

## **Regeneration in European cities**

### **Making connections**

*Christopher Cadell, Nicholas Falk and Francesca King*

**This study analyses successful urban regeneration schemes in mainland Europe to draw lessons for the UK.**

The report looks at Norra Alvstranden in Gothenburg, Sweden's second city; Kop van Zuid in Rotterdam, Europe's main port; and Roubaix in Metropolitan Lille, a former textile town. It makes comparisons with similar places in the UK (Gateshead, North Southwark, and Bradford).

An extensive literature review identifies where the UK might learn from Europe. Each case study:

- sets the context;
- assesses actions and achievements;
- looks at benefits for vulnerable groups;
- sets out the main elements of the scheme;
- includes reactions from UK partners; and
- outlines implications for UK policy.

The study, which used local researchers and involved workshops in the case study cities, concludes with ten key messages – from the need to recognise that cities are in competition to valuing the role of culture in regeneration.



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**Christopher Cadell, Nicholas Falk and  
Francesca King**



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The **Joseph Rowntree Foundation** has supported this project as part of its programme of research and innovative development projects, which it hopes will be of value to policymakers, practitioners and service users. The facts presented and views expressed in this report are, however, those of the authors and not necessarily those of the Foundation.

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First published 2008 by the Joseph Rowntree Foundation

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ISBN: 978 1 85935 631 9

A CIP catalogue record for this report is available from the British Library.

Prepared and printed by:  
York Publishing Services Ltd  
64 Hallfield Road  
Layerthorpe  
York YO31 7ZQ  
Tel: 01904 430033; Fax: 01904 430868; Website: [www.yps-publishing.co.uk](http://www.yps-publishing.co.uk)

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# Acknowledgements

The research team would like to record its thanks to the following people whose contribution to this study was invaluable:

- Joseph Rowntree Foundation  
Katharine Knox      Principal Research Manager
- Project Advisory Group  
Jan Anderson      Executive Director of Environment, Yorkshire Forward  
Paul Evans      Director of Regeneration, London Borough of Southwark  
Ian Keating      Senior Project Officer, Local Government Association  
Evelyn Milne      Head of Regeneration and Partnership, Sheffield City Council  
Keith Perry      Director, The Asset Factor Ltd  
Anne Power      Professor of Social Policy and Co-Director, Centre for Analysis of Social Exclusion  
  
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Tony Travers      Director, London School of Economics, Greater London Group  
  
Phil Wood      Comedia
- Local researchers  
Claire Colomb      Lecturer, The Bartlett School of Planning, UCL (and formerly Project Developer for the INTERREG IIIB programme based in Lille)  
  
Marco van Hoek      Lecturer, Erasmus University, Rotterdam  
Lisbeth Birgersson      Associate Professor, Chalmers University of Technology, Gothenburg
- UK partners  
Bradford      Mark Clayton, Marc Cole, Cllr Simon Cooke, Cllr Andrew Mallinson  
  
Gateshead      John Devlin, Peter Udall, Alan Jones, Cllr John McElroy  
North Southwark      Paul Evans, Gill Davies, John East, Pascale Rosenbloom
- UK experts  
Sir Peter Hall and John Zetter.

URBED is also very grateful to Fergus Low, Chairman of More London Development, for providing the venue for the symposium held on 19 October 2006 at the More London site in North Southwark.

# Summary

This report summarises research carried out by URBED for the Joseph Rowntree Foundation into how urban regeneration schemes have been used to transform three former industrial cities in northern Europe, and what conclusions can be drawn for UK policy. The research is based primarily on case studies of projects in Gothenburg, Rotterdam and Roubaix which, like many industrial towns and cities in Britain, have had to deal with the collapse, or wholesale relocation, of their principal industries.

## Choice of case studies

The three case studies cover regeneration schemes at:

- Norra Älvstranden ('Northern Riverside') in Gothenburg, Sweden – the site of the city's shipbuilding yards which all had to close in the late 1970s. The area is being successfully redeveloped as a new mixed-use area.
- Kop van Zuid ('Southern Headland') in Rotterdam, the Netherlands – a former dock area which became abandoned when the port moved downstream. It has largely been redeveloped as a mixed-use quarter.
- Roubaix in the Lille conurbation in northern France – once a major textile town which became extremely run-down following the collapse of the industry in the 1970s and 1980s. The town is being regenerated through a wide-ranging programme.

