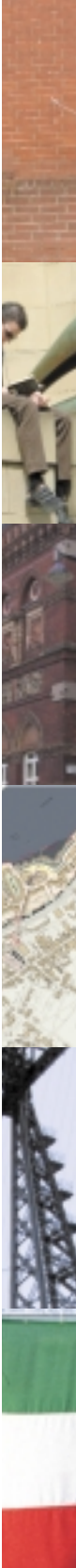**OFFICE OF THE
DEPUTY PRIME MINISTER**

cabe

urban

Towns & Cities
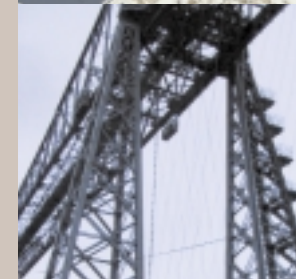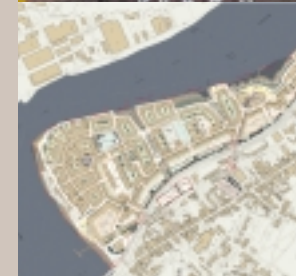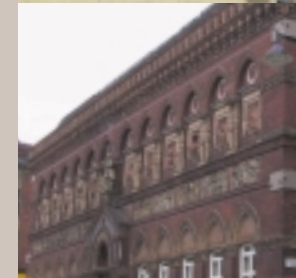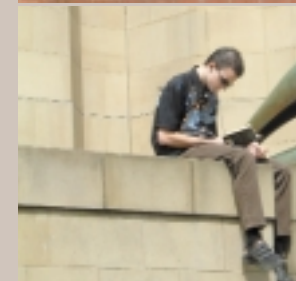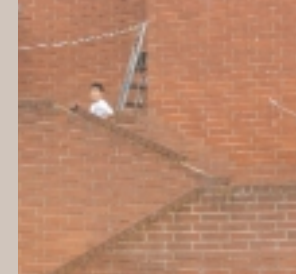Partners in Urban Renaissance

Breaking Down the Barriers

"Policy makers should always go and
see what's happening on the ground before
writing new policies..."
Participant at a Breaking Down the
Barriers Workshop

Contents

Introduction to the Workshops

The Urban White Paper has created a long-term policy framework for the delivery of local regeneration projects, including those that involve significant physical intervention. And yet, undeniably, barriers remain to achieving urban renaissance in many places up and down the country.

CABE and URBED were asked by the Urban Policy Unit of the Office of the Deputy Prime Minister (ODPM) to set up and facilitate a series of workshops entitled '*Breaking Down the Barriers*', to explore these issues. The workshops were part of the *Towns & Cities: Partners in Urban Renaissance* project. They provided the opportunity for national, regional and local decision-makers and policy advisors to identify and discuss some of the barriers that impact on the delivery of urban renaissance. The discussion was assisted through reference to a case study, which exemplified the issues.

Each event comprised a one-day session broken down into a site visit, presentations by the host location on current regeneration initiatives and structured discussions. Chatham House rules were applied, whereby in writing up, comments are not attributed to any individual or organisation present. This enabled a full and frank discussion of the issues, provided the opportunity for delegates to put radical ideas on the table and for the roles of different agencies to be scrutinised and evaluated.

The numbers of attendees at each event was deliberately kept small, to enable round-table discussions and to ensure the appropriate representation from senior decision-makers and policy advisors, relevant national and regional bodies, representatives of the host town or city, invitees from other local authorities involved in the *Partners in Urban Renaissance* project who are dealing with similar issues and some external experts on the given topic.

With over 80 organisations contributing to the six workshops, the benefits of face-to-face discussions were very apparent, in particular with the following: central Government policy makers learning about the impact of policy on the ground; different agencies being exposed to the perspectives, objectives and operational issues of others; the application of clear and multi-disciplinary thinking to a case study; and multiple agencies considering how they can contribute to addressing barriers to urban renaissance.

As a methodology, Breaking Down the Barriers has been a considerable success. It has the potential to become a model for the review of policy application well into the future.

Above Site visit looking at refurbished homes in Bank Top, Blackburn.
Below The discussion underway at Middlesbrough.

Themes and Locations

The themes for the six workshops and the sections in this summary report are introduced below.

Making the Most of Land Assets, Medway

The Government has now published its proposals for overhauling the land assembly process and powers for public organisations to use Compulsory Purchase Orders (CPO). The workshop considered how local authorities can use CPO more effectively, based on a consideration of the Rochester Riverside project.

Housing Regeneration and Crime, Blackburn

As we seek to address areas of low housing demand, dealing with environments that contribute to the prevalence of crime will be a critical issue. This workshop considered the physical factors that contribute to crime and how they can be mitigated, through reference to a housing area in Blackburn.

Dealing with Transport Infrastructure, Middlesbrough and Leeds

Two workshops concentrated on this topic. Many local authorities have to address the legacy of major road and rail infrastructure in order to secure regeneration and to reconnect dislocated parts of their town or city. The Middlesbrough workshop considered how to counter the severance effect of such infrastructure. Often substantial investment in infrastructure is needed to start the regeneration process and attract private investment, such as new transport infrastructure to enable area-based regeneration. The Leeds workshop examined new models for funding large-scale infrastructure projects.

Job Creation, Enterprise Development and Property, Croydon

This workshop, based on the experiences of Croydon, considered how to support the set up and success of business and entrepreneurs and also the link between physical regeneration, the availability of premises, and enterprise development.

Post-industrial Heritage and Regeneration, Burslem, Stoke-on-Trent

Burslem is one of the six urban centres of Stoke-on-Trent and is where the 'potteries' industry was founded. The workshop provided the opportunity to consider how towns can proactively deal with changing economic fortunes and how to exploit the potential of industrial and heritage buildings.

Key Recommendations

The six workshops have uncovered a number of important recommendations. In a number of cases the same recommendations were made on different occasions, in different contexts. This pattern indicates that certain barriers are preventing effective renaissance across a number of fronts. The Breaking Down Barriers series has therefore identified ten key recommendations:

1
The need to provide funding and other resources up front

Regeneration is a risky process for all those involved. It requires the commitment of time, resources and, most of all, the energy of individual policy makers, practitioners, developers, public sector service providers and the community. It also requires careful preparation. Sufficient resources should be made available to the agencies leading regeneration initiatives to enable them to prepare. Revenue resources are always more difficult to access than capital, but sufficient funding to get the right framework and the right personnel from day one will enhance the chances of long-term success, ensure that visions and aspirations for change are grounded in reality and that there is a team to take forward the delivery.

