

# South Bank Employers' Group

## Response to the Consultation by the Commission on London Governance

**South Bank Employers' Group is a not for profit association of fifteen major organisations in the South Bank and Waterloo:**

British Film Institute Coin Street Community Builders Ernst & Young Guy's and St Thomas' Hospital Trust IBM UK ITV Kings College London & Continental Railways London Eye Company London South Bank University Network Rail P&O Developments Royal National Theatre Shell South Bank Centre

**Its comments on the points raised by the Commission on London Governance are as follows:**

### **1. Background**

**1.1** The comments of South Bank Employers' Group are based on its experience of business led regeneration and public realm improvements in the area bounded by Lambeth Bridge, Blackfriars Bridge and St George's Circus. The area contains a unique mix of big business, major cultural organisations, London's most successful paid tourist attraction, very large higher education establishments, a major hospital, the busiest railway station in Europe, significant social enterprise, and a growing residential population at both the social/affordable and top ends of the market. It contains an Opportunity Area in the Mayor's London Plan, is the major employment area in Lambeth and contains part of the major area for employment in Southwark. Both under the Opportunity Area and the Southwark UDP it is intended to provide for significant growth in employment.

**1.2** In the case of both Lambeth and Southwark, the area in question is right at the top corner of the borough and wholly different in needs and character from the remainder of each borough. It has, through its employment opportunities, the capacity to contribute substantially to the reduction of deprivation in the remainder of each borough. However, the financial and political demands of more deprived areas make it difficult for Lambeth and Southwark to devote the necessary resources to meet the special needs of an area which seems wealthy in comparison to nearby deprivation. The consequent lack of investment in public realm improvement, maintenance and management threaten the ability of the area to attract the necessary investment to meet employment growth objectives and thus contribute to reducing worklessness and social exclusion further South in both boroughs.

**1.3** The South Bank/Waterloo/Blackfriars area thus defined is presented here as perhaps the most extreme example of concentration of wealth, employment and daytime population in a small corner of two boroughs but could be seen as representative of other areas, for example on the City Fringe.

**1.4** The comments which follow on the questions raised in the Consultation, where they relate to these particular local circumstances, are intended to point to the solution of a business and community led neighbourhood with a broader remit than a BID. The best solution for the area would make use of a well-established business organisation (the South Bank Employers' Group) and existing mechanisms for democratic oversight in the form of the South Bank Partnership.

**1.5** The South Bank Partnership was established to provide democratic oversight of the Waterloo Project Board SRB programme. It is jointly chaired by the two local MPs, Kate Hoey and Simon Hughes and involves local councillors from both Boroughs. There is full representation of businesses and employment interests and the intention to increase the Community role. The Partnership operates on a cross borough basis and in all respects represents a very suitable organisation to oversee a special form of neighbourhood management in a highly mixed area of big business, large public and publicly funded organisations, small business and a significant residential population at both ends of the market.

**1.6** This approach recognises the decision of the Commission on London Governance not to open up the complications of boundary changes. It proves a cross-borough solution, and enables the Central London activities of the area to be properly supported in boroughs where such activities are concentrated in one small corner.

## **2 Specific Responses**

### **a) Giving local communities more of a say in their affairs**

Current arrangements for Area Committees provide a forum for local input into various services and activities but do not have the capacity to ensure that the range of services and quality of their delivery meet local needs. In the case of the South Bank/ Waterloo/ Blackfriars area the effect of this is exacerbated in that the wards covered by the area committees include substantial and deprived residential districts and therefore have all the same conflicts for resources as those which face the Boroughs as a whole.

Neighbourhoods definitely need more of a say in their affairs, and the boundaries of neighbourhoods need to be set in such a way as to achieve a degree of homogeneity so that local services to be tailored, managed and delivered to meet the prime needs of the neighbourhood. NDC and NRF funds are rightly focussed on areas of special need. In the same way, business-led arrangements for service delivery should be established to meet the special needs of areas of intensive business and high daytime population in Boroughs where the main focus is inevitably on areas of deprivation.