The reasons for choosing these schemes to study were that they were being carried out in countries that are not too dissimilar to the UK (and in places which are not too dissimilar to equivalent British cities). Furthermore, they have all been under way for many years and are widely seen as being successful. The case studies were written with the help of local researchers who were based in the cities concerned and were familiar with the schemes in question. They look at the approaches taken to urban regeneration and economic restructuring in each case and explore the connections that were made between the physical transformation of the areas concerned and improvements to the prospects of local people, especially those who were adversely affected by the industrial decline (who are referred to as 'vulnerable groups' in this research).



The case studies try to get ‘under the skin’ of the schemes and to draw out lessons that might be relevant to the UK. Each draft case study was discussed at a two-day workshop, held in the city concerned, that brought together members of the research team, practitioners involved in the scheme and members of the vulnerable groups or community workers who were closely involved with them to review the scheme and to probe into the factors that particularly contributed to its success. Each workshop was also attended by officers (and where possible a councillor) from the UK local authority that had agreed to act as ‘UK partner’ for that case study. Their role was to help the research team understand the differences in the approach to urban regeneration shown by the case study schemes and to suggest what lessons could be learnt from them. The findings of the case studies and the draft conclusions were also discussed at a symposium held in London and attended by some 50 senior people in a wide range of UK organisations concerned with urban and regional policy. The research has also drawn on an extensive literature review and advice from a Project Advisory Group and other experts.

## **Norra Älvstranden case study (UK partner: Gateshead)**

Gothenburg (population 500,000) is Sweden’s second city, an industrial centre and Scandinavia’s main port. It is, however, a long way from Europe’s main centres of population. Norra Älvstranden, across the river from the city centre, was the home of Gothenburg’s world-famous shipyards up until the 1970s. About 15,000 people were employed in the yards (and another 30,000 jobs depended on them). Foreign competition, and the effects of the 1973 oil crisis, led to the closure of the yards, and all shipbuilding in Norra Älvstranden had ceased by the end of the decade.

The yards were nationalised and run down in an orderly way. Older employees were allowed to retire early. Other employers rallied round to create new jobs, and extensive education and retraining schemes were provided. Compulsory redundancies were avoided. The redevelopment of the derelict site, however, took many years to get off the ground. Successive early visions proved unviable. Nevertheless the public sector confirmed its faith in the area by investing in a range of educational and research facilities and by holding major events (such as pop concerts) there to change its image. Eventually, when the city council gained control of the whole site in the late 1990s, a stylish mixed-use quarter began to be created under the direction of a proactive city-owned development agency. Although the regeneration is far from complete, Norra Älvstranden already provides more jobs, more housing and a much better environment than it did in its industrial heyday, even though there is more to be done to make it a complete community. What makes the

scheme special, however, is the exemplary way in which the city, the universities and leading companies (such as Ericsson and Volvo) have worked together to create a cluster of knowledge-intensive firms there, along with the facilities and environment to help them flourish. This is a key part of a plan to establish Gothenburg as a world leader in some niche sectors, and to attract and retain the talented people needed to sustain such businesses – and the prosperity of the city – into the future.

Several other features of the approach taken in the scheme appear relevant for UK policy, such as:

- the strategic economic view taken by the city council in conjunction with other key players, especially major businesses and the universities;
- the decisive role of the city council in leading the regeneration process;
- the way in which all the parties were prepared to work together for a common long-term goal, although this was not always in their short-term interest;
- the strong incentive for the city council to promote the economic success of the city as much of its income is derived from a tax that is directly linked to local prosperity;
- the realisation that making the city attractive and user-friendly was an indispensable part of the regeneration and economic development strategy;
- the stress on quality in all aspects of the development, including the business environment;
- the commitment to education (particularly technical education) and job-related training, so that all the city's residents would have access to good jobs;
- the wisdom of having systems in place to cope with unexpected plant closures etc., which meant, in this case, that the decline of the shipyards did not lead to mass unemployment.

### **Kop van Zuid case study (UK partner: LB Southwark)**

Rotterdam (population 600,000) is the largest port in Europe. Kop van Zuid, a peninsula on the south bank of the River Maas directly opposite the city centre, used to be an important, but isolated, dock area. It was abandoned after the port moved

out to the mouth of the river in the 1960s and 1970s. Initial plans to redevelop the area for social housing were replaced by a strategic vision for creating an impressive new quarter that would help to change Rotterdam's standing within the Randstad region and open up the whole of the south of the city.