2
Regeneration needs critical mass

Some regeneration initiatives of the past three decades, particularly those related to housing renewal, can in general be characterised as piecemeal and limited in terms of their impact on the root causes of decline and their ability to reverse it. There is much potential in the Housing Market Renewal Fund, as it provides the opportunity to deal with areas at a sub-regional level and it has the potential to create the critical mass to bring about real improvements.

3
Devolution of decisions and powers

The fine detail and shape of renaissance initiatives needs to be developed at the appropriate tier of government. Some centrally defined policies are not flexible enough to address the needs of local areas, for example funding for business support services. There is a need for central Government to consider how funding should be allocated in order to enable initiatives to be more locally defined. The targets set by central Government to monitor progress are often not as useful as they could be to the local agencies delivering regeneration. There is a need for a greater focus on local outcomes, rather than crude universal outputs.

4
Increase regeneration skills

The scale of regeneration that is taking place across the UK is significant. Local agencies, particularly local authorities, need to be able to access appropriate skills relating to regeneration and urban design, either through the training or recruitment of staff. The Government should ensure that appropriately skilled staff are available through a review of the content of higher education courses and provision of training programmes in regeneration for existing practitioners. One idea would be to establish a dedicated national urban development skills unit or academy.

5
Long term thinking, planning and commitment

The major regeneration projects of the type discussed at the workshops can take, not simply years, but decades to deliver. A long-term commitment to delivery is needed at all levels of government. Ever-changing and multiple initiatives are not always the answer; but initiatives that have some longevity, are properly funded and not driven by short-term targets are.

6
Regenerate and manage neighbourhoods holistically

All publicly funded agencies must be charged with contributing to the urban renaissance of neighbourhoods and towns and cities: land owners, health care providers, schools, etc. It is only by the co-ordinated actions of a wide range of agencies that neighbourhoods will be regenerated and managed in a holistic way. This requires joined-up policies, practice and investment at the level of central Government and neighbourhoods.

7
It's about the spaces between buildings

All of the case studies demonstrated that regeneration is not simply about bricks and mortar. It's about the physical, social and economic well being of an area; it's about the quality of life in our neighbourhoods. In relation to the physical, this is as much about the quality of the public realm as it is about the buildings themselves. The public realm always tends to be the poor relation in funding allocation decisions, but its deterioration has a disproportionate effect on the perception and prospects of an area.

8
Some areas need a comprehensive approach to regeneration

The plethora of initiatives and the short-termism of funding can mean that regeneration activities are diverted from delivery. It may be worth reconsidering the recommendation included in the Urban Task Force Report for the identification of Urban Priority Areas, which brings together initiatives, energy and resources under a single programme, in an identified area.

9
RDAs can play a pivotal role

Regional Development Agencies are increasingly playing a vital role in underpinning the efforts of local authorities and regeneration agencies to deliver an urban renaissance. It is important that this is seen as one of their most important activities and is reflected in their overall remit and funding programmes.

10
Planning should be at the heart of the process

The policies in the Planning Green Paper have the potential to place the statutory plan-making process at the centre of the urban renaissance. As local authorities start to test out the new contents and coverage of plans, it is important that they are mindful of the wide agendas that may need to be considered if Local Development Frameworks and Actions Plans are to help deliver holistic regeneration. This will also require the engagement of other public service providers into the plan-making process, such as the local education authority and primary care trust.

Making the Most of Land Assets

The Medway Case Study

The ability of public agencies to acquire privately owned land can be critical in delivering urban regeneration, particularly where there are areas of previously developed land in multiple ownership. This process, commonly referred to as land assembly, was the subject of the workshop in Medway. The workshop considered the mechanism by which public agencies can acquire land through Compulsory Purchase Orders (CPO), and how this relates to legal powers, resources, the urban design context for land assembly and the role of the various parties involved. The output from the workshop has the potential to inform the current consultation draft of the revised Circular on CPOs (designed to replace Circular 14/94).

The Rochester Riverside case study was selected because Medway Council has made innovative use of CPO powers. Rochester Riverside is a brownfield site of approximately 30 hectares, located between the River Medway and the historic city of Rochester, but separated from it by the main railway line and by the A2. In the early 1990s, Medway Council's predecessor identified the area as one in need of comprehensive treatment and in 1994 the Council began to acquire land by agreement. An 'Area Development Framework' was then prepared for the site which led to the Council deciding to make a CPO in 1997, covering 215 plots of land in 30 ownerships. An Inquiry confirmed the CPO in 1998 and outline planning permission was granted at the end of the Inquiry. The Council then held a developer competition. However, the preferred partner dropped out and the Council began negotiations with a reserve developer, who also subsequently withdrew in November 2001.

The financial viability of the scheme, and related density of development that was required, changed dramatically over the course of the process. The Council's original 'Area Development Framework' proposed a mixed-use development and 450 dwellings; the second developer's scheme contained a full mix of uses plus 1,750 new dwellings. This was, in part, due to the flood protection measures required, which changed over time and increased the cost of development on the site.

Even though there is currently no development partner in place, the CPO was served on a majority of those sites not already owned by the Council in November 2001. This was achieved through financial support from the South East England Development Agency (SEEDA). The current position is that the council and SEEDA are considering a number of approaches to implement the development of the site, but have agreed that the project is likely to be more attractive to the market if further planning risks have been reduced.

The other participating local authorities highlight the importance of land assembly. In Plymouth the need for major public land owners (for example the Ministry of Defence) to co-ordinate disposal of land with wider regeneration projects was identified as an issue and the Nar Ouse Millennium Community in Kings Lynn presented very similar issues to Rochester Riverside.

Issues

Current CPO powers give local authorities the ability to acquire land that is '*suitable for or required for development, redevelopment and improvement of any land which is required to achieve the proper planning of the area*'. However, new proposals for improving Compulsory Purchase procedures have been published, and in July 2002 the Government announced its intention to replace the current CPO power with a '*wider and more clearly defined power*' under which the authority could acquire land for wider purposes – that which it considers will be for the '*economic, social and/or environmental benefit of its area*'. In other words, regeneration projects can be expected to have a much higher priority, irrespective of whether it can be shown that a detailed scheme has been approved or that the full financial/implementation plan has been put in place by the authority.