### **b) Addressing geographical differences of service provision.**

In the circumstances of the area in question there is a need for differences in service provision. If the area is to thrive, attract the investment and deliver the growth to which the London Plan aspires, it will require greater investment in general maintenance and services than surrounding residential areas. Current arrangements make it politically impossible to implement such investment in the face of legitimate demands on resources for more deprived areas. Government has proposed Business Improvement Districts as the solution. BIDs, however, must meet the principle of additionally. Business ratepayers will not vote for additional levies if they are to be used to plug gaps in basic services, and it must be recognised that basic services will need to be of a different order in areas which have a huge daytime population.

Local communities, especially those where business is a dominant feature, should have the democratic capacity to establish what the standard should be, even if that does result in geographical differences in levels of service delivery. They must also have the capacity to ensure that the minimum standard, whoever it is delivered by, meets any special needs of the area.

### **c) The case for special funding arrangements for London**

There are good arguments for relocalising NNDR providing there are strict limits on local variations and a formal and effective capacity for business to influence the priorities for expenditure. The relocalisation may well be more acceptable at pan-London level to pay for major infrastructure investment. More of the NNDR raised in London should in any event be retained in London to ensure that London maintains its international competitiveness and its ability to act as the engine of the UK economy.

Other possible taxes, eg sales or tourist taxes and local income tax, run the danger of undermining this competitiveness. London is already very expensive for personal and business tourists.

Employers' funding of major infrastructure projects must not be a substitute for what should be achieved through public investment and, if implemented, should be confined to those who directly benefit from the investment.

### **d) The democratisation of central government funding streams**

Democratisation is desirable, but the most important factor is that the allocation of funding streams should be transparent.

### **e) Extending joint working between London boroughs**

We support extended joint working between boroughs, both to achieve economies in line with Gershon and to ensure that services are joined up when it is desirable that they should be so. There are simple local issues where joining up would be highly desirable, such as maintenance and management arrangements across boundaries; especially when borough boundaries do not coincide with organic neighbourhoods.

Particular issues which need addressing are responsibilities across Thames bridges – there are still inter borough disputes on these –

- Willingness to extend contracts across borough boundaries where the nature of the work make it sensible to do so.
- Willingness to pool Section 106 benefits across borough boundaries where the impact of developments is best mitigated in this way.

All have strong neighbourhood input.

### **f) The responsibilities of London Boroughs and their elected councillors**

Executive members in boroughs are extremely overloaded. Any extension of responsibilities should recognise this.

### **g) The extension of partnerships**

Partnerships should be judged on their issues –

- Do they provide for broader involvement in decision making or policy formation in a helpful way?
- Are all partners as fully involved as is useful for them to be? The existence or composition of partnerships should never be for token purpose.
- Do they add value to coordination and delivery?

Partnerships should have very close terms of reference and should frequently check back to this original purpose. Where for example, a partnership has been established to coordinate a particular project or theme it should not remain in existence beyond the life of that project or theme, nor get involved in the delivery or other activity which could be

satisfactorily achieved with fewer partners or a different basis. Partnerships need to be under scrutiny, not just for accountability, but also for leanness. They should not be cause of an unnecessary level of bureaucracy and overheads and must always be transparent in their objectives, performance and budgets. Partnerships should only be created, continue to exist or undertake delivery where they demonstrably and measurably add value.

**h) The responsibility of the GLA**

The strategic authority can further support the developments of local choice and local diversity by setting clear strategic objectives, as it has with London Plan; and then by devolving delivery to the most local acceptable level for the effective delivery of particular projects and services.

Where it, or associate GLA family bodies have funds which are available to support the sub-regional or local delivery the process of allocating those funds should be fully transparent. The authorities should support neighbourhood initiatives and demonstration projects where they can be shown to be accountable and effective.

Where strategies or pan of London policy or delivery is required the GLA should have the necessary authority and responsibility to ensure effective planning and delivery.

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