Funding was secured from the central government for the iconic Erasmus Bridge, a new metro station, the extension of the tram system, and putting underground the railway lines that used to cut the area off from the adjoining residential areas. Even though much of the investment for the scheme came from the Government, the city council was clearly responsible under the Dutch Major Cities Policy for developing and carrying the strategy through. Furthermore, the early public investment in infrastructure – and the accessibility it created – convinced the private sector that it was safe to invest, starting with high-density housing and a stylish hotel. Kop van Zuid now has a new waterfront with many striking buildings, high quality housing, a first-class environment and a mixed-use central area which complements the city centre. This in turn has prompted improvements in neighbouring areas which have encouraged local residents to move to better housing in the area rather than leave altogether. In addition the city established a Mutual Benefit programme to spread the benefits of the new development to poorer areas nearby. Engaging with local people also helped to secure breakthroughs in the way the environment is looked after and to overcome resistance to change. Of particular note is the way that shared responsibility for maintaining public spaces to high standards has created places that feel safe and encouraged creative people to move into the area.

Other features of the approach taken in the scheme which appear relevant for UK policy include:

- the way in which the city council's Planning Director saw the strategic impact that the regeneration of Kop van Zuid could have on the development of the whole of the city;
- recognition of the importance of early investment in high quality infrastructure, impressive architecture and a first-rate public realm in changing the image of the area and creating confidence among potential investors;
- the fact that, through the Major Cities Policy, the national government devolved responsibility and resources for joined-up urban regeneration to local authorities – first just to the four largest cities, but eventually to 30 towns and cities;
- the leading role taken by the city council (which has responsibility for transport as well as planning, and which owns all development land) in developing and carrying out the scheme;

- the use of the city's established Development Corporation to manage the scheme and to act as 'spider in the web', getting a whole range of public and private partners to work together;
- making a concerted effort to involve the surrounding communities in the plans for the scheme and to spread the benefits of regeneration to poorer areas.

### **Roubaix case study (UK partner: Bradford)**

Roubaix (population 100,000), once a major textile producer, is one of the larger towns in the Lille conurbation (population 1.1 million). After 30 years of post-war boom, during which many immigrants were attracted from other parts of Europe and from North Africa, the French textile industry began to collapse in the 1970s. This led to a loss of both jobs and population from Roubaix, and very high unemployment (33 per cent in the late 1980s). The shops as well as factories closed, and the town became very run-down.

Roubaix's revival has been part of a co-ordinated development strategy for the whole of metropolitan Lille led by its long-serving mayor Pierre Mauroy (who was also prime minister of France from 1981 to 1984). It is widely known that Lille seized the opportunity to build a new station on the high-speed rail network as part of a plan to change itself from a struggling provincial capital on the edge of France to a top-ranking city in the heart of Europe. However, just as important were connecting up the different parts of the conurbation through a new metro and improvements to the tram system, and working together (and sharing revenues) in the interests of the whole city. The vehicle for doing this was a city-regional authority, Lille Métropole Communauté Urbaine (LMCU), overseen by an assembly whose members were drawn from all the elected municipal councils in the conurbation. LMCU entered into a series of long-term contracts, or *contrats de ville*, with the central and regional governments that provided joined-up funding for the physical, economic and social regeneration of the city. The main projects in Roubaix included revitalising the town's economy, bringing retailing back to the town centre, improving the housing stock, creating a safe and attractive public realm, and developing and implementing a cultural strategy. These were carried out in partnership with LMCU by the municipality of Roubaix, which has made a particular effort to link employment and training opportunities for local people to all new investment in the town. A particular example of this is the use of an Enterprise Zone where the tax incentives are conditional on the provision of local jobs, and it is widely now agreed that the place that used to be called 'the worst town in France' has turned the corner decisively.