Regarding the use of CPOs, a survey of local authorities carried out for the Royal Town Planning Institute by CB Hillier Parker in June 2002, showed that two thirds of those responding had experienced delay to regeneration schemes caused by land assembly problems. Although they wanted to use CPO powers, many were experiencing difficulties due to the lack of finance and the time and difficulty in using CPOs. These issues were amplified at the workshop.

Local authority powers and resources

- Councils have very limited resources to devote to 'early' land assembly. If other factors increase the cost of bringing sites back into use, local authorities can rarely meet them and landowners rarely accept that increased costs should reduce the net price paid for their land. Nor is it appropriate to pay existing owners values related to the future, when regeneration has taken place. The reality is that prior to comprehensive regeneration land often has a low (or even negative) value, due to major liabilities or the cost of infrastructure required to release land.

- The new CPO Circular will assist those local authorities committed to comprehensive regeneration. However, adequate resources for land assembly are still a key challenge, especially in areas with low land values, high decontamination or infrastructure costs, or with constrained market demand.

- There needs to be a genuine realism that projects of scale and impact will take 10 to 25 years to be achieved. This time frame is very different from that of the average local politician's term of office. Realism about placing too many demands on regeneration projects is also an issue, particularly where expectations about public sector works financed via Section 106 contributions undermined the viability of projects, or distort the development by increasing the density required to fund Section 106 agreements.

- It is important that the boundary and scale of regeneration projects is considered carefully, particularly where CPO will be required. The scale will impact on the number of potential stakeholders and landowners, as well as the effort required to prepare a planning policy framework for the project. These and other key questions need to be addressed by local authorities at a very early stage.

- There is a need for better co-ordination with agencies focused on delivering new public transport provision nationwide, or former public utility companies. The operational requirements and costs of changes to provision of existing infrastructure are often underestimated in regeneration projects.

Funding

- The co-ordination of public funding is crucial to achieving urban regeneration. The case study illustrated the lack of 'joined-up funding' for regeneration improvements. More specifically, local authorities find it hard to secure sufficient certainty where land assembly is extensive or requires the integration of several funding regimes.

Above Aerial view of Medway with the Rochester Riverside site on the western bank of the River.
Right Aerial view of Medway with the Rochester Riverside development site shown below the railway line.

- Local authorities need to have a clear idea about sources of funding for land assembly before embarking on the use of CPOs, even if the authority (and any partner) does not necessarily expect to see the entire cost of the land assembly covered by the receipts generated from site disposals.
- It was generally recognised that in delivering major regeneration, the public sector is the best place to manage the site assembly and infrastructure provision, while the private sector may be better placed to define the detailed mix and style of uses proposed.

Recommendations

Local authorities and regeneration agencies

- When embarking on a regeneration project, particularly where CPO will be required, the local authority needs to ensure that they carry out the appropriate work up front. They need to understand the likely costs and values that can be achieved, to ensure that policies are established to support the scheme, that there is the appropriate support from the Regional Development Agency (RDA) and politicians, and that there is a clear understanding about the timescale for delivery.
- Many large schemes will ultimately be delivered with a private sector partner, who will be selected through a competitive process. It is very important to establish what is reasonable for the costs of enabling work, and whether policy or guidance is flexible enough to ensure that the private sector can ensure the viability of the project.
- Public sector agencies charged with regeneration (English Partnerships, RDAs and Councils) should all be focused on 'manufacturing land' (that is creating opportunities for regeneration), although before embarking on any CPO, each party should have clarity as to the probable source of funding for key acquisitions.
- Open-book project appraisal is vital in terms of creating confidence that low initial base prices paid by developers can be supplemented by 'overage' or top-up payments, as the results/scheme improvements via regeneration come through to completion.
- As recommended by the Urban Task Force, the set up of a 'Strategic Sites Acquisitions Fund' should be considered. It could assist with the costs of land assembly on strategic sites. Locations of 'strategic importance' for regeneration need to be defined, similar to those identified by English Partnerships for inward investment purposes.

Quasi-public land owners and utilities

- For other quasi-public body and utilities land holdings (such as gas storages sites and transport infrastructure), there may be the potential to give power of acquisition to public agencies. This could apply when ex-public sector land has remained vacant for a given period of time and where it is clearly no longer operationally required, but is required for regeneration purposes.
- It is important that these agencies have mechanisms set up to assist with regeneration projects, particularly where they have land holdings that may not be significant in scale but are vital to unlocking development. A clear point of contact within the organisation would be a good starting point.
- It may be beneficial to broaden the relaxation of Section 123 of the Local Government Act guidance even further, so that it impacts on all public bodies disposing of land. This could mean that other (non-local authority) bodies should have regard to a wider regeneration agenda and potential outcomes when disposing of land.
- All regulated land owners, such as hospital trusts, should have the potential to dispose of land at best value, rather than simply best price, taking into account broader social and economic benefits.

Above Image of the proposals put forward by developers for Rochester Riverside.

Housing Regeneration and Crime

The Blackburn Case Study

The workshop considered the relationship between the built environment and crime, particularly in the context of low-value housing areas. Discussions were informed by the theories of 'defensible space', 'crime prevention through environmental design' (CPTED) and 'situational crime prevention', which are embodied in the *Secured by Design* initiatives and policy. The case study selected demonstrated many of the physical, social and economic issues prevalent in the nine areas identified as Pathfinder projects for the Housing Market Renewal Fund. Blackburn with Darwen is part of the East Lancashire Pathfinder area.

Bank Top is a residential neighbourhood in Blackburn with a population of approximately 5,000, one third of which are of Asian origin. The neighbourhood is bisected by Johnston Street, which has shops along it. Stepping up the hill to the north are rows of small terraced houses dating from 1870, most of which are in private ownership. The street grid is tight, although there has been some selective clearance leaving grassed areas and surface car parking. To the south of Johnston Street is an area of former council housing that has been transferred to a housing association. The estate is mostly two-storey houses and flats and was designed in the 1970s using the then fashionable 'Radburn' principle of pedestrian and vehicular separation. This housing has a chaotic network of narrow, winding alleyways and cul-de-sacs, creating potential territory for criminal activity, due to the blurring of the public and the private realms.

These two blocks of housing, built almost 100 years apart, are equally unsatisfactory in their present form. While the housing to the south consists of modern houses with good space standards, its layout is far more likely to induce crime than the streets of older terraced houses. While the layout of the terraced housing does not necessarily enhance the risk of crime, the houses themselves are too small and inflexible. They also have structural problems and could be considered incapable of providing satisfactory homes for the future.

