emphasises that there is no evidence that the weight on the proposed indicators needs to be increased.

*Question 13: Which option do you prefer for the Younger Adults Social Services formula?*

The Council supports SSA2, on the basis of the available data being sufficiently robust.

*Comment on specific grants*

The Council believes that the underlying principle of specific grants is to target areas of need that the FSS formulae are unable to identify. As such, it is not appropriate for specific grants to use FSS formulae in their distribution.

## **Chapter 8 Police [Not applicable]**

*Question 14: Which of the four police options POL2, POL3, POL4 or POL5 do you prefer?*

*Question 15: Do you agree that dedicated security funding should be switched from general to specific grant?*

## **Chapter 9 Fire and Rescue [Not applicable]**

*Question 16: Do you think that the weight of the fixed element for community fire safety should be doubled to 6% (FIR3 and FIR4)?*

*Question 17: Do you agree with the proposal (FIR5) to use a property and societal risk indicator to replace the fire safety enforcement indicator? If not, what would you prefer?*

*Question 18: Which proposal (FIR6 or FIR7) would you prefer to see used as the risk index indicator?*

*Question 19: Do you agree with the proposal to include a fixed element for sparsity (FIR8)?*

## **Chapter 10 Highway Maintenance**

*Question 20: Do you agree that back lanes should be included in the highway maintenance formula?*

The Council recognises that it is important that factors that increase cost of providing service are appropriately reflected in formula and therefore supports introducing this option.

## **Chapter 11 Environmental, Protective and Cultural Services**

*Question 21: Do you think we should adjust the coefficients for concessionary fares?*

In principle, the Council agrees. However, significant issues exist within the consultation. In particular, the £53 million share of additional resources is inadequate based on evidence of additional cost of free bus fare.

*Question 22: Do you think we should make any further changes to coefficients; for example, it has been argued that we should do so to take into account the increasing expenditure on waste?*

### **To be finalised.**

*Question 23: Do you think we should update the fixed cost element?*

It is the Council's view that there is a need to balance the increase in any fixed cost element with the overall increase in other FSS levels, not just EPCS. It is not appropriate to over protect shire districts at the expense of other service areas.

*Question 24: Do you agree with the proposed method for transferring COWs to the Environment agency?*

**To be finalised.**

## **Chapter 12 Capital Financing**

*Question 25: Do you think we should remove the Interest Receipt elements?*

The Council would favour the removal of the Interest Receipts element **[need to expand on this]**

*Question 26: If we retain one or both of the Interest Receipt elements, do you have any views on how they should be distributed?*

The Council does not support the retention of the Interest Receipts elements.

*Question 27: If so, should we reduce other FSS totals to compensate, or not? And if we reduce other FSS elements, where should we make the reductions?*

The Council would not support reducing other FSS totals to compensate.

## **Chapter 13 Area Cost Adjustment**

*Question 28: Do you have any comments on our intention to use the full ASHE data set to calculate the ACA?*

The Council would favour using the ASHE data set. The sample sizes are larger, which means it should be amore robust method.

*Question 29: Do you think that we should remove the very small rates cost adjustment, or do you think that we should update the weighting of the RCA in line with 2003/4 expenditure data?*

**To be finalised.**

*Question 30: Do you agree with the Government's proposal to retain the current method of setting the lower limit for options ACA1-3?*

The Council opposes a lower limit. The Council believes that authorities should be funded to enable them to compete in the local labour market.

*Question 31: Do you think that we should calculate a separate ACA factor for each upper tier authority?*

The Council supports option ACA5 on separate ACA factors. For our full submission to ODPM, we will attach a detailed briefing note on this issue.

*Question 32: If we implement the change above, which option for setting the lower limit do you prefer?*

Authorities should only be given the lower limit ACA where data illustrates that their staff cost pressures are suitably similar.

## **Chapter 14 Additional Resource Equalisation**

*Question 33: Do you think we should increase resource equalisation?*

The Council believes that control totals should reflect need for the appropriate service areas. This ensures that grant levels are targeted to those areas with the highest spending pressures.

*Question 34: Which of the options do you prefer?*

The Council supports the case for the Government to adopt a transparent and accountable approach, setting each control total at the aggregate level of spending that it is prepared to endorse explicitly, so that every authority can be seen to have a fair opportunity to spend and tax accordingly.

## **Chapter 15 Floor Damping**

*Question 35: Do you consider that the capital adjustment should be abolished?*

**To be finalised.**

*Question 36: Which approach for paying for damping do you prefer (i.e. the existing method, DMP2 or DMP3)?*

**To be finalised.**

## **Chapter 16 Day Visitors**

*Question 37: Would you prefer us to use the new day visitors indicator?*

The Council would like to see further analysis to confirm its robustness before this data was used.

### **Additional Questions following publication**

*Question 38: Do you agree that the January pupil count should be used instead of the September pupil count as the source for pupils aged 11 and over?*

It is proposed that the ALG response expresses disappointment about the increased lag, strongly consider use of projections. Further work will be undertaken to ensure that this is an appropriate position.

**To be finalised.**

*Question 39: Do you agree that an adjustment to the 2001 Census based country of birth indicator used in EPCS should be made?*

It is intended that further work on EPCS in general will cover the use of the Country of Birth indicator.