Several aspects of the approach taken in Roubaix and Lille would seem relevant for UK policy:

- the understanding that the regeneration of Roubaix depended on the success of a wider economic development strategy for the city-region, and required a transformation of the town's image, so that it would be seen as a place of opportunity, not just need;
- the leading role taken by the metropolitan local authority (LMCU) in driving forward regeneration in all parts of the city-region;
- the long-term persistence and collaborative working across sectors and across centres within a city-region that are needed to make sure that urban regeneration succeeds;
- the ability of the municipalities to share revenues (through LMCU) and their agreement on priorities for regeneration throughout the city-region;
- the use of long-term contracts between central and local government to secure collaboration at city-regional level and enable a locally driven development strategy to be implemented;
- the value of an efficient, integrated public transport system which links the city-region together;
- the high priority given to ensuring that as many of the new jobs as possible went to local people, so that the existing population (including the 'vulnerable groups'), and not just the newcomers, benefited from the regeneration;
- recognising that culture is a central part of urban regeneration even in the most deprived areas – and not just a luxury add-on.

## Conclusions from the research

Although it is clear that there is no single 'European model' for successful urban regeneration, and great caution is required when attempting to transfer lessons from one country to another, the research does show that there is a consistent approach running through all the case studies. Most notably a strong local authority was in charge of each regeneration scheme, and was using it not only to improve a run-

down area but also to help change the image of the whole city and transform its strategic economic position. There appear to be ten key messages from the research which the discussions at the symposium confirmed as being highly relevant to current British urban and regional policy debates:

1. *Recognise that cities are in competition.* Cities compete – especially to attract sustainable, wealth-generating companies and enterprising individuals to work in them or provide support to them. Therefore setting and managing a strategy to make a city both attractive and user-friendly (for both people and businesses), as well as distinctive, is of crucial importance. Urban regeneration can only be successful if it is part of a city's wider economic success.
2. *Focus on the wider metropolitan area (or city-region).* A city's economic footprint almost always spreads out beyond its municipal boundaries. It is necessary to focus on a wider metropolitan area or city-region for both generating and spreading benefits.
3. *Work together across boundaries, sectors and professions.* Successful economic development and the linking of disadvantaged people to new opportunities need long-term commitment and genuine collaboration between different tiers of government, between neighbouring authorities, and between the many agencies and interests (including key local businesses, educational establishments etc.) involved in regeneration. Great efforts are devoted to this in all the case study cities.
4. *Devolve real power and resources to city authorities.* Since city-regions compete, it is at this level that strategic control needs to be exercised, and the case studies show this happening in practice. The city authorities (working with neighbours) clearly accept responsibility for both the regeneration of the run-down area in question and the future development (including economic development) of their metropolitan area. As elected bodies they have a democratic mandate for this. Also they have access to resources (including resources for investment in infrastructure) to match their responsibilities, through long-term contracts with central government or local tax revenue. For devolution to work, a real transfer of resources as well as responsibilities is required.
5. *Provide incentives for sustainable success.* In all three cases a substantial part of the city authority's income comes from taxes linked to the success of the local economy. This provides a strong incentive to pursue a successful strategy and to collaborate with neighbouring authorities and others to make it work.

6. *Create attractive and balanced residential neighbourhoods.* Transforming the prospects of a town or city depends above all on creating environments which are attractive to enterprising businesses and people with choice. In all the case studies low-status areas were turned into attractive residential ones, through a combination of refurbishment and high quality new build at relatively high densities in schemes where it was impossible to tell from the outside what kind of person lived there or what the tenure was.
7. *Invest in high quality infrastructure and public realm.* Public investment in high quality infrastructure (transport, educational facilities etc.) and a high quality public realm is often essential to change the image of a city – so as to attract the private investment and the new residents required to take the agreed strategy forward.
8. *Spread the benefits of economic development throughout the community.* Spreading the benefits of regeneration is just as important as generating them. People in all parts of the metropolitan area need to feel that they benefit from the development of the city and are proud to belong to it and contribute to it. Communication and engagement with local communities are therefore vital, and neighbourhood management which involves local people and rewards positive communal behaviour can be highly effective.
9. *Build permanent delivery organisations and skills.* Regeneration takes a very long time and in a city-region one scheme is likely to follow another almost continuously. City development is a permanent function. Competitive metropolitan areas are therefore likely to need permanent, city authority owned and driven development agencies. These will require a range of knowledge and skills. While these often need to be built up through practical experience, universities in the Netherlands, for example, already run courses for ‘city managers’.
10. *Value the role of culture in regeneration.* Cultural projects have a central part to play in regeneration. High-profile projects (including iconic buildings) can help to transform the image of an area, but local projects (which engage local residents in such activities as the arts, heritage, sport or other community interests) are just as important too. They can give local people (particularly young people and other vulnerable groups) access to a range of opportunities for developing their potential, as well as helping to generate local pride and build social cohesion.



