

1 FULL APPRAISAL

1.1 INTRODUCTION

This report sets out a detailed sustainable development appraisal of the draft Economic Development Strategy for London.

The appraisal has been carried out on behalf of the London Development Agency (LDA) and the London Sustainable Development Commission (LSDC), and **aims to appraise whether the draft EDS promotes the values and objectives set out in the Sustainable Development Framework for London** (set out in *Annex A*).

1.2 REPORT STRUCTURE

The main body of this report contains **a review of the key findings, conclusions and recommendations** which have arisen from the sustainable development appraisal. As such it provides a focused, stand-alone summary of issues which need to be addressed in the future development of the EDS.

Information on the detailed findings of the appraisal, and on the process of carrying out the appraisal, is contained in Annexes, as follows:

- *Annex A* reviews the methodology used in carrying out the appraisal, and particularly focuses on the criteria developed for the appraisal.
- *Annex B* presents the findings of the first stage of the appraisal, called the 'coarse sieve'.
- *Annex C* appraises the *content* of the EDS, ie does the EDS adequately address the issues raised by the appraisal criteria?
- *Annex D* appraises the *process* by which the EDS is being developed, ie will the process of developing the EDS adequately address the issues raised by the appraisal criteria?
- *Annex E* sets out a detailed appraisal of each chapter of the draft EDS.

2.1 OVERVIEW

2.1.1 Strengths

Our appraisal has concluded that the current draft of the EDS already addresses many aspects of the sustainable development agenda (as articulated in the Sustainable Development Framework for London), in particular:

- *Capability*, through promoting access to training, skills development, learning, and information to a wide range of groups;
- *Respect*, through promoting workplace equalities, flexible working practices, economic diversity, and London's cultural diversity more generally;
- *Vibrancy*, through promoting the creativity and vibrancy of London and its communities as an attraction for visitors and investors;
- *Innovation*, through promoting investment and innovation in business, the development of specific sectors that enhance the process of sustainable development, and the transfer of knowledge between research institutions and the commercial sector; and
- *Esteem*, through promoting the widening of the employment base, the development of a skilled and flexible workforce, and equal opportunities in the labour market.

Furthermore, the process of developing the EDS follows many of the principles of the Sustainable Development Framework for London, by:

- involving groups and individuals experiencing, or with expertise on, deprivation and social exclusion;
- involving people from all parts of London; and
- including transparent processes that show how the outputs of consultation have been considered and decisions reached.

2.1.2 Areas for Improvement

The appraisal and our discussions with the LDA and LSDC has also concluded that the structure and content of the current draft could be significantly improved, and that the process of developing the EDS could be strengthened. 'Headline' recommendations are set out in *Figure 2.1* below.

Figure 2.1 *Headline Recommendations*

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1. The **structure of the EDS** could be amended to promote improved integration of sustainability, and to strengthen the organisation and presentation of information within the document.
 2. A key element within an amended structure would be a **Vision** of what London's sustainable economy should look like in 2016, setting out aspirational statements which would act as a framework for the specific objectives of the EDS.
 3. **Action plans** in the EDS could be more closely linked to discursive/ analytical text, and contain clearer targets, indicators and timescales.
 4. The **Evidence Base** could be more closely linked to the main EDS text (ie through careful referencing), and could include data to highlight differences/inequalities *within* London as well as between London and other cities/ regions.
 5. The EDS could include objectives and actions for specific **sectors** of London's economy.
 6. **London's wider impact**, both positive and negative, could be more carefully considered, in particular its environmental impact and London's potential to act as a global centre for environmental and social sustainability services.
 7. **Chapter 3 on Investment in Infrastructure** could include information/actions on the value of environmental quality and the role of environmental improvement activities in promoting regeneration. It could also address issues such as designing-out crime, the historic built environment and archaeological assets, *sustainable* transport (eg the provision of public transport, cycling infrastructure, good conditions for pedestrians etc, as opposed to infrastructure for private vehicles), and access to sporting, leisure and cultural facilities, as well as to good quality food.
 8. **Chapter 4 on Investment in People** is generally successful in addressing the needs of equality target groups, but could also consider issues affecting the role of ex-offenders in the workforce.
 9. **Chapter 5 on Investment in Knowledge and Enterprise** could set out actions on specific sectors of London's economy, including the environmental goods and services sector (currently in Chapter 3). The Chapter could also consider the role of unpaid work in the economy, and include actions to ensure the provision of information and support to non-commercial organisations (eg social enterprises, the voluntary/ community sector etc).
 10. **Chapter 6 on Marketing and Promoting London** could consider the environmental impacts of tourism and look to promote sustainable tourism activities.
 11. **Additional stakeholders** could be brought into the consultation process, in particular stakeholders from outside London and environmental interest groups (who are under-represented in the Consultation Plan).
 12. This **sustainability appraisal process should be iterative**, ie at some stage in the development of the EDS, a second exercise could be undertaken to consider whether these recommendations have been addressed, and to appraise the sustainability of the amended draft Strategy.
 13. Action plans which are drawn up to implement the EDS could also be subjected to **sustainability appraisal**.
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The following sections expand on the issues raised in *Figure 2.1* above:

- *Section 2.2* presents detailed recommendations on the overall structural issues affecting the current draft of the EDS.
- *Section 2.3* identifies key issues arising from the appraisal criteria, and sets out recommendations to address those specific issues.

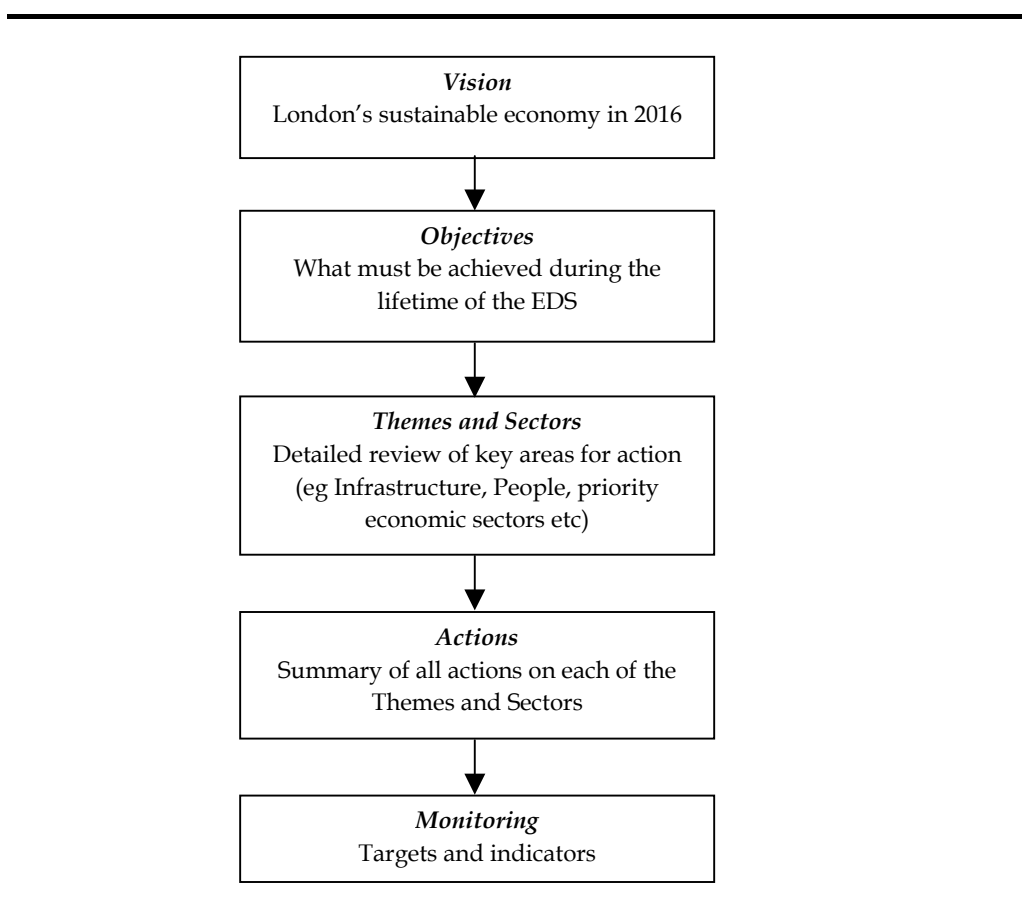
2.2 STRUCTURAL ISSUES

2.2.1 Introduction

Although this appraisal focused on reviewing whether the draft EDS addresses the issues raised by the LSDC Framework, **it has been necessary to consider the overall structure, style and presentation of the document**, as this has significant implications for how effectively sustainable development can be addressed by the EDS.