**To be finalised.**

## APPENDIX C

### DFES Consultation on a Modified Distribution Method for Dedicated Schools Grant (DSG) for 2006-07 and 2007-08

London Borough of Barking and Dagenham

Question 1

**Q1. Do you agree that we should use the modified method of DSG distribution in the short term, with a review of the distribution method for DSG in the longer term?**

The Council supports the use of the proposed modified method of DSG distribution and, in particular, using 2005/06 expenditure as the baseline for calculating DSG allocations for 2006/07 and 2007/08. This is essential to protect and maintain the value of school budgets where Authorities (like Barking and Dagenham) fund the Schools Budget above EFSS.

Barking and Dagenham is one of the Authorities adversely affected by the funding changes in 2003/04 which led to many schools moving to a deficit budget position. Barking and Dagenham has been allocated Transitional Support Grant funding in recognition of this and so far all such schools have or are forecast to return to a balanced budget position. This progress would be affected if the value of the DSG is eroded.

The Council has concerns about the potential movement away from a formulaic based distribution formula to one based on judgement.

The funding of new initiatives such as the implementation of the workforce reform proposals could be provided to schools in the same way as the ODPM deals with funding for new initiatives in the formula grant settlement. The schools DSG baseline could be adjusted by the quantum of new funding but distributed to LEAs using the DfES's preferred distribution methodology (and deflated to 2005/06 prices for the 2006/07 settlement). A baseline adjustment is arguably more transparent than allocating the funding through the main DSG.

This notwithstanding the Council does not consider that the existing schools FSS formula adequately addresses the cost pressures faced by outer London boroughs such as Barking & Dagenham which are required to pay inner London rates to teachers. Nor does it fully fund unmet additional educational need. The proposed transitional scheme might provide an opportunity to mitigate the adverse effect on Barking and Dagenham of the changes made to the area cost adjustment geographic regions and the failure to adequately fund unmet need in the 2003/04 settlement.

**Q2. Do you agree with the above principles?**

If the criteria for changing the distribution over and above the 5% minimum per pupil guarantee are to be altered then the Council would generally endorse the five principles which have been identified subject to the provisos

set out in our response to question 3.

**Q3 Are there any other principles that you would like to see used to decide the distribution criteria under the modified method of DSG distribution?**

In relation to principle (c) we would support the use of pupil driven PLASC data where possible in preference to indicators relating to the resident child population of each LEA. The former measures are more effective at replicating need in areas with growing pupil rolls or seeing rapid changes to the ethnic make up of their school population.

The Council considers that any distribution criteria must also, however, take into account the impact of relative wage pressures and recruitment & retention difficulties faced by LEAs in different parts of the country. We also consider that this ought to be a key principle underlying the distribution.

**Q4. Are there other general or specific criteria that you think should be considered by Ministers for distribution of DSG for 2006-07 and 2007-08?**

**ACA Geography and Inner London Teachers Pay**

Since the 2003/04 grant settlement Barking and Dagenham, Newham and Haringey which are required by the DfES to pay inner London pay rates have been allocated to the east London ACA region and receive an average FSS top up of 9% to reflect their relative difficulties in recruiting staff. This compares to authorities allocated by Ministers to the inner London region (e.g. Greenwich) which receive top ups of 26% and those in the west of the capital where the average uplift is 15%.

This creates significant distortions in funding levels for schools and other services (Figure 1). As a result Greenwich which has comparable or lower deprivation levels and relative wage rates according to the ONS data currently receives £953 per pupil in ACA funding for its schools compared to only £282 for Barking & Dagenham, £323 for Newham and £315 per pupil for Haringey. This is despite the fact that all four boroughs face similar cost pressures as a result of being required by the DfES to pay inner London weighting to teachers which is estimated to add an average of £5m to pay bills compared to the rates payable by outer London boroughs.

Figure 1  
ACA Funding for Schools in 2005/06 and Comparison with Additional Educational Needs Ranking

	ACA Funding for Schools (after damping)	ACA Schools Funding per Pupil	Secondary Schools Additional Educational Needs



	£m	£	Ranking (out of 150 LEAs) <sup>1</sup>
Barking & Dagenham	£8.3m	282	26 <sup>th</sup>
Haringey	£10.1m	315	4 <sup>th</sup>
Newham	£15.7m	323	2 <sup>nd</sup>
Greenwich	£31.8m	953	18 <sup>th</sup>

Source: 1 Based on DfES schools funding formula. Newham and Haringey rank higher as they have a larger proportion of secondary pupils from low achieving ethnic groups.

The Council considers that the area cost adjustment geography used with the current schools FSS is provides an unsustainable basis moving forward for the new DSG as it has introduced unacceptably large cliff edges in funding between neighbouring boroughs within different ACA regions which in practice have very similar labour cost pressures according to the ASHE (former New Earnings) Survey. Similarly there are unacceptably large differentials in individual labour cost pressures between boroughs in the same ACA geographic region.

At one extreme for example Barking and Dagenham and Newham have Labour Cost Adjustment factors (the basis of the ACA top up) which are 74% and 45% higher than the average weighted uplift factor for the East London ACA region to which they have been allocated. At the other extreme Greenwich has an individual uplift as much as 64% below the average for their colleagues in the inner London region.

If the introduction of individual smoothed ACA factors are rejected by the ODPM factor because of the distributional impact Barking & Dagenham would urge the DfES to review independently the geography for the new schools DSG. This issue could be addressed by the use of judgmental top ups to reflect the higher cost pressures faced by boroughs having to fund inner London teachers pay rates on the basis of outer London ACA funding levels.

