

**THE EXECUTIVE**

**20 JANUARY 2004**

**REPORT FROM THE DIRECTOR OF LEISURE AND ENVIRONMENTAL SERVICES**

<b>CONSULTATION ON THE EAST LONDON URBAN DEVELOPMENT CORPORATION - RESPONSE OF THE COUNCIL</b>	<b>FOR DECISION</b>
<p><i>This report deals with a matter of policy, therefore the decision is reserved to the Executive.</i></p> <p><b><u>Summary</u></b></p> <p>The Sustainable Communities Plan, published earlier this year recommended that a number of special purpose vehicles should be established in the Thames Gateway and the other growth areas to take forward their regeneration. The government proposed at that time that an Urban Development Corporation (UDC) should be established in two areas in the Thames Gateway, namely Thurrock (covering a single borough) and East London. This was in accord with the Council's policy objectives for the regeneration of London Riverside and that of its partners in the Thames Gateway London Partnership, subject to caveats relating to representation on the Board of the UDC, its geography and the exercise of its powers.</p> <p>On 17 November 2003, the Office of the Deputy Prime Minister (ODPM) published the formal consultation paper on the proposed UDC for East London. Responses are required by 6 February 2004. The consultation paper is attached as Appendix 1.</p> <p>The major issues for Barking and Dagenham remain issues of geography (in terms of the boundary of the UDC), representation on the Board and the exercise of powers in particular under the Town and Country Planning Act 1990 and related legislation. It would be fair to say that the consultation paper is weak and inadequately detailed for the Council to genuinely ascertain the Government's intentions in relation to the powers to be exercised by the UDC. Equally, there is no indication whatsoever in relation to its budget, or any indication regarding how it will relate to other partnerships and agencies in the Thames Gateway.</p> <p>The response to the consultation is attached as Appendix 2. The key issue is the continuing support of the Council to the establishment of the UDC and the delivery of the objectives contained in the Sustainable Communities Plan, but the serious concerns the Council has in relation to the Government's draft proposals need to be addressed before the Council can confidently endorse the establishment of the UDC.</p> <p><b><u>Wards Affected</u></b></p> <p>This will have a substantial impact on all Wards in the Borough, with a particular emphasis on the south of the Borough.</p>	

## **Recommendations**

The Executive is recommended to:

1. Endorse the Council's response to the UDC consultation attached as Appendix 2, noting that the Council is currently unable to endorse the establishment of the UDC due to fundamental issues remaining unresolved;
2. Agree that Officers bring forward a report on the Government's final proposals, when these are known in the Spring of 2004, when a final decision on whether to support the establishment of the UDC will be made by the Executive; and,
3. Note that it is unlikely that the UDC will be operational until Winter 2004 and as a consequence, planned work on regeneration and renewal should continue.

## **Reason**

To assist the Council achieve its Community Priorities of "Regenerating the Local Economy", and "Improving Health, Housing and Social Care".

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## **1. Background**

- 1.1 The establishment of an Urban Development Corporation in East London was proposed by the Government in February 2003 with the publication of "Sustainable Communities: Building for the Future" (the "Communities Plan"). The Communities Plan set out a long-term programme of action including tackling issues of housing supply in the South East and London and major reforms to the planning system and housing.
- 1.2 In order to achieve the step change in regeneration and renewal, the Deputy Prime Minister also announced substantial resources to ensure the achievement of the ambitious targets included in the Plan. This consisted of £446 million for the Thames Gateway for the period 2003/04 – 2006/07 out of a total commitment of £22 billion for the same period for all projects and programmes across England.
- 1.3 In July 2003, the apportionment of these resources was announced, with Barking and Dagenham receiving an initial allocation of £22 million as accountable body for the same period. This investment will release the development potential of a number of sites in Barking and Dagenham and other complementary expenditure by key partners such as English Partnerships, the London Development Agency and the Housing Corporation will also assist in this process.

- 1.4 Notwithstanding this welcome investment in regeneration projects in the Borough, the need for major investment in the London Riverside area and Barking Town Centre to secure the delivery of the Communities Plan's objectives will require concerted effort and considerable resources (with estimates as high as £2 billion for infrastructure improvements alone). Recognising this, the Council has been broadly supportive of the proposal to establish an Urban Development Corporation both independently and as a partner in the Thames Gateway London Partnership.
- 1.5 The Office for the Deputy Prime Minister published a consultation paper on the proposed Urban Development Corporation for East London on 17 November 2003. A copy of this consultation paper is attached as Appendix 1.

## **2. Consultation Issues**

- 2.1 The consultation paper is considered to be inadequate at present for the Council to take a view on whether to support the establishment of the UDC.
- 2.2 Major issues of concern remain unresolved. These relate to the balance and availability of resources (in particular in relation to the regeneration proposals emerging for the Lower Lea Valley and the proposed 2012 Olympics), the geography of the UDC (in particular in relation to Barking Town Centre and the inclusion of existing communities in the boundary of the UDC), the use of planning powers and the associated governance arrangements and of paramount importance, the composition and membership of the Board.
- 2.3 It is considered that the lack of definitive direction from the Office of the Deputy Prime Minister on all of these issues makes it impossible for the Council to unreservedly support the establishment of the UDC. Indeed, if these outstanding issues are not resolved to the satisfaction of the Council, it will be difficult, (if not impossible) for Officers to recommend that the Council supports the establishment of the UDC.
- 2.4 On this basis, it is recommended that the Executive reconsider the proposals for the UDC when the final proposals of the ODPM are published in Spring 2004.
- 2.5 The Council's draft response to the consultation is attached as Appendix 2, which contains a detailed assessment and response to these issues.

## **3. Financial Implications**

- 3.1 There are no direct financial implications as a result of this report.
- 3.2 It should be noted that there are likely to be substantial financial implications as a result of the establishment of the UDC, depending on the powers that it takes. These are impossible to assess at present, due to the lack of information on these matters included in the consultation paper. Further details on this will be provided in the subsequent report later this year when the Government's intentions are known fully.

#### **4. Internal Consultation**

4.1 The following officers have been consulted on the report and the draft consultation response:

- Regeneration Board, 23 December 2003. (All Chief Officers, Jeremy Grint, Head of Regeneration Implementation and Rob Shooter, Acting Group Manager Partnership Development and Performance and Councillor Kallar [apologies from Director of Corporate Strategy and Chief Executive] ).
- Graham Farrant, Chief Executive
- Robin Tuddenham, Interim Head of Policy and Performance
- Peter Wright, Head of Strategic Planning and Transportation
- Gordon Glenday, Group Manager, Sustainable Development
- Philip Baldwin, Regeneration and Partnerships Manager, PCT/Social Services

#### **Background Papers**

- Letter from Rt. Hon Keith Hill MP dated 17 November 2003, enclosing the consultation paper "Sustainable Communities: An Urban Development Corporation for the London Thames Gateway – A Consultation Paper" (attached as Appendix 1).