Our overall conclusion is that the current structure of the EDS hampers the proper integration of sustainability issues, and we have outlined a revised structure in *Table 2.2* below, which proposes a means of ensuring that the EDS promotes sustainable economic development within London.

Figure 2.2 *Recommended Structure for EDS*



2.2.2 Vision

It is felt that the current draft of the EDS lacks clear aspirations and does not set out an explicit vision of sustainable economic development for London. It is acknowledged that the EDS must primarily be guided by the London Plan, which runs to 2016, and the EDS makes reference to the London Plan's Six Dimensions. However, it is felt that the EDS should also set out a vision of its

own, in reference to the Sustainable Development Framework for London, in addition to being guided by the London Plan.

The document would be considerably strengthened by a picture of what London's economy should look like by 2016. A Vision of London's sustainable economy would provide a reference point for all other elements of the EDS, as objectives, priorities and actions would be framed in terms of how they contribute to the achievement of that Vision.

A Vision should contain reasonably specific aspirational statements which would be widely comprehensible, and progress towards those statements should be measurable. For example, by 2016:

- London will be the global centre of the environmental services sector (ie financial/insurance services, the environmental knowledge economy etc).
- All communities and all parts of London will have access to broadband internet.
- Business ownership and roles within the workforce will reflect London's diversity (eg gender, ethnicity, disability etc).
- All businesses in London will be aware of, and take action on, their wider social and environmental responsibilities.
- Awareness of the ethical and environmental dimension of products and services will be widespread among London's consumers.
- London will be globally recognised by investors and travellers for the quality of its environment, its cultural vibrancy and diversity, its safety and security etc.

Following the Vision, the EDS would need to provide context on where this Vision has come from, and how it links with other relevant strategies etc, for example:

- an explanation of where London is now, relative to the Vision, and where its weaknesses and strengths lie;
- detail on how the Vision continues, or diverts, economic development processes currently at work on London (ie what needs to continue, and what needs to be done differently?);
- an explanation of how the EDS embodies the values and objectives of the Sustainable Development Framework for London;
- how it fits with, and complements, other strategies within London, particularly the London Plan; and
- which organisations will play key roles in delivering the Vision.

2.2.3

Objectives

While we recommend that the EDS be guided by a long term Vision of London's sustainable economy in 2016, the detail within the document refers to a much shorter timescale. The EDS therefore needs to establish at the outset some specific objectives for the lifespan of the EDS, and explain how the

achievement of those objectives will contribute towards the delivery of the longer-term Vision.

2.2.4 *Themes and Sectors*

At present, Chapters 3 to 6 set out discursive/analytical text on four important economic development themes (provision of infrastructure, helping people to participate in the economy, promoting enterprise, and marketing London). It is agreed that these four themes provide a suitable structure for breaking down more detailed information on priorities and actions, and we have made more detailed recommendations relating to how specific chapters can address particular sustainable development issues in *Table 2.1* below.

However, it is also suggested that specific sectors of London's economy could also be focused on in additional chapters. Chapter 5 highlights some of the economic sectors that present particular opportunities for London, and it is recommended that more detailed objectives and actions be set out for those sectors, as each one is likely to have different needs and present different opportunities.

It will also be necessary to set specific objectives and actions within Themes/Sectors chapters, and ensure that these are fully integrated into the discursive/analytical text.

2.2.5 *Actions and Monitoring*

Action planning at present is relatively weak (see *Table 2.1* for more detail on actions), and does not facilitate monitoring. The EDS needs to ensure that clear targets are established, with timescales, and the EDS also needs to outline monitoring arrangements (ie who will report on the delivery of actions, and when).

2.3 *DETAILED RECOMMENDATIONS*

This section is structured as follows:

- *Table 2.1* sets out key issues and recommendations relating to the *content* of the EDS.
- *Table 2.2* sets out key issues and recommendations relating to the *process* of developing the EDS.