Blackburn with Darwen Council has recognised the need for redevelopment of some of this housing by issuing a brief for the demolition of 149 properties. The workshop examined one possible form for this redevelopment by applying a conventional layout for modern terraced housing in a form which would obtain *Secured by Design* certification. The workshops also considered how the 1970s Radburn layout housing could be remodelled (see diagrams on page 17).

This could result in recreating a conventional, street-based layout, with both pedestrian and vehicular access safely sharing 'Home Zone' type streets, thus establishing a distinction between the public and private realm. In addition the study shows how, by small amounts of selective demolition and replacement of properties in Johnston Street, these newly formed 'Home Zone' streets can be naturally linked to the traditional street network.

The Issues

A key statute is the Crime and Disorder Act 1998, which imposes a duty on each local authority to '*exercise its functions with due regard to… the need to do all that it reasonably can to prevent crime and disorder in its area*'. Below this, the main source of national guidance remains DoE Circular 5/94. The Circular establishes that crime prevention is capable of being a material consideration in determining planning applications and stresses the importance of dealing with crime prevention at the design stage of projects. The Circular advises that local planning authorities consult Police Architectural Liaison Officers (ALO) on planning applications, and also signposts the *Secured by Design* scheme. Following a commitment in the Urban White Paper, the content of the Circular is currently being reviewed and good practice guidance on 'planning out crime' is being prepared.

This guidance will be based around the illustration of how the attributes of 'safe, sustainable places' can be achieved in a variety of contexts. The attributes, which can be at least in part engendered by the planning system, are: ownership, management and maintenance, activity, surveillance, access and movement, physical protection, adaptability and structure.

Left Narrow fronted Victorian terraced housing, some of which is awaiting clearance. **Right** The streetscape in the 1970s Radburn style housing.

The discussion at the workshop used the case study to address the connection between crime prevention and housing regeneration.

Community

- In order to reduce crime and engender community cohesion, it is crucial to fully engage all elements of the community with imaginative methods of involvement. In major housing renewal or redevelopment schemes it is important to ensure that community leaders are representative.
- The negative effects of bad private landlords have to be overcome, particularly where they contribute to a spiral of decline in an area in terms of dereliction and intimidation of other residents. The impact of housing asylum seekers in sub-standard housing, owned by private landlords, also needs to be considered in this context.

Youth

- Groups of young people congregating in public are often seen as a threat. Appropriate facilities should be provided, and young people must be engaged in their planning and management.
- Young people must be involved in the decision-making for housing renewal. For example, public space must be recognised as the only real territory where young people can be independent. Informal meeting places must be planned into schemes.
- Young people should be viewed as the victims, not just potential perpetrators of crime. Inter-generational programmes can assist this, especially where other cultural divides such as ethnicity or religion can be bridged.

Crime prevention

- Funding streams for Crime and Disorder Partnerships should be rationalised to allow for more certainty.
- There is a tension between targets for crime reduction set by Government and local prioritisation. Are agencies being asked to count things that are easy to count, or that are high on the news agenda, as opposed to what is more worthwhile at local level?
- Local partnerships are seen as being key to successful crime reduction, a similar joined-up approach with central Government departments is encouraged.

Above Entrances to flats in the 1970s Radburn style housing in Bank Top, Blackburn.
Above right Public open space in 1970s Radburn style housing.
Below right Refurbishment work underway on the Victorian terraces.

Neighbourhood management

- There appear to be net benefits from a single agency taking responsibility for all of a neighbourhood's services, uniting the management of properties and the spaces between them.
- Some housing areas are in need of remodelling along 'planning out crime' principles. And yet in housing transfer schemes, where the value of the properties transferred is very low, the Registered Social Landlord (RSL) is often unable to raise the funds to undertake more than improvements to the properties themselves.
- When RSLs take on responsibility for service delivery, a sense of responsibility on behalf of the community should also be engendered. In addition, minimum standards for the management and delivery of local services must be met by all local agencies.

Housing demand and investment

- Housing regeneration of the type required in many towns will only improve markedly if the whole package is right: the physical, the social and the economic; the small scale and the large scale; the individual properties and the neighbourhood; the balance between supply and demand; the schools, the public space, the maintenance regimes, the transport, the management and the connections. Only then will property values rise, enabling continued long-term improvements. Consequently, there is strong support for the potential of the Housing Market Renewal Fund (HMRF).
- A holistic approach that seeks to address all the area's problems in a systematic way will be a successful approach. Therefore, although early wins do have a (partly symbolic) role to play, they should not distract from the long-term programme.
- Other local and regional agencies, such as primary care trusts, must be involved in setting up support systems to enable the effective implementation of the Renewal Fund.
- Capacity and skills will need to be developed quickly to underpin the delivery of the HMRF projects.

Recommendations

- The key elements of revised policy on 'planning out crime' (currently in Circular 5/94) should sit within a revised PPG1, thus elevating its strategic importance. This should be complemented by efforts to ensure those proposing and evaluating planning applications have the appropriate skills to take account of 'planning out crime'.

- In the short to medium term, the Police have a role to play in commenting on planning applications of a certain scale, and they should be involved in regeneration projects at an early stage. However, the role of Architectural Liaison Officers (ALO) may diminish as 'planning out crime' is brought more into the mainstream and planning authorities are able to take over ALOs' responsibilities, particularly as the Police have limited resources to fulfil this role.

- The benefit rules that discourage residents from getting involved in their neighbourhood (for fear of losing benefits) should be reviewed. This would enable local residents to be rewarded for their contribution to the up-keep and maintenance of the public realm in a neighbourhood.

- It may be appropriate to restrict the 'Right to Buy' of council housing in areas that may be subject to housing clearance. This could extend to conditions or covenants being attached to any sales.

- It must be appreciated that housing value is more about the neighbourhood than the properties themselves. There should be considerable flexibility in the use of funding through the HMRF, to ensure that it can be used to renew the public realm in failing areas.

Right The plan on the left shows the existing Victorian housing. The plan on the right shows the same streets redeveloped to create 64 houses with 1.5m deep front gardens. Roads are 22m wide with right angle parking on both sides and tree planting. Houses are 5.5 x 10m on 2.5 floors, each with six habitable rooms and 10 x 5m rear gardens. There is 0.5 hectares of enclosed open space surrounded by live frontages on all four sides.
Below Illustration of the new housing fronting the community open space.