### Implications for the UK

This research shows that, in the three different countries studied, highly successful regeneration schemes are being carried out by powerful local authorities under a much more decentralised system of governance than has operated in Britain. In each case the local authority is clearly responsible for, and in charge of, the economic development of its city and has wider powers, including the power to raise a substantial amount of its revenue from local taxes. This does not, of course, prove that the success of the schemes is due to the city authority's enhanced role. However, Continental cities are in competition with British cities, and so their approach – which, from the case studies, appears both logical and effective – cannot be ignored. If this is a pattern towards which successful cities should be moving, there are implications for the different levels of government in the UK, including the Regional Development Agencies, which need to be carefully thought through. The changes to the regional planning and budgeting systems, along with the introduction of Multi-Area Agreements for groups of local authorities, provide an ideal opportunity for making the connections that have been missing in the past.



# 1 Introduction

This report by URBED presents the conclusions of ‘Making Connections: Transforming People and Places in Europe’, an 18-month-long investigation into the way that urban regeneration schemes have been used to transform former industrial cities in northern Europe, looking at what happened to both the places and the people who were most affected. It is based primarily on case studies of regeneration projects in Gothenburg (Sweden), Rotterdam (the Netherlands) and Roubaix (France), and forms part of a wider Joseph Rowntree Foundation research programme on ‘Transforming the Prospects of Places’, which aims to promote learning about the interventions needed to regenerate deprived areas in Britain.

In each of the three cities the need for the regeneration scheme was brought about by the collapse, or wholesale relocation, of their principal industries – the same devastating issue which British industrial towns and cities have had to face, and the legacy of which many are still struggling with. Since the projects examined in this study have been under way for many years, and are generally considered as success stories, they may well have lessons for British cities and British urban policy. Although great care must always be taken when making comparisons between places in different countries with different systems and different traditions, this report does draw out conclusions that may well be relevant for Britain, and especially to the implementation of the Local Government White Paper (DCLG, 2006a) and the Treasury’s *Review of Sub-national Economic Development and Regeneration* (HM Treasury *et al.*, 2007).

## Background to the project

Although Britain has been at the forefront of urban regeneration for over 30 years, and a renaissance is clearly under way in the centres of most of its major cities, serious problems still remain over how to revive many former industrial areas and to reduce levels of economic and social deprivation. In spite of a long period of economic growth, low unemployment and increased public spending, the recent Local Government White Paper accepts that, with the exception of London, Britain’s cities ‘are not yet really competitive by international standards’ (DCLG, 2006a). The *State of the English Cities* report (Parkinson *et al.*, 2006) reached the same conclusion, and a detailed analysis of the last census pointed to ‘growing disparities between the greater London conurbation and the poor industrial “archipelagos” of the rest of the country’ (Dorling and Bethan, 2004). Furthermore the gaps are not

just between North and South. They can also be found between city centres and adjoining inner areas as well as many 'second tier' centres, which has led to calls, for example from the Local Government Association, for greater efforts to be made to 'spread the benefits of town and city centre renewal' to other areas (URBED, 2005a).

Very often it is the collapse of the industry that an area previously relied on and the difficulty, in a highly competitive world, of finding viable activities to replace it that are at the root of the decline. Since this is a problem that has affected so many places in other developed countries, particularly in Europe and North America, there may be lessons to be learnt from what has been done abroad, especially in places which are similar to British industrial cities but seem to have made a substantial recovery. This is the thinking that lies behind the Making Connections project.

In the past, as a paper from the Institute for Public Policy Research argues, British policy-makers 'have tended to look to the United States for policy inspiration'. Yet 'compared to their Continental rivals many American cities don't provide the kind of environment that British policymakers are keen to deliver'. However, attitudes are now beginning to change and 'the Government is starting to take European policy models seriously' (Nathan and Marshall, 2006). Indeed the Government has recently published a series of reviews and reports on how to improve performance in key areas, such as planning, transport, skills and local government finance, which have drawn on European experience and which are all relevant to making British cities more competitive. Making Connections continues this trend of seeing what can be learnt from Europe.