Table 2.1 EDS Content Issues

| No | Key Issues | Recommendations |
|---|--|--|
| <i>Overall Objective and Key Issues</i> | | |
| 1. | A balanced integration of economic, social and environmental issues is not always achieved. | <p>Chapters 1 and 2 (<i>Context</i> and <i>Overview</i>) of the draft EDS are partially successful in outlining how economic, social and environmental issues are interlinked and need to be addressed in the Strategy. However, as <i>Section 2.2.2</i> explains, it is felt that a strong vision based on London’s Sustainable Development Framework is essential to ensuring that a balance between the elements of sustainable development is achieved throughout the document.</p> <p>Without a clear vision of sustainable economic development, Chapters 3-6 do not always achieve an appropriate balance between the economic, social and environmental aspects. In particular, as this table sets out, the social and environmental implications of economic development in London could be addressed more effectively (eg the wider environmental impacts, issues relating to promoting London as a destination, the importance of promoting access to economic opportunities for key communities etc), and the economic benefits which can be achieved through social and environmental activities could be highlighted/promoted (eg benefits for competitiveness from resource efficiency, and the importance of unpaid work in the economy etc). Further detail on these issues is presented in this table.</p> <p>It is also suggested that the Strategy make a commitment that sustainability appraisals be undertaken for programmes to be implemented under the EDS.</p> |
| 2. | Areas of acute deprivation and communities suffering social exclusion are not consistently addressed. | <p>Although the EDS aims to promote economic development and access to economic opportunities for all communities within London including deprived/excluded groups, there is no mention/discussion of whether there are specific communities in London which need particular assistance through the EDS, and there are few objectives and actions which are specifically targeted at these groups. It is therefore suggested that:</p> <ul style="list-style-type: none"> • Chapter 1, <i>Context</i>, could discuss the importance of ensuring that economic growth addresses poverty, social exclusion and inequalities, and highlight particular areas and groups within London who currently are marginalised from the benefits of economic development; • Other sections of the EDS could consider how objectives/actions can be targeted particularly to benefit excluded/deprived communities, eg Chapter 5, <i>Investment in Enterprise and Knowledge</i>, should look at the needs of whatever sectors of London’s economy are likely to present particular opportunities for integrating excluded groups into the economy, and set out specific actions to ensure that training/skills meet the needs of those sectors. |

| No | Key Issues | Recommendations |
|--|---|--|
| Ensuring Effective Implementation | | |
| 3. | Integrated economic, social and environmental objectives are not always established. | Objectives and actions in Chapters 3-6 are not always clearly linked to discursive/analytical text, and some do not appear to be clearly and fully justified by preceding sections. For example, Chapter 3 on <i>Infrastructure</i> discusses the importance of broadband, but does not contain any actions to promote its development (eg 'ensure 100% of potential users will have access to broadband internet by 2005'). Furthermore, if action plans are to contain basic information on the importance/cost/complexity of actions, some explanation on how these ratings have been reached, and what they mean, should be provided. It is recommended that the action plans are reviewed, and linked more closely to the discursive/analytical text. |
| 4. | Action plans. | In addition to linking objectives and actions more closely to discursive/analytical text, it is recommended that actions themselves are strengthened, with more detail on responsibilities, targets, timetables for implementation, and indicators for monitoring progress. Once again, a general review of action plans is recommended. |
| Taking Responsibility | | |
| 5. | London's wider impact is not clearly considered. | Although Chapter 2 discusses many aspects of London's wider impact, greater detail could be provided to characterise and quantify London's impact. For example, the work carried out by the GLA on London's ecological footprint could be referenced, and London's future global impact could be considered. Chapters 3 and 5, which discuss the role of the environmental economy, could also consider how London can have a positive wider impact on sustainability, by becoming the global centre for the environmental and social knowledge/services economy. London is ideally positioned to provide a wide range of high value environmental and social sustainability services (eg corporate social responsibility, environmental risk management/insurance, carbon trading etc), and this potential should be explored. |
| 6. | Access to information. Although the EDS sets out objectives and actions to promote access to information for a range of business types, including SMEs, the needs of other organisation types is not considered. | Chapter 5 on <i>Investment in Enterprise and Knowledge</i> could include detail on how the information needs for social enterprises and the voluntary/community sector can be met, eg through existing support agencies such as Business Link, and possibly a specific action on the issue. The chapter should also set out objectives on how groups and individuals in London can become more informed about the sustainability implications of their actions, their purchasing decisions etc. |
| 7. | Information on the Strategy. No information on how the EDS itself will be available to the general public, and to 'hard to reach' groups in particular. | Chapter 1, <i>Overview</i> , could explain how the EDS and information on the EDS will be disseminated, and include consideration of particular equality target groups. |
| 8. | The long-term perspective of the EDS, which is based around the London Plan, is not sufficiently clear and does not focus on <i>sustainable</i> economic development. | As discussed above, currently the EDS is informed by the London Plan's vision to 2016. It is recommended that a clear vision for London's <i>sustainable</i> economy be set out (see <i>Section 2.2.2</i> for further information). Furthermore, other sections of the EDS should be clearly informed by that long-term perspective, eg objectives explain how they contribute to the achievement of the vision etc. |