Right The plan on the left shows the existing Radburn layout with the garage blocks clearly visible. The plan on the right shows interventions achieved through selective demolition, which turns cul-de-sacs into through streets and creates small enclosures between groups of houses with secure boundaries accessed through lockable gates.
Below Illustration of the 'Home Zone' created in the Radburn layout.
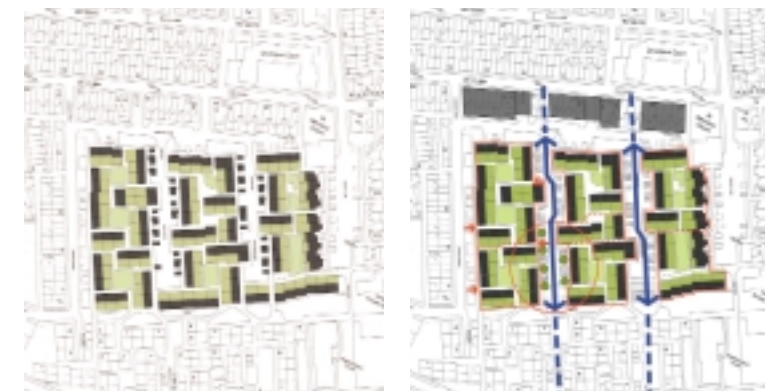
Dealing with Transport Infrastructure

The Middlesbrough and Leeds Case Studies

Two workshops were held which discussed issues relating to transport infrastructure. The Middlesbrough workshop examined how to deal with the legacy of large-scale infrastructure that is a cause of severance. The workshop in Leeds discussed how to fund major transport infrastructure through examples in Leeds, Manchester and Croydon. The outputs of both workshops are described below.

Middlesbrough is a town that experienced spectacular growth in the 19th and early 20th centuries due to its industrial success and its location as a deep water port at the end of the world's first railway line. In the latter part of the 20th century the industry declined and vast tracts of land surrounding the town became derelict. The economy of the area has changed rapidly from manufacturing (heavy industry and chemicals) to service-based employment, and Middlesbrough acts as a sub-regional retail and entertainment centre.

The transport infrastructure, originally scaled to service the demands of heavy industry, has more than sufficient capacity to sustain the town in its current form and to allow it to grow. Physically the A66, one of the area's main through routes, and the railway both form a barrier to the regeneration of the derelict areas that lie between the town centre and the river. The train station, just north of the A66, and its flanking streets is also cut off from the town centre and is underused as a result. Under-investment in the built fabric of the station has also not helped. In addition, the integration of bus and rail services is poor.

There have been several initiatives aimed at regenerating the area immediately to the north of the railway and the A66, (known as St Hildas). At Middlehaven, adjacent to the old Middlesbrough Docks, new development is being promoted on brownfield sites around the dock. However, the economy of the area means that the sale and development of sites, such as Middlehaven, are not currently generating high values. This makes it much more difficult to fund changes to the infrastructure through the sale of land or from planning gain.

Birmingham, Reading and Leicester have all experienced similar problems, with major transport infrastructure acting as a barrier to the development and regeneration of urban areas, or interrupting the natural urban grain. The experience of these three cities has shown that it is desirable and sometimes possible to radically remodel and downgrade high level roads that carry traffic at speed through, or at the edges of, urban centres. Such an approach can benefit economic

Above Middlesbrough Transporter Bridge
Below View from Middlesbrough Transporter Bridge showing the dock and the football stadium.

regeneration and help create a higher quality environment and urban form that encourages the movement of people on the streets. However, these three cities are experiencing greater development pressures than Middlesbrough and as a result have expanding centres. In Middlesbrough the local authority is trying to create the conditions that will encourage such demand to flourish.

Leeds is the second largest metropolitan authority in the country. The city's economy is growing and this is apparent in the thriving city centre. However, the positive impacts of growth are not evident everywhere, with some areas of the city and their residents not benefiting from the city centre's economic prosperity. One of the ways in which the City Council is seeking to address the two-tier economy of the city is through the provision of new transport infrastructure and services, for example the Leeds Supertram, that will enable residents to access the city centre and the opportunities available there.

Other participating local authorities raised issues regarding the funding and delivery of major infrastructure projects. The regeneration of East Manchester provides some useful insights into the issue. Here there is an example where up-front investment in infrastructure, for example the opening of a canal, could help create value and underpin the economic viability of a major regeneration project. Yet money for such pump-priming investment is not necessarily available at present. This raises questions about the role for the public sector in helping manage elements of risk within significant projects, particularly where there is the potential to recoup such costs over time. Another example is where a new transport interchange, which includes LRT and bus services, is being planned to serve a new business park. Major inward investment is conditional on the delivery of the public transport. However, the approval of funding through the Local Transport Plan process has been slower than other funding, which is adding cost, complexity and delay to the scheme.

The London Borough of Croydon played an important enabling role in the delivery of the Tramlink project. The tram provides radial links to key urban centres in the south west of London, running mostly on old rail track. The project was funded by a Private Finance Initiative (PFI) scheme, involving a consortium including a major bus company, the tram suppliers, two construction companies and a bank. The government contributed £125 million of the £200 million cost.

The Issues

Transport infrastructure

- Local Transport Plans (LTP) are the primary mechanism for the commitment of funding for public transport in local areas. It is important that, in considering LTPs, transport infrastructure and plans for future investment are tied into a consideration of wider regeneration objectives. For example, even in areas where there is spare road capacity due to their altered economic role, there may be limited or inadequate links between areas of employment opportunity and areas of deprivation.
- Where there is over-capacity in the road system and an abundance of cheap, conveniently located parking, relatively draconian measures may be required to discourage road use and bring about a shift to public transport.
- When investment in light railway or tram systems is not viable, investment in heavy rail and bus services may be effective, which should be co-ordinated with investment in the bus and railway stations.
- Government investment in railways is subject to close economic scrutiny and, as railways are expensive to operate and maintain, let alone enhance, improvement projects are unlikely where there is no strong passenger demand. This leads to a 'chicken and egg' situation where there seems to be no mechanism for factoring regeneration opportunities into the overall financial equation.
- The appropriate inputs and commitment from Network Rail (as the owner and maintainer of the track and some adjacent land), Railtrack plc (as the owner of station buildings), and the local rail operator is vital. At the same time, the short-term nature of train operators' contracts, and competing demands on investment in track and stations, means there is little incentive at present to take forward the development and regeneration opportunities that can be presented by stations.