## OTHER ISSUES

The Council would support the recognition of the following criteria in the distribution of the DSG for 2006/07 and 2007/08.

- Schools in Barking and Dagenham are starting to experience high levels of pupil mobility particularly amongst children from ethnic minorities. Barking and Dagenham would therefore support the use of a mobility indicator as one of the criteria for the DSG to reflect the impact of high turnover rates on educational attainment and school administration.
- LEAs in London are facing significant pressures in relation to SEN costs.

Barking and Dagenham would support the retention of separate quantum within the formula for SEN (i.e. to mirror the current high cost pupils FSS sub block).

- An area cost adjustment uplift factor should be use to determine the formulaic allocation top up as well as the distribution of any new funding steams transferred into the DSG.
- Generally any top ups should not simply be driven on a per pupil basic allocation and must take into account relative educational needs e.g. English as an additional language, ethnicity and deprivation levels. Barking and Dagenham has one of the fastest growing pupil bases with English as an additional language and from low achieving ethnic groups.

## THE EXECUTIVE

27 SEPTEMBER 2005

## REPORT FROM THE DIRECTOR OF REGENERATION AND ENVIRONMENT

PLANNING ADVICE NOTE NO. 2 – LOCAL LABOUR AND LOCAL BUSINESS AGREEMENTS	FOR DECISION
<p><b>Summary</b></p> <p>‘Planning Advice Note No.2 - Local Labour and Local Business Agreements’ is intended to provide guidance to developers, local businesses, training providers, residents, Council Members and Officers on the Council’s approach to local labour and local business agreements both in their relevance to the Council’s Economic Development Strategy and their status in regard to local, regional and national planning policy.</p> <p>Local labour and local business agreements are negotiated by the Local Planning Authority and a developer and form part of a ‘Section 106’ planning agreement. Their aims are to:</p> <ul style="list-style-type: none"> <li>• Secure contributions from developers towards the costs of training local people</li> <li>• Enable local people to access jobs, apprenticeships or job placements in the construction and/or end use phases of developments</li> <li>• Provide local businesses with opportunities to compete for contracts in developments by highlighting the procurement opportunities for the borough’s small businesses and building the capacity of small businesses to compete for contracts.</li> </ul> <p>Securing benefits for local people and local businesses from new developments in the borough is a key aim of both the Community Strategy and the Economic Development Strategy. This Planning Advice Note (PAN) does not seek to create new planning policy. It is intended to provide further guidance on the ways in which the Council wishes to achieve its existing planning policies. The full Planning Advice Note No.2 is included as an attachment to this report.</p>	
<p><b>Wards affected</b></p> <p>Borough-wide</p>	
<p><b>Implications</b></p> <p><b>Financial</b></p> <p>The Regeneration Implementation Division will seek to recruit an additional officer to help co-ordinate the Council’s work on Local Labour and Local Business Agreements. The Council will seek external funding for this post, either through developer contributions or through other external funding sources. The external funding source will be established prior to any recruitment taking place and there will thus be no direct impact on revenue budgets.</p>	

<p><b>Legal</b> Legal Services has been consulted and the Planning Advice Note No.2 does not raise any specific legal issues. Advice will be sought from Legal Services in the preparation of proposed local labour and local business clauses in Section 106 agreements.</p> <p><b>Risk management</b> Adoption of this PAN will provide clarity on the Council's position on how developments should include local labour and business support elements.</p> <p><b>Social inclusion and diversity</b> The approach outlined in the Planning Advice Note will have significant benefits in regard to social inclusion and diversity. The jobs and training secured through the PAN will be targeted on disadvantaged wards and groups disadvantaged in the labour market.</p> <p><b>Crime and disorder</b> There are no direct implications insofar as this Planning Advice Note is concerned.</p>		
<p><b>Recommendation</b> The Executive is asked to agree to the adoption of the 'Planning Advice Note No.2 - Local Labour and Local Business Agreements'.</p>		
<p><b>Reason</b> The PAN will provide clarity to developers, local businesses, training providers and residents on the Council's approach to local labour and local business agreements and the circumstances in which the Council may seek their implementation through use of Section 106 agreements.</p>		
<p><b>Contact Officer:</b> Niall Bolger</p>	<p><b>Title:</b> Director of Regeneration &amp; Environment</p>	<p><b>Contact Details:</b> Tel: 020 8227 3200 Fax: 020 8227 5326 E-mail: <a href="mailto:niall.bolger@lbbd.gov.uk">niall.bolger@lbbd.gov.uk</a></p>

## 1. Background

- 1.1 'Planning Advice Note No.2 - Local Labour and Local Business Agreements' has been produced by the Economic Development team in the Regeneration Implementation Division. It is intended to provide guidance to developers, local businesses, training providers, residents, Council Members and Officers on the Council's approach to local labour and local business agreements both in their relevance to Council's regeneration strategy and their status in regard to local, regional and national planning policy. It will aid the Council in achieving key objectives set out in the Community and Economic Development Strategies.