| No | Key Issues | Recommendations |
|---------------------------|---|---|
| <i>Developing Respect</i> | | |
| 9. | Community safety is not considered in the EDS. | Chapter 3 on <i>Investment in Infrastructure and Places</i> raises a number of issues connected with the design of developments (eg resource use, access, environmental infrastructure etc), and this section could also make reference to, and commit actions on, how crime and anti-social behaviour can be 'designed-out' of public spaces through good design (eg amend the action on 'initiatives to improve design and management of public spaces' to include 'considerations of ... secured-by-design'). Chapter 6 on <i>Marketing and Promoting London</i> could also consider the impact that crime and safety issues has on London's image. |
| 10. | The involvement of ex-offenders economic activities is not discussed in the EDS. | Chapter 4 on <i>Investment in People</i> discusses employment issues affecting specific groups, eg BME groups, the disabled. It would also be appropriate to give some consideration to the issues which prevent ex-offenders from entering the workforce, and possibly to setting out actions on this issue (eg with the Prison Service/Probation Service and mainstream agencies such as Jobcentre Plus). |
| 11. | The development of local economies (eg local purchasing of goods and services, promoting access to employment opportunities for local communities) is not recognised as an important part of sustainable economic development. | Although different sections of the EDS discuss the importance of town centres, the importance of meeting needs locally in promoting sustainable economic development is not discussed. A vision of London's sustainable economy should, for example, reflect this issue. Other sections of the EDS might also contain actions on this issue, eg encouraging organisations to procure locally, helping local businesses to tender for public sector contracts within London, marketing local businesses to each other (directories, internet portals etc), designing skills development programmes to link with the needs of local business etc. |
| <i>Managing Resources</i> | | |
| 12. | Remediation of brownfield land in preference to greenfield land development is not explicitly stated. | Although reference is made to strategies such as the London Plan and the London Biodiversity Strategy in the EDS, and it is assumed that these documents stress the importance of these assets as well as establishing commitments to protecting/enhancing them, it is suggested that Chapter 3 on <i>Investment in Infrastructure</i> (which already mentions issues such as sustainable construction, open spaces, waterways etc) should discuss brownfield/greenfield development, historic/archaeological assets, and biodiversity issues in the context of promoting high quality design and developments. Chapter 3 should also review the social and economic outputs that can be generated by the process of improving environmental infrastructure and assets (eg jobs, training opportunities, development of community capacity etc), as well as the importance of high quality environments in promoting economic regeneration and inward investment. |
| 13. | Although historic built environment and archaeological assets are recognised as an important attraction for visitors, this issue is not considered in the context of development. | |
| 14. | Biodiversity assets are not considered. | |
| 15. | London's greenhouse gas emissions are not discussed. | Although the role of energy efficiency in promoting business competitiveness is discussed in Chapter 3 on <i>Investment in Infrastructure</i> , the EDS as a whole does not discuss or set out actions on the implications of economic development for energy use/greenhouse gas emissions. Particular sections which could discuss this issue include Chapter 2, <i>Overview</i> , and Chapter 3. |

