

13 Hackney Transport Strategy Funding Options

13.1 Neighbourhood Renewal Funds (NRF)

13.1.1 Hackney was allocated £20 million in NRF for 2005/06. It is possible that there will be limited opportunities to use these funds for transport projects, where they form part of a neighbourhood renewal project that meets the criteria for NRF. To develop a case for supporting specific schemes within the HTS, there should be an alignment with the key actions in the Local Neighbourhood Renewal Strategy Action Plan.

13.2 TfL funding support

13.2.1 Transport for London has funded local transport improvements in each of the London Boroughs through its Borough Spending Plans (BSP) process. In the past spending plans for BSPs have included a broad range of transport related expenditure including road maintenance, interchange improvement, bus, cycling and walking programmes. In 2005/06 Hackney will have a BSP allocation of £5.4 million.

13.2.2 The BSP process has been replaced by the Local Implementation Plan (LIP) funding process, which includes an annual monitoring requirements covering all aspects of transport development. The operation from 2005. This new process aligns the boroughs' transport spending plans with the Mayor's Transport Strategy.

13.3 LDA London Lower Lea Valley Intervention Programme

13.3.1 The LDA Economic Development Strategy identified strategic locations where there were regionally significant opportunities and needs. Within these locations the LDA was keen to take a leading role and to add value to the work of existing agencies and partners working in these areas. Through the LDA's Area Intervention Programme the Lower Lea Valley, including Hackney, was identified as a strategic priority location for immediate action. The Area Intervention Programme is funded by the 'Single Pot' and through commissioning arrangements with partners. Given that transport is a key element in the regeneration of the Lower Lea Valley and a major component of the 2012 Olympic bid, there is strong potential for elements of the Hackney Transport Strategy to be supported through LDA funding in the future.

13.4 Local Authority Business Growth Incentives

13.4.1 The Local Authority Business Growth Incentives (LABGI) scheme was designed to give local authorities an incentive to maximise economic growth. This scheme (given the go ahead in the recent Budget) came into effect on 1st April 2005 and will allow local authorities to retain a proportion of increases in local business rate revenue to spend on their own priorities in their own areas. This could create opportunities for specific medium to longer term actions in the strategy to be resourced from 2005 onwards.

13.5 Planning Obligations Reforms

13.5.1 Following the recent consultation on planning obligations, Government policy is moving in the direction of providing more certainty and the resultant proposals could provide developers with an option of paying a set charge in place of entering a negotiated agreement. This could then offer a greater degree of flexibility in resourcing aspects of the Hackney Transport Strategy that were connected to any future Section 106 and Section 278 (highways) agreements.

13.5.2 On the other hand the Barker Review Final Report contends that the local authorities should receive a direct share of the development gain generated by the Planning Gain Supplement in their area. This recommendation which is currently not Government policy, suggests that local authorities would have greater autonomy to spend this share as they see fit. Whilst the Barker Review is in relation to housing supply, it is possible to suggest that the principle of delivering development through a new Community Infrastructure Fund could apply to other forms of land use developments. If this became Government policy, the future use of gap funding to fund up-front costs of infrastructure could apply to developments broader than housing such as the delivery of the transport improvements.

13.6 Local Authority Borrowing Powers

13.6.1 In April 2004, the Local Government Act 2003 brought into effect a prudential capital finance scheme. This gave local authorities greater freedom to borrow what they feel they can afford in order to finance capital. Councils can borrow as much as they want, providing there is enough revenue finance to support the borrowing. This form of financing whilst bringing greater discretion also introduced a greater element of risk, since the Government has not fixed an upper limit on the amount that can be borrowed.

13.7 Social Venture Capital

13.7.1 As part of the public service improvement agenda the Government wants a strong and vibrant voluntary and social enterprise sector that is able to meet the needs of the recipients of public services by shaping and delivering public services. This may include a role in delivering aspects of the Hackney Transport Strategy. New forms of social venture capital such as the Adventure Capital Fund and Futurebuilders can fill equity gaps in organisations; improve their asset development and future service delivery compatibilities. Whilst this would not directly benefit all types of organisations, it could be of value to those who were keen to expand or grow at a faster rate and seeking to broker additional investment from the private sector.

13.8 Council revenue funding

13.8.1 Council revenue funding provides an important stream of financial support for transport related schemes. Whilst traditionally revenue generated through Business Rates and Council Tax has been used for transport, recent legislation allows for transport activities to generate revenue directly for new transport infrastructure. Such forms of revenue generation include that from

parking charges, congestion charging and work place parking charges. Hackney only operates the former although has previously benefited from funding resulting from the central London congestion charging scheme.

13.8.2 Delivering the HTS in the future could benefit from transport related revenue generation. Politically and technically there are still barriers to overcome in many cases especially in terms of congestion charging and work place parking levies. However, the HTS needs to be aware of these opportunities and to consider their adoption where appropriate.

13.9 Other Funding Opportunities

13.9.1 Another potential funding source for transport related projects in town centres are Business Improvement Districts (BIDs), which could potentially be appropriate for all major town centres in Hackney (Hackney Central, Dalston, Stoke Newington). Business Improvement Districts (BIDs) are a partnership between local authorities and local businesses to provide additional services or improvements to a specified area. This is funded in whole or in part by a levy additional to the non-domestic rates.

13.9.2 The adoption of a partnering approach to seeking funding for aspects of the Transport Strategy could enable access to the other funds from statutory, trust and lottery sources. An example of this is the Esmee Fairbairn Environment Programme. The Esmee Fairbairn Foundation is one of the largest independent grant making foundations in the UK. The Foundation aims through its funding to improve the quality of life, particularly for people and communities that face disadvantage. The Environment Programme seeks to support projects that prevent environmental degradation whilst recognising legitimate aspirations for housing, goods, transport and leisure activities. Aspects of the Transport Strategy have the potential to meet these criteria.

13.10 Partnerships

13.10.1 LB Hackney realises the benefits associated with partnership working. The Council wishes to continue to promote and foster partnerships to deliver the HTS and the proposals in the Council's Local Implementation Plan.

13.10.2 To date the Council has successfully worked with a number of partners to formulate, progress and implement schemes. Examples of this include working with the SRA on station accessibility upgrades, working with TfL on the London Bus Priority Network and TfL and Sustrans on the London Cycling Network, working with local transport providers and voluntary sector organisations to deliver community transport, and working with the private sector to deliver regeneration and supporting transport infrastructure schemes.

13.10.3 Close partnership working is and will be further developed with organisations such as the Thames Gateway London Partnership (TGLP) and Olympic Delivery Authority (ODA).

13.10.4 In the future, the Council would like to extend its partnership working to include closer working arrangements with the community. This has already begun with the extensive consultation that has been undertaken as part of the development of the HTS and is similarly being undertaken through the Community Strategy and the development of the LDF. Not only does developing a partnership with the local community help to raise awareness of the transport initiatives being implemented, it also helps to formulate them in the first place.