## 2. Local labour and local business

- 2.1 Local labour and local business agreements are negotiated by the Local Planning Authority and a developer and form part of a 'Section 106' planning agreement. Their aims are to:

- Secure contributions from developers towards the costs of training local people
  - Enable local people to access jobs, apprenticeships or job placements in the construction and/or end-use phases of developments
  - Provide local businesses with opportunities to compete for contracts in developments by highlighting the procurement opportunities for the borough's small businesses and building the capacity of small businesses to compete for contracts.
- 2.2 'Planning Advice Note No.2' does not seek to create new planning policy. It is intended to provide further guidance on the ways in which the Council wishes to achieve its existing planning policies. The measures set out in this note are commonly applied by other local authorities, several of whom have provided input as consultees to the development of the PAN.
- 2.3 Securing benefits for local people and local businesses from new developments in the borough is a key aim of the Community Strategy, which states that "The whole community should benefit from new developments by improving transport links, access to employment opportunities, open spaces, cultural and entertainment facilities and the range of housing".
- 2.4 The Economic Development Strategy stated that the Council would "make full use of Section 106 planning agreements to support economic development and business growth". The Regeneration Implementation Division's balanced scorecard reflects this in its objectives to 'increase prosperity for all' and in 'promoting equal opportunities and social cohesion'.
- 2.5 The Regeneration Implementation Division will seek to recruit an officer to co-ordinate the Council's work on Local Labour and Local Business Agreements. External funding will be sought for this post prior to any recruitment taking place.
- 2.6 The implementation of agreements will involve the facilitation of links between developers and key local agencies helping people into work, providing skills training or business support. Jobcentre Plus, for example, will be one of the key partners where job vacancies are concerned. The aim of agreements will be to ensure that the Economic Development Team can facilitate early links between developers and local agencies so that information on jobs and business opportunities are available at an early stage. This would, for example, allow pre-employment training schemes to be set for unemployed residents. There should be clear benefits to developers/employers from this approach through helping them to recruit locally.
- 2.7 There are clear opportunities for the PAN to assist in helping residents into the construction sector, but also for the end use phase of developments, for example in retail.
- 2.8 The full Planning Advice Note No.2 is included as an attachment to this report.

### **3. Implications**

#### **Financial**

The Regeneration Implementation Division will seek to recruit an additional officer to help co-ordinate the Council's work on Local Labour and Local Business Agreements. The Council will seek external funding for this post, either through developer contributions or through other external funding sources. The external funding source will be established prior to any recruitment taking place and there will thus be no direct impact on revenue budgets.

#### **Legal**

Legal Services has been consulted and the Planning Advice Note No.2 does not raise any specific legal issues. Advice will be sought from Legal Services in the preparation of proposed local labour and local business clauses in Section 106 agreements.

#### **Risk Management**

The PAN is not a statutory planning document and therefore a refusal by a developer to agree to a local labour or local business agreement will not constitute grounds for refusal of a planning application. The Regeneration Implementation Division will work constructively with developers to promote the mutual benefits of local labour and business agreements and encourage developers to agree to their inclusion in Section 106 agreements.

The Regeneration Implementation Division will ensure that any contributions received from developers following the adoption of this PAN are spent on time, in full and as agreed under Section 106 Agreements. The Regeneration Implementation Division will use internal project management systems to ensure that this occurs.

In the absence of the adoption of this PAN the Regeneration Implementation Division will continue to work with Development Control to try and achieve local labour and local business agreements in accordance with its planning policies in the Unitary Development Plan. The PAN would make this process considerably easier by providing greater clarity to all parties involved in these negotiations.

#### **Social inclusion and diversity**

The proposed Planning Advice Note No.2 will have a positive effect on community cohesion by engaging marginalised and "hard to hear" groups. The Regeneration Implementation Division will work with partners to ensure that training and employment opportunities arising from new developments in the borough are targeted at wards and groups most disadvantaged in the labour market.

#### **Crime and disorder**

There are no direct implications insofar as this Planning Advice Note is concerned.

### **4. Consultees**

Regeneration Board

External

London and other Neighbouring Authorities

## **5. Background Papers**

London Borough of Barking & Dagenham - Unitary Development Plan (1996)

London Borough of Barking & Dagenham - Interim Planning Guidance for Barking Town Centre (2004)

Delivering Skills for Communities – First Skills Audit of the Thames Gateway, Summary Report (2004)

Building Communities Transforming Lives – A Community Strategy for Barking & Dagenham (April 2004)

The London Plan, Spatial Development Strategy for Greater London (Feb 2004)

Economic Development in Barking & Dagenham (2004)

LB of Barking & Dagenham Access to Jobs Strategy (2003)

LB of Barking & Dagenham Workforce Development Strategy (2003)

Barking & Dagenham – An Urban Renaissance in East London (2001)

# **London Borough of Barking and Dagenham**

**Planning Advice Note No.2**

## **Local Labour and Local Business Agreements**

**September 2005**

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**[www.barking-dagenham.gov.uk](http://www.barking-dagenham.gov.uk)**



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## **1 Purpose of Planning Advice Note**

- 1.1 This Planning Advice Note was produced by the Economic Development team at the London Borough of Barking & Dagenham (hereafter referred to as “the Council”) in conjunction with the Local Planning Authority and other local and sub-regional partners.
- 1.2 Its purpose is to provide developers, local businesses, training providers and residents with guidance on the Council’s approach to local labour and local business agreements and the circumstances in which the Council may seek their implementation through use of planning obligations or “Section 106” agreements.
- 1.3 This PAN provides further guidance on:
- What is meant by local labour and local business agreements
  - How the Council defines “local labour” and a “local business”
  - Why local labour and local business agreements are important to economic development in Barking & Dagenham
  - How local labour and local business agreements may be sought by the Council through use of Section 106 agreements
  - The types of developments in which local labour and local business agreements will be sought
  - The types of local labour and local business agreements that the Council may seek to agree with developers – including local labour clauses, local job advertising agreements

## **2 Local Labour and Local Business Agreements**

### **Local labour agreements**

- 2.1 Local labour agreements are agreements made between the Local Planning Authority and a developer to enable local people to benefit from a proposed development, either through:
- Enabling local people to access jobs created in the construction and/or end-use phases of developments.