Croydon Tramlink.

Funding mechanisms

- There are funds available through Local Transport Plans (LTP). They are evaluated against emerging priorities, which are identified by the Government office and set as the bids come through. However, smaller authorities may find it difficult to access resources for small and medium sized improvement projects. It may be thought that such projects take up an unacceptable proportion of the annual allocation, although they may be critical to maintaining or improving infrastructure provision in the area.
- The key lesson from all the case studies is that the finance available for infrastructure in regeneration schemes is fragmented. Problems can occur due to the different funders having different funding timetables, objectives and monitoring processes.

Dealing with severance

- The Middlesbrough case study illustrates that the barriers formed by elevated roads and railways can be psychological as well as physical. Even where underpasses are designed and maintained with some care, there needs to be some activity or uses to attract people to the other side of such barriers.
- Transport engineers and regeneration planners are, broadly speaking, the two professional groups involved in dealing with issues of severance. Transport engineers would benefit from considering place-making, while designers need to address issues of logistics and safety, relating to the movement of people and vehicles, in their proposals. There is a significant gap between the two professional groups in their culture, training and policy framework, which needs to be bridged.

Below left View across Middlesbrough looking towards the River Tees with the A66 and the railway in the middle ground.
Below right View across Middlesbrough with the A66 in the middle ground and the Middlehaven regeneration sites beyond.

Recommendations

- Economically more successful places that can generate higher land values have been able to fund changes to large-scale infrastructure, which have in turn bred further success and promoted regeneration, often beyond initial expectation. The question that needs to be asked of policy makers and funders is how to enable these changes in areas which do not have the financial base to implement them without support from outside.
- Government funding mechanisms and rules are focused on the demand for public transport and on relieving congestion of roads. Little prioritisation is given to assisting areas of weak economic demand which may also suffer from failing public transport, and where there is therefore a need to implement changes to roads and streets to improve their form and quality of place. Central Government should consider how to link transport funding to the regeneration of derelict areas. Important issues, such as those identified above, should form part of any overall funding equation.
- In areas where it is fairly obvious that any Light Rapid Transit (LRT) system might be difficult to justify, the potential funding for any LRT system should be made available for railway and bus improvements, so as to stimulate demand rather than merely respond to it.
- A greater degree of co-ordination in funding should be sought, for example between the funding available through Regional Development Agencies and rail or bus companies.
- Central Government could consider creating a 'Merchant Bank' for financing infrastructure – possibly English Partnerships in their new role – to assemble land parcels of sufficient size to make investment in infrastructure more attractive.
- To bridge potential funding gaps, the introduction of a two-stage approval process for financing infrastructure should be considered. Beginning with an 'in principle' funding agreement for infrastructure projects, followed by actual finance, this would ensure that funding timetables match up.

- Evaluation of the potential of alternative funding and investment packages for infrastructure should take place within central and regional government, including:
  - local tax re-investment programme – the potential of top-slicing any uplift in rateable value of property as a result of regeneration and holding this money locally to finance future infrastructure needs;
  - public sector agencies taking a share in the profitability of schemes over time (overage), usually achieved through Joint Venture arrangements;
  - creating local bonds – effectively local investors buying shares in their city and its public services – to finance infrastructure;
  - local Special Purpose Vehicles (such as not for profit companies) to administer funds.
- Regeneration agencies, particularly in the regions, should work to generate a better understanding of the importance of urban design in creating infrastructure, which gives a greater return on investment in the long run.
- Planning and transport guidelines need to be made consistent and compatible in their regeneration objectives.

Below left The typical streetscape of Leeds City Centre, through which the Supertram is proposed.
Below Public space in Leeds.
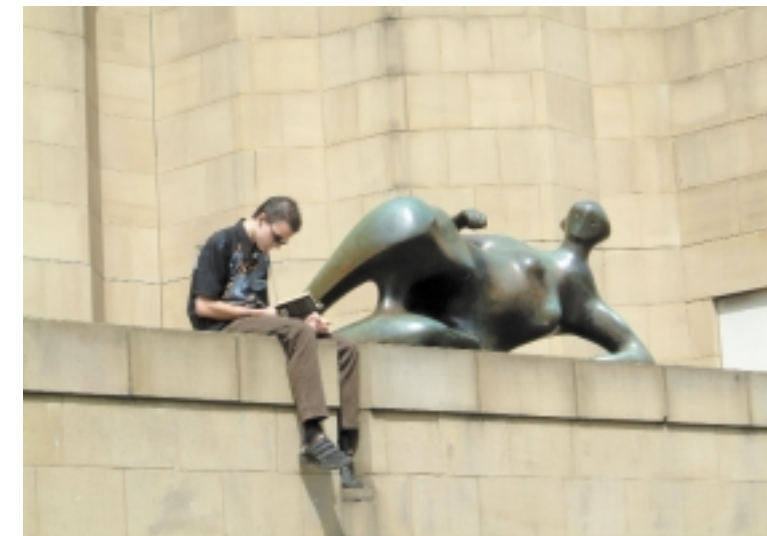
Job Creation, Enterprise Development and Property

The Croydon Case Study

Creating more good jobs is vital to replacing those lost through industrial decline, and provides a ladder of opportunity and sense of purpose to those entering the labour market. Towns and cities have traditionally acted as a seedbed for new enterprises. Yet, despite a plethora of initiatives (320 business support organisations in London alone), both the start up and growth rates lag behind areas such as Northern Italy and the USA. The highest business birth rates are now in areas which offer the best lifestyles, like the South Coast, therefore can the benefits of 'clusters' or networks of enterprise be secured in dense urban areas?

Croydon is a relative success story, where the focus has been on developing untapped potential, with some impressive achievements. However, there are huge differences between its prosperous suburbs, and poorer inner areas. For Croydon, the under-appreciated key to success is building confidence. Entrepreneurs learn best from others like themselves. They cannot be forced to fit into standard national programmes which may ignore the areas with most entrepreneurial potential. Nottingham and Plymouth endorsed Croydon's experience, but highlighted different barriers. In Nottingham, where employment had been expanding, there is still a low start and survival rate, in part due to problems with micro-finance, but also the supply of a ladder of premises. Plymouth, which has one of the lowest business formation rates, needs to drive up incomes to provide demand for a local service sector, and to break the dependency culture that stems from past reliance on a few large employers. Both Nottingham and Plymouth are taking part in the City Growth Strategy Programme, which is testing out an American idea of concentrating on clusters with growth prospects.