| No | Key Issues | Recommendations |
|------------------------|---|--|
| 16. | Sustainable transport and the minimisation of road transport are not considered. | While it may be assumed that the London Plan addresses the environmental implications of London's transport infrastructure, and seeks to promote more sustainable forms of transport modes, this issue is not addressed in the EDS. Chapter 3 on Infrastructure, which discusses the importance of 'an accessible transport network', could also make appropriate references to sustainable transport (eg the provision of public transport, cycling infrastructure, good conditions for pedestrians etc, as opposed to infrastructure for private vehicles). |
| 17. | The environmental impacts of tourism are ignored. | The EDS seeks to promote London as a destination for tourists and business travellers. There is currently no discussion of the environmental implications of this strategy. Chapter 6 on <i>Marketing and Promoting London</i> should recognise these impacts, and consider how London's tourism economy can be restructured to promote genuinely sustainable tourism activities (eg improve the environmental performance of the hotel sector, promote London as a short-haul rather than long-haul destination, encourage airline companies to offset their carbon emissions etc). |
| 18. | Waste minimisation is not explicitly mentioned. | Although the EDS makes reference to the Waste Strategy in Chapter 1, it is suggested that: |
| 19. | Access to recycling infrastructure not mentioned in any part of the EDS. | <ul style="list-style-type: none"> any discussion of sustainable economic development in Chapter 1 make mention of the need to decouple waste generation and economic development; |
| 20. | No mention of the development of markets for recycled materials/products , although some discussion of the recycling industry. | <ul style="list-style-type: none"> Chapter 3 on Infrastructure mention specific actions on sustainable waste management, including the development design to facilitate collection/recycling of waste and promote access to recycling infrastructure; and any discussion of the environmental sector highlight actions to develop markets for recycled products (eg the work of London Remade etc). |
| 21. | Environmental goods and services sector. | Discussion and actions on this sector are currently set out in Chapter 3 on Infrastructure. It is suggested that this information be moved to Chapter 5 on <i>Investment in Knowledge and Enterprise</i> . |
| Getting Results | | |
| 22. | Unpaid work is not considered. | The EDS should recognise the role that unpaid people make to London's economy, through volunteering, as carers, and as consumers, taxpayers etc. In particular: <ul style="list-style-type: none"> Chapter 1, <i>Context</i>, needs to recognise the role of unpaid work in its definition of sustainable economic development; and Chapter 5 on <i>Investment in Knowledge and Enterprise</i>, should include actions to encourage employee volunteering through CSR (eg 'Extend information through relevant agencies such as Business Link on the Employees in the Community Network'). |
| 23. | Access to some key services and amenities is not discussed. | In particular, Chapter 3 on Infrastructure (which discusses access to affordable housing and greenspace) should mention the need to promote access to sporting, leisure and cultural facilities, and to good quality food. |

Table 2.2 EDS Process Issues

| No | Key Issues | Recommendations |
|------------------------------|--|--|
| <i>Taking Responsibility</i> | | |
| 24. | Stakeholders from outside London are currently not fully engaged in the development process. | Although the Best Value Review of the EDS highlighted the need to understand the inter-regional relationship between London and the south-east, and it is understood that EEDA and SEEDA will at some stage be consulted, the Consultation Strategy does not set out any consultation activities with stakeholders from the wider region. It is recommended that formal consideration is given to how RDAs and other organisations can be engaged in the consultation process. |
| 25. | Use of available information is not optimised – the EDS does not seem to be clearly ‘evidence-based’. | The Evidence Base, which covers a wide range of issues, needs to: <ul style="list-style-type: none"> • be more closely linked to the main text of the EDS, ie where issues raised in the main text are particularly linked to data in the Evidence Base, these links should be highlighted; and • include data to highlight differences/inequalities <i>within</i> London, as well as between London and other cities/regions. |
| 26. | There is relatively little formal involvement of environmental interest groups . | Although the Charter Partners, all of whom are consulted with, includes the Environmental Trusts/Development Trusts Association, according to the Consultation Strategy there is relatively little consultation with environmental groups when compared to social and economic interest groups. Activities should ensure consultation with, for example: <ul style="list-style-type: none"> • Business in the Community • Groundwork • The Black Environmental Network • Environment Agency • London Wildlife Trust • English Heritage • English Nature • Countryside Agency • Friends of the Earth |
| <i>Managing Resources</i> | | |
| 27. | The state of the environment in London is not properly considered. | The Evidence Base should include information on: <ul style="list-style-type: none"> • energy use/greenhouse gas emissions • quality of/access to greenspaces • overall environmental footprint |

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