- Securing contributions from developers towards the costs of training local people where skills-gaps exist between the new jobs being created and the qualifications of local residents

### **Local business agreements**

2.2 Local business agreements are agreements made between the Local Planning Authority and a developer to enable local small and medium sized enterprises (SMEs) to benefit from new developments in the borough, through:-

- Providing local small businesses with opportunities to compete for contracts on construction sites or to provide services to end users of a development.

### **Definition of “local labour” and “local business”**

2.3 A person will be defined as “local” if he/she is a resident of the London Borough of Barking & Dagenham, however, there may be occasions when a broader definition will be used to incorporate residents of neighbouring local authorities.

2.4 A business will be defined as “local” if it is based in the London Borough of Barking & Dagenham, however, there may be occasions when a broader definition will be used to incorporate businesses of neighbouring local authorities.

## **3 Economic Development context**

### **Securing benefits for local people from regeneration in the borough**

3.1 The London Borough of Barking & Dagenham lies at the heart of the “Thames Gateway”, Europe’s largest and most ambitious regeneration initiative. Covering an area 43 miles to the east of Tower Bridge and 20 miles in length, the Thames Gateway is one of four areas identified by Government to accommodate the new homes and employment areas required in London and the South East to sustain the region’s international competitiveness.

3.2 The Mayor of London has identified a number of “Opportunity Areas” across the Thames Gateway, where redevelopment potential is greatest. This is in recognition of the fact that the Thames Gateway’s brownfield sites offer exceptional potential for development.

3.3 Two of these opportunity areas, Barking Riverside and London Riverside, are in, or include parts of, the London Borough of Barking and Dagenham.

As a result significant development is expected to occur in the borough, including many new homes and business developments.<sup>1</sup>

- 3.4 The Council is committed to securing benefits for local people and businesses following the regeneration of the borough. “Building Communities Transforming Lives, A Community Strategy for Barking and Dagenham”, the key overarching document governing economic development and regeneration for the borough, states that:

“The whole community should benefit from new developments by improving transport links, access to employment opportunities, open spaces, cultural and entertainment facilities and the range of housing”.

- 3.5 This Planning Advice Note sets out how the Council will seek employment and training benefits for local people and opportunities for local businesses to compete for contracts in new developments.

### **Providing job opportunities for residents**

- 3.6 The regeneration of Barking & Dagenham is expected to lead to the creation of considerable numbers of jobs in construction and in the end-use phases of developments. Estimates in the Mayor’s London Plan put the numbers of expected new jobs in London Riverside and Barking Riverside at 4,200.
- 3.7 The Council hopes to harness the regeneration of Barking & Dagenham to create a legacy for residents of the borough. Around 6,000 people or 8.5 per cent of Barking & Dagenham’s economically active population are unemployed, with a further 8,000 people regarded as economically inactive but who would like to find a job.<sup>2</sup>
- 3.8 The Council intends to work with developers to where ever possible to create opportunities for local people to find employment in developments through local labour clauses or agreements from developers to advertise jobs locally or use local employment brokers to find suitable local candidates.

### **Upskilling residents**

- 3.9 The regeneration of Barking & Dagenham will increase the demand for skilled workers. A Learning & Skills Council London East (LSCLE) commissioned skills audit reported that whilst at present there are no widespread skills shortages occurring across the sub-region, there is likely

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<sup>1</sup> Mayor of London’s “Spatial Development Strategy for Greater London”, February 2004

<sup>2</sup> Local Area Labour Force Survey (Mar 2003-Feb 2004)

- to be an increase in demand for higher-level skills as development in the Thames Gateway increases.<sup>3</sup>
- 3.10 Unless skills levels are increased in Barking & Dagenham and across the Thames Gateway as a whole, businesses producing higher value-added goods and services are likely to have to recruit large numbers of skilled employees from outside of the area. The LSCLE predicts that on current skills levels, two in three of the new jobs created in the Thames Gateway will be beyond the reach of the majority of Thames Gateway residents.
- 3.11 Compared to other parts of London and the UK, Barking & Dagenham has significantly lower skills levels and fewer people with graduate level and technical qualifications. Around 31 per cent of Barking & Dagenham's working age residents have low or very low literacy levels and 34 per cent have low or very low numeracy levels. Furthermore around 40 per cent of the borough's population aged 16-74 have no qualifications, compared to the London average of 23 per cent.<sup>4, 5</sup>
- 3.12 The borough's poor skills base has an impact on the type of jobs that our residents are currently accessing and will be able to access in the future. Barking Dagenham has the lowest proportion of residents working in managerial or professional occupations and the highest proportion of residents working as process; plant and machine operatives or in elementary occupations.<sup>6</sup>
- 3.13 Much is being done already to address these issues. In partnership with our Local Strategic Partnership the Council is making concerted efforts to raise the skills level of our residents and have awarded Beacon status in recognition of our efforts in secondary school education. Significant investment is being made in further education and lifelong learning by the Learning and Skills Council London East, the London Development Agency and the European Social Fund.
- 3.14 The Council is committed to working with our partners in the private sector to encourage developers to play their part in this drive to raise skills levels in the borough. We hope to gain "buy-in" from developers to the range of policies outlined in this PAN which will help raise skills levels in the borough as well as enabling local people to access the jobs created in new developments in the borough – both in their construction and end use phases.