Below Offices in the centre of Croydon.
Right Airport House – a business centre in Croydon which provides managed workspace.

The importance of providing the right support was emphasised by the fact that the UK comes 19th out of 29 industrial nations in the levels of economic activity. For example: US research shows that networking between businesses can help both individual companies and regional economic growth; and that 80% of businesses that start in 'incubators' – managed workspace which provide support and space on easy in easy out terms – are still going after five years, which is double the normal rate. Hence the task is both to create a more entrepreneurial culture that encourages risk taking, but also to encourage entrepreneurs to take help. Over 400,000 businesses start every year, but the DTI support service Business Link only reaches 5% of these.

Issues

The discussion uncovered a series of other issues.

- The Government is particularly concerned about concentrations of 'worklessness', yet entrepreneurship is a state of mind which conventional business support is unlikely to resolve.
- Social enterprises that meet community needs may help, but still face the barriers of finding customers, premises, and then finance.
- The Learning and Skills Councils are focusing on their core business of increasing the number of people with qualifications, and so will find it hard to put resources into community economic development.
- Entrepreneurs are reluctant to pay for help and find the plethora of agencies confusing, particularly as their problems often do not fit into the standard programmes.
- There are real obstacles to growth, including the lack of higher rungs on the premises ladder. Space in empty shops or redundant 1960s office blocks is not available because landlords are not interested in dealing with clients they regard as small scale and potentially unstable.
- There is often a range of agencies delivering business support in a locality and providing complementary support to each other. But there is a risk that a lot of effort has to go into networking between the organisations, rather than the actual delivering of services to businesses and individuals. Communicating the role of different agencies is therefore also important.

Recommendations

Culture and education

- Young people generally should be given more practical experience of entrepreneurship. The funding should be channelled through organisations with some experience, such as Young Enterprise, and used to help set up mini businesses in schools, tapping into local business contacts. Further Education also needs to make a greater contribution to the local economy.
- Local Strategic Partnerships and Community Strategies must ensure there is a proactive approach to seeking out and encouraging potential entrepreneurs.

Advice and support

- Support for enterprise development should play a key role in local strategies for urban renaissance, and this means delegating more power and responsibility. Lessons can be learnt from the Phoenix Fund in contracting out Business Links to Regional Development Agencies, with a specific requirement to test out a more flexible and innovative approach to supporting enterprise development, particularly in disadvantaged areas as part of Regional Economic Strategies.

Premises

- The immediate challenge is to use land, particularly that owned by quasi-public and regulated bodies, to make it easier for enterprises to start and grow. The development process could be greatly speeded up and made more responsive to demand by using CPO powers to assemble sites, and then renting space out for interim use by small businesses. This may be a job for English Partnerships.
- National incentives are needed to secure more institutional investment, rather like the Regional Venture Capital Fund, with subordinated public investment to take away some of the risk. Some 'templates' are needed, as with the Private Finance Initiative, to cut transaction costs and the regulatory maze.
- In the longer term, there may be a need to review the system of property taxes (the Non Domestic Rate) to provide incentives for empty property to be occupied by job creating enterprises, while penalising owners who keep property empty for more than a few years. Incentives need to be location sensitive, to reflect the risks of investing in areas of high vacancy and 'market failure'.

Aerial view of the Croydon central area.

Post-industrial Heritage and Regeneration

The Burslem Case Study

This workshop was held in the heart of Burslem, one of the six towns of Stoke-on-Trent. Burslem was, and in many respects still is, at the heart of the ceramics industry. It was the place where Josiah Wedgewood lived and started his first pottery, and where Royal Doulton, Wade and Moorcroft are still based. However, the ceramics industry has declined and the remaining companies are outsourcing manufacturing, shedding workforce and disposing of their factories. In addition to this, Stoke-on-Trent has seen the closure of its coal industry and also of the Shelton Steel Plant along with many smaller engineering businesses. Like many of the UK's industrial areas, Stoke has therefore experienced considerable decline in its local population and economy.

Stoke-on-Trent is starting to address this by encouraging design and information technology and communications (ITC) businesses and the expansion of its university. However, it is left with a legacy of six closely-grouped town centres each with their own facilities, shops and markets. Burslem has lost 15,000 jobs in the last twenty years and its catchment is now just 3,500 people. It also suffers from competition from the other towns in the conurbation, notably the nearby regional shopping centre of Hanley. Yet while the loss of manufacturing is at the heart of Burslem's problems, it has also created development opportunities around the town centre. An important focus for the workshop was how to exploit these sites, and the residential developer interest that exists, to regenerate the town.

The workshop undertook an intensive masterplanning exercise and SWOT analysis to examine the issues facing Burslem and to explore possible strategies for the future. The workshop concluded that Burslem had been over-reliant on a ceramics industry, that it would struggle to create similar levels of employment and is unlikely to be able to compete with the retail centre at Hanley. Burslem also suffers from a weak housing market, an undefined image, a declining population and weak skills base.

Dealing with decline as rapid as that experienced in Burslem is very difficult for local agencies. It is also recognised that there are policy barriers that have possibly exacerbated Burlem's problems. These include the inflexibility and incompatibility of some heritage and regeneration funding, the need for a strategic vision, effective partnerships and dedicated leadership. Within the Stoke-on-Trent context there is also the need to co-ordinate efforts across the six

Above Delegates from the workshops outside one of the former potteries sites in Burslem.
Below The Wedgwood Institute in Queen Street, Burslem.

towns to ensure that they are not competing with each other, a process which the local authority is getting to grips with.

Presentations from Barnsley and Norwich also illustrated how a bold vision could be used to change perceptions of a town. Drawing on the other towns' experience, the conclusion was that the vision for Burslem should be based on crafts and ceramic design, using workshops and housing to change the image of the centre, making it an attractive place to live and to visit. The residential population and visitors could then support a range of services and leisure activities that would bring life back to the town. Its image could be bohemian and creative; making the most of the quality of the existing environment. The physical form that this vision might take was considered and some of the key characteristics identified, for instance a compact well connected centre with medium and high-density housing within walking distance.

The Issues

This process provided the framework within which to consider the barriers that prevent a vision such as this from being realised. The issues that emerged reflect the experiences of many smaller urban centres involved in regeneration.