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<sup>3</sup> Delivering Skills for Communities, First Skills Audit of the Thames Gateway, Summary Report, October 2004

<sup>4</sup> Basic Skills Agency

<sup>5</sup> Census 2001, Office for National Statistics

<sup>6</sup> Census 2001, Office for National Statistics

### **Fostering growth in the borough's SME and social enterprise sectors**

- 3.15 In addition to the opportunities for the borough's residents we are also committed to fostering growth in our Small and Medium Sized Enterprises (SME) and Social Enterprise Sectors.
- 3.16 Notwithstanding the presence of large nationally recognised employers like Ford and Aventis Sanofi, the majority of jobs in Barking & Dagenham are now provided by small and medium sized enterprises (SMEs), with an average workforce of 17 employees per company. The borough's stock of businesses is growing, although is still low compared to other London Boroughs.
- 3.17 We have made supporting Barking and Dagenham's SMEs one of our key priorities. SMEs stimulate competition and productivity in the economy as a whole, are more likely to employ local people than large companies, build local business networks and reinvest their profits within the local community. Encouraging a diverse and thriving SME sector will enable the borough to weather economic downturns more easily than if we have an over-reliance on a few sectors and a small number of large employers.
- 3.18 The Council is also keen to develop Barking & Dagenham's social enterprise sector. Social Enterprises typically have social and/or environmental goals, for example creating employment for disabled people or recycling household waste items such as unwanted furniture. The income that they generate from trading is used to fund the work of their projects. Social Enterprises create local jobs, often for disadvantaged groups, and the income they generate largely stays in the local economy.

### **Providing benefits for developers**

- 3.19 The Council is committed to building relationships with developers and end-use occupiers to provide ongoing support to our business community. Local labour and local business agreements agreed through Section 106 agreements can assist developers and contractors by:
- Helping to overcome localised skills shortages;
  - Helping to attract new recruits to the industry;
  - Providing recruitment and training packages tailored to the needs to developers
  - Helping to identify local training providers
  - Helping to develop training schemes for local residents;

- Helping to identify specialist local firms, contractors or sources of supply.
- Helping firms meet their objectives around Corporate Social Responsibility

## **4 Planning policy context**

### **National Planning Policy**

4.1 Planning obligations or “Section 106” agreements are the means by which the Council via the Local Planning Authority can negotiate with a developer to:

- Restrict the development or use of land in a specified way;
- Require specified operations or activities to be carried out in, on, under or over the land;
- Require the land to be used in a specified way;
- Require a sum or sums to be paid to the Council on a specified date, dates or periodically.

4.2 Their legislative basis is contained in Section 106 of the Town and Country Planning Act 1990 as amended by Section 12 of the Planning and Compensation Act 1991.

4.3 Planning obligations will typically be requested by the Council to mitigate the impact of a development on local people, services and infrastructure.

4.4 Guidance issued by the Department of the Environment in January 1997 under Circular 1/97 states that obligations should meet the so-called “Necessity test” which requires planning obligations to be:

- Necessary
- Relevant to planning
- Directly related to the proposed development
- Fairly and reasonable related in scale and kind to the proposed development
- Reasonable in all other respects.

- 4.5 The guidelines set out in Circular 1/97 will be regarded by the Council as a material consideration in determining planning applications; as will the benefits sought by the Local Planning Authority or the developer which have a reasonable connection with the development.
- 4.6 There may be circumstances when broader planning objectives, such as those on local labour or local business, can only be achieved if they are included as a planning obligation to the development.
- 4.7 It should be noted that the offer of obligations will not make developments that are contrary to the Council's Unitary Development Plan (1995) and subsequent Interim and Supplementary Planning Guidance, acceptable to the Council. Likewise the unwillingness of a developer to offer a planning obligation will not constitute a reason for refusal of an otherwise acceptable scheme.

### **Regional Planning Policy**

- 4.8 The Council's use of local labour agreements as set out in this Planning Advice Note is supported by sub-regional policy set down by the Mayor of London.
- 4.9 Policy 3B.12 of the Mayor of London's Spatial Development Strategy or London Plan states that:

"Working with strategic partners, the Mayor will ensure that opportunities provided by major new development are used to assist in skills action and the targeting of job opportunities to local communities."

### **Local policy context**

- 4.10 The Council's Strategic Employment Policies are set out in the Barking & Dagenham Unitary Development Plan (1995). These are:-

#### Strategic Policy E

"Measures will be taken to protect existing employment uses and encourage investment in new uses in order to secure a range of job opportunities for local people for local people and to contribute to London's employment needs."

#### Strategic Policy F

"Measures will be taken to improve the jobs available to local people, particularly those at an employment disadvantage"



4.11 Further to point 4.6, as a practical means of implementing these strategic policies and in line with regional planning policy, the Council may seek agreement with a developer to use local labour and local business planning obligations.

4.12 This policy is supported by the Council's Economic Development Strategy which states that:

"The Council will make full use of Section 106 planning agreements to support economic development and business growth in Barking & Dagenham".

### **Developments where local labour/business obligations will be sought**

4.13 Applications for development in the London Borough of Barking & Dagenham are made to Development Control in the Council's Local Planning Authority.

4.14 The role of Development Control is to regulate the use of land within the borough and to balance the interests of the community at large with the rights of an individual to develop land. As part of this role, Development Control is responsible for negotiating Section 106 agreements with developers.

4.15 Under Policy C17 of the Barking & Dagenham Unitary Development Plan (1995) the Council will seek to negotiate planning obligations in the following types of development:

- Office schemes of 1,000 square metres (10,764 sq.ft.) or more;
- Industrial or warehousing schemes of 2,000 square metres (21,528 sq.ft) or more;
- Retail schemes of 1,000 square metres (10,764 sq.ft) or more;
- Residential schemes of 1 acre (0.4 ha) or more.

4.16 These thresholds will also apply to the negotiating of local labour and local business agreements. Where a development meets these criteria, the Local Planning Authority may seek to negotiate local labour and local business agreements.

4.17 In instances where the proposed development is under these thresholds the developer may still wish to contact Economic Development voluntarily

if it requires assistance in sourcing suitably qualified local people and/or sourcing local suppliers.

## **5 Role of the Economic Development team**

- 5.1 Where a development meets the criteria under Policy C17 the Local Planning Authority will refer the developer to the Economic Development team in the Regeneration Implementation Division of the Department of Regeneration and Environment.
- 5.2 It will be the Economic Development team's responsibility to recommend to Development Control the local labour and/or local business agreements that should be sought from the developer. This will be done in consultation with local stakeholders such as local training providers and employment bodies.
- 5.3 Developers will be asked to either liaise directly with the Economic Development or to refer their main contractors, to discuss the skills required for the construction and end use phases of the development.
- 5.4 The developer will be asked to provide Economic Development with a breakdown of the expected labour and skills requirements for the planned development.
- 5.5 In partnership with the developer or contractor, Economic Development will assess the potential for local people to be employed in a development's construction or in its end use.

Consideration will be given to:

- The type of skills required in the construction and end use phases of the development.
  - The capacity of local training providers to bring forward local people with suitable skills.
- 5.6 Based on a review of these issues, Economic Development will recommend to Development Control the local labour agreements most appropriate to the needs of the construction and end-use phases of the development and of the needs of the local community.
  - 5.7 The developer will also discuss with Economic Development the opportunities for local companies to provide goods or services in the construction and end-use phases of the development. The main contractor/developer may agree to a planning obligation to use reasonable endeavours to use local sources of supply.

- 5.8 The benefits sought by Economic Development will be consistent with the size and type of development and the specific needs of the locality within which the development will be undertaken.
- 5.9 Planning obligations sought by Economic Development on local labour and local business obligations are likely to form part of a wider Section 106 package that will be negotiated between the developer and Development Control.

## **6 Local labour and local business obligations sought by the Council**

### **Contributions to training**

- 6.1 The Council may seek contributions from developers towards the costs of training local people in the skills and qualifications required to access employment in the construction and/or end use phases of a development.
- 6.2 Contributions will be sought where one or all of the following apply;
- Economic Development and/or the developer has identified a shortage in suitably trained local people to fill the skilled jobs to be created in the development;
  - Industry-wide skills shortages have been identified by Economic Development and/or the developer which may impact on in the construction and/or operational phases of the development;
  - Gaps have been identified by Economic Development or the developer in the training currently being provided in the borough or in neighbouring boroughs.
  - Local employees recruited to a development require ongoing training
- 6.3 Based on a consideration of the above points a contribution will be sought from the developer to increase the number of training places provided by an existing local provider or to commission a new course to train local people in the required skills.
- 6.4 Examples of training that developer contributions could support include:
- Pre-site or employment training to enable local residents to gain entry level employment in the construction or operational phases of the development.

- Training to up-skill local residents to enable them to access higher level jobs – including support for access to higher education schemes.
  - Pre-apprenticeship training for underachieving young people
  - Work-based training to enable local people to upgrade skills and gain accredited qualifications whilst employed in the development.
- 6.5 The training may be targeted at specific groups of Barking & Dagenham residents:
- Residents of wards or super output areas where unemployment is higher than the borough average and/or where economic activity rates are lower than the borough average
  - Economically inactive or particular “hard-to-hear” groups that the Council and its stakeholders has identified in other programmes.
- 6.6 The value of the contribution sought by the Council will be based on a consideration of point 6.8 and of the following:
- the costs of the required training
  - the number of skilled employees required over the life of the construction phase and/or the predicted intake of employees in the operational phase
  - the proportion of workers sought from the local community – through for example a local labour clause.
- 6.7 The Council may seek a contribution from the developer towards the revenue/capital costs of implementing the local labour policies contained in a Section 106 agreement, for example, towards staffing costs.
- 6.8 Wherever possible the Council will lever in additional funding to match contributions made by developers.

**Local job advertisement/recruitment agreement**

- 6.9 Economic Development may recommend that the developer agrees advertise jobs locally or enters into an ongoing agreement with the Economic Development to enable it to work with partners on the developer’s behalf to recruit local people to the construction and or/end use phases.