Land acquisition

■ The difficulties of buying key sites within the context of a regeneration strategy can cause problems in implementing regeneration objectives. Local authorities may be unable to justify acquisition of these sites because the involvement of developers makes it difficult to demonstrate market failure. However, the loss of control over key sites makes it difficult to co-ordinate regeneration, to ensure quality and to avoid speculation and land trading. It may be that local authorities need to adopt a more ambitious and aggressive land acquisition strategy, potentially with support from the Regional Development Agency (RDA).

Planning

■ Local authorities need to develop planning policies that enable them to deal with planning applications of mediocre or even poor quality that can jeopardise broader regeneration objectives. Planning departments need to feel empowered to turn down applications on the basis of quality. This will be assisted through the availability of urban design advice to the local planning authority.

- The preparation of a design framework is a vital element in delivering regeneration. Its adoption as supplementary planning guidance and the preparation of briefs for individual sites are both necessary for the ultimate goal to be reached. Where none exists, interim guidance may be necessary or it may be possible for planning applications to be deferred until guidance is in place.
- The development framework needs to be owned by the community but also grounded in commercial sense. This will encourage developers by promoting certainty.
- The interplay between heritage and renaissance issues is very important in contexts like Burslem. Early involvement of English Heritage in such projects is key, alongside the development of a strategy for the repair, continued use or re-use of heritage buildings.

Partnerships

- In delivering regeneration, partnerships need to engage with stakeholders and a wide range of agencies. But in doing so they must remain action orientated and focused on delivering change on the ground. Adopting the appropriate decision making structure can help avoid inertia. The quality of the team charged with delivering the project is important and secondment of people from partner organisations can be a good way to build in consensus and provide resources for a project. All partners must bring something to the table and an Urban Regeneration Company (URC) is an obvious model for this.

Housing Market Renewal Fund

- Stoke-on-Trent is a Pathfinder area for Housing Market Renewal Fund and it was agreed that Burslem was a good example of the type of issues that will be faced in this initiative. The case study illustrates the need to think strategically, as the housing market is weak across the city's conurbation and action in Burslem could create problems elsewhere. The initiative needs to balance this strategic overview with a local focus to effectively bring about change. There is, however, the possibility that the sort of initiative that had been discussed at the workshop would conflict with the wider HMRF strategy.

Recommendations

- Local authorities and regeneration agencies should have the power and resources to acquire land when it becomes available without having to demonstrate market failure. This relates to Compulsory Purchase Order (CPO) powers but also to the negotiated purchase of land that comes to the market.
- All regeneration projects need to be subject to detailed characterisation studies to understand the qualities of the area and the built environment. This should give heritage agencies more confidence in considering the, perhaps more radical, interventions required for regeneration rather than just preservation.
- Physical design frameworks or masterplans should be drawn up for regeneration projects, particularly those dealing with an existing urban context. They need to provide the vision and policy framework for regeneration and be used as tools for the local authorities to ensure the quality of proposals as they come forward.
- Regeneration projects of a scale similar to Burslem need a dedicated local team, but also need to fit within a strategic context, to ensure that the strategy is not undermined by policy in neighbouring areas (or vice versa). Leadership is critical and local partnerships should not be afraid to pay a small number of excellent personnel well to encourage successful intervention.
- There needs to be greater concord between heritage and regeneration funds so that a holistic approach to regeneration can be developed, guided by the need of the area rather than the narrow requirements of individual funders.

Left Entrance to Queen Street, Burslem.
Right The Ceramica Centre and Burslem Town Hall.

Host Authorities:

Blackburn with Darwen Borough Council

City of Stoke-on-Trent

Leeds City Council

London Borough of Croydon

Medway Council

Middlesbrough Council

Organisations Represented:

Advantage West Midlands

Arriva Trains Northern

Asda

Barnsley Metropolitan Borough Council

Birmingham City Council

Burslem Regeneration Company

Business Link for London

Countryside Properties plc

Crest Nicholson plc

Department of Trade and Industry (DTi) – Regional Policy

Department of Trade and Industry – Small Business Service

Department for Transport – Local Transport Planning Division

Department for Transport – Railways Sponsorship Division

Department for Transport – Road Transport Directorate

Department for Work and Pensions – Neighbourhoods

DTZ Pieda Consulting

English Cities Fund

English Heritage

English Partnerships

Gateshead Metropolitan Borough Council

Government Office for the North East

Government Office for the North West

Government Office for the West Midlands

Government Office for Yorkshire and Humberside

Heritage Lottery Fund

Highways Agency

HM Treasury – Enterprise Team

HM Treasury – Housing and Urban Policy Team

Home Office

House of Commons

Housing Corporation

Igloo Developments

Institution of Highways & Transportation

Kings Lynn and West Norfolk Borough Council

Kings Sturge

Lancashire Constabulary

Lattice Property

Leeds Business School

Leicester City Council

Lend Lease Real Estate Solutions (UK)

London Development Agency

London School of Economics

London South Learning and Skills Council

Manchester City Council

Middlesbrough Town Centre Company

National Youth Parliament

North West Regional Development Agency

Norwich City Council

Office of the Deputy Prime Minister (ODPM) – Housing Market Renewal

Office of the Deputy Prime Minister – Planning Division

Office of the Deputy Prime Minister – Plans, Compensation and International Division

Office of the Deputy Prime Minister – Public Spaces Unit

Office of the Deputy Prime Minister – Neighbourhood Renewal Unit

Office of the Deputy Prime Minister – Urban Policy Unit

One North East

Plymouth City Council

Railtrack Group

Railtrack plc

Reading Borough Council

Royal Institute of Chartered Surveyors

Sheffield City Council

South East England Development Agency (SEEDA)

South East England Regional Assembly (SEERA)

Southend-on-Sea Borough Council

Strategic Rail Authority (SRA)

Tees Valley Urban Regeneration Company

Twin Valley Homes

Urban Design Group

Urban Splash Ltd

West Yorkshire Passenger Transport Executive (PTE)

Workspace Group plc

Yorkshire Forward

Facilitators:

Ben Castell – Llewelyn-Davies

Ben Denton – ABROS

Brian Raggett – CB Hillier Parker

David Irwin – Project North East

David Levitt – Levitt Bernstein Associates

David Rudlin – URBED

Les Sparks – CABE

Michael Coombs – Alan Baxter Associates