- 6.10 Economic Development may recommend that the developer works with local job brokerage services to promote local recruitment. Services provided by the job brokerage service could include:
- Liaising with the developers/main contractors preferred recruitment agencies and relevant local training providers to find local candidates.
  - Assessing the suitability and experience of people to be offered to employers
  - Checking on the performance of local recruits
  - Undertaking regular site visits to maintain relationships with contractors and check on progress of recruits
  - Establishing arrangements with the contractors for notifying the Economic Development team and/or the job brokerage service of new vacancies on site.
  - Establishing a recruitment office on large construction sites
- 6.11 A key element to this policy would be for developers to give early warning of job vacancies, to allow sufficient time to work with recruitment agencies, training providers and local employment bodies to find suitable local candidates.
- 6.12 It is appreciated that the timescales that contractors work to are often day-to-day so this will not always allow time for suitable local candidates to be identified. The developer will be encouraged to enter into an ongoing dialogue with the Economic Development team or its appointed agent to ensure that wherever possible advanced notice is given and that forward planning is undertaken to maximise opportunities for local people and help meet the developers local labour clauses where these are part of a Section 106 agreement.

### **Local Labour clauses**

- 6.13 Economic Development may recommend to Development Control that the developer agrees to a “local labour clause” for the construction phase of a development and/or to pass on a local labour clause to the occupiers of the development. The developers/contractors will be required to work with the Economic Development team to consider ways in which it can meet its local labour target (See point 6).

- 6.14 Under the local labour clause the developer (via its main contractor and sub-contractors) agrees to:
- Use “best endeavours” to recruit a certain percentage of its total workforce from local residents
  - Use “best endeavours” to recruit apprentices of local colleges.
- 6.15 The exact percentage of local labour required for each development will be negotiated on a case by case basis. The decision will be made on the availability of the local labour market to meet the skills required by the developer.
- 6.16 The developer may agree to pass on a local labour clause to the end-use operators. Under this condition the tenant will be required to ensure that best endeavours are made to ensure that an agreed percentage of employees in the end use phase are local residents. This target will be subject to the skills profile of each development and the ability of the local labour market to meet the demand for employees.
- 6.17 The developer should request that contractors and sub contractors complete monthly site monitoring forms on their workforce, as compliant with data protection legislation. This information should be supplied to Economic Development or its appointed agent.
- 6.18 The developer/contractors may be required to recruit specific groups of local residents (see point 7.5). Monitoring data should therefore include the postcodes of employees (including last three digits), sex, ethnicity (by census classifications) and apprenticeship status.

### **Trainee placements**

- 6.19 Economic Development may require the developer to take on a number of trainees from local colleges. This will be negotiated alongside the developer’s obligation to use local labour through a local labour clause.
- 6.20 Funding may be sought from the developer or from external sources to provide ongoing support to trainees including – pre-work training, work-based training and ongoing support and mentoring.

### **Local business agreements**

- 6.21 Economic Development may request that a developer agrees to a “local business agreement” under which the developer and/or end use operator agrees to liaise with the Economic Development team or an appointed

agency to identify forthcoming contracting opportunities for local businesses.

- 6.22 The Economic Team will work through local partners such as Building East to provide advice to small businesses and social enterprises on the procurement opportunities arising from major regeneration projects in the borough. Assistance will be given to local companies to help build their capacity to bid for contracts in local developments and to successfully deliver these once contracts have been won.
- 6.23 The developers will be encouraged to work with the Economic Development team to identify local sources of supply. This will support the development of the borough's small business sector as well as create additional employment opportunities.<sup>7</sup>

## **7 Background information**

London Borough of Barking & Dagenham - Unitary Development Plan (1996)

London Borough of Barking & Dagenham - Interim Planning Guidance for Barking Town Centre (2004)

Delivering Skills for Communities – First Skills Audit of the Thames Gateway, Summary Report (2004)

Building Communities Transforming Lives – A Community Strategy for Barking & Dagenham (April 2004)

Economic Development in Barking & Dagenham (2004)

LB of Barking & Dagenham Access to Jobs Strategy (2003)

LB of Barking & Dagenham Workforce Development Strategy (2003)

Barking & Dagenham – An urban renaissance in East London (2001)

The London Plan, Spatial Development Strategy for Greater London (Feb 2004)

## **8 Consultees**

Association of London Government

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<sup>7</sup> For more information on the Building East project please see [www.buildingeast.com](http://www.buildingeast.com)

Barking and Dagenham Chamber of Commerce  
Barking College  
Building East  
Business Link for London  
Construction Industry Training Board  
Corporation of London  
Barking and Dagenham Council for Voluntary Services  
Dartford Borough Council  
East London Business Alliance  
Gateway to London  
Jobcentre Plus  
John Laing Training Ltd  
Learning & Skills Council London East  
London Borough Greenwich  
London Borough Hackney  
London Borough of Bexley  
London Borough of Havering  
London Borough of Lewisham  
London Borough of Newham  
London Borough of Newham  
London Borough of Redbridge  
London Borough of Tower Hamlets  
London Borough of Waltham Forest  
London Development Agency  
London Riverside Ltd  
Manufacturing Advisory Service  
Thames Gateway London Partnership  
Thurrock Council  
University of East London



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