## Aims of the research

The aims of the project are:

- to provide, through the three case studies, detailed information on the approaches taken to large-scale urban regeneration in run-down parts of European cities and on what has been achieved in transforming both the places and the people concerned;
- to draw conclusions that might be relevant for the UK and for the ongoing policy debates on how to improve the performance of cities and to reduce social exclusion.

This is, of course, not the only research that has looked at European experience.

Other informative reports, such as *Urban Regeneration in Europe* (Couch *et al.*, 2003), have covered a wider range of similar projects, although in less detail. Also ongoing work by Anne Power and others at the London School of Economics is examining ‘weak market’ cities in Europe, the USA and the UK. However, a particular emphasis of Making Connections is to try to see how the interests of the community – particularly the ‘vulnerable groups’ who were most affected by the decline of the area – were taken into account, and what lessons might be learnt from this.

It is important to emphasise at the outset that this research is not based on any notion that everything in European cities is good and that British cities are always lagging behind. Far from it, and all the cities and countries studied readily admit that they have learnt a great deal from British experience. However, different countries and cities have different ways of doing things. For example, in many European countries local authorities, particularly the larger ones, have greater autonomy than they do in Britain as there is less centralisation. There has also been a longer tradition of planning at the subregional level and a less adversarial approach to development, particularly in the Netherlands and Sweden. Such factors may have led to different approaches being taken to urban regeneration, and where these have succeeded there may be lessons that British cities and policy-makers can learn from. In essence Making Connections uses the particular urban regeneration schemes described in the case studies as ‘windows’ through which to observe and comment on each city’s approach to regeneration. This has the advantage of providing a clear focus – although it may not necessarily include all aspects of urban development policy. Furthermore, what works in one country or situation will not necessarily be relevant in other circumstances. Great caution therefore needs to be taken in translating foreign experience into recommendations for British policy. This does not, however, mean that nothing can be learnt from abroad, only that the potential lessons must be carefully evaluated before new policies are put forward.

## Research methodology

This project has included several elements of work and the research team has drawn on a number of sources of information and expertise:

- *Literature review.* There is a large body of published research on approaches to urban regeneration in Britain and Europe, and recent relevant material has been reviewed. The results are summarised in Chapter 2, and in the bibliography included at the end of the report. As the study crosses so many boundaries the literature review cannot hope to reflect everything, but it was able to unearth

much background information for the case studies, and it has been updated to take account of many of the new reports and policy reviews published in 2006 and 2007, after the case studies were completed.

- *Case studies.* The case studies are the backbone of the research. They each follow an approximately similar format covering:
  - the context of the regeneration scheme, including any elements of national or city policy which particularly affected it;
  - the aim of the scheme and how it was managed;
  - what was done and what has been achieved;
  - how the interests of the ‘vulnerable groups’ were taken into account (the ‘vulnerable groups’ are those who were most directly affected by the original loss of industry, usually those who formerly either worked or lived in the regeneration area);
  - the key elements of the scheme;
  - the response of the UK partner (see below);
  - potential messages for UK policy.

Each case study was written with the help of a researcher – an experienced academic – based in the city concerned and familiar with the regeneration scheme. It was important, too, that the researcher had good contacts with people who had been directly involved in the scheme over the years. The full case studies are available through the URBED website [www.urbed.co.uk](http://www.urbed.co.uk). Abridged versions are included as Chapters 3–5 of this report.

- *European workshops.* Once a draft of a case study had been prepared, its findings were discussed at a two-day workshop in the city concerned. Each workshop brought together members of the research team, practitioners involved in the scheme and community representatives. Not only were the regeneration scheme, its aims and impacts, and its effects on the vulnerable groups discussed, but there were also opportunities to probe into factors that were felt to have particularly contributed to the success of the scheme. Each workshop was also attended by officers (and if possible a councillor) from a UK local authority (our ‘UK partner’ for that case study – see below) which had had to face some of the same problems as the case study city. They were able to identify differences in the approaches taken to regeneration in the two cities and to point out lessons that might be relevant for the UK. Each case study was revised in the light of its workshop.
- *Expert advisers.* The research team was also assisted by expert advisers, both formally at periodic meetings of a Project Advisory Group, which were convened

by the Joseph Rowntree Foundation, and informally. URBED is very grateful for their contributions to the research. The team has also shared its approach and work with the Centre for Analysis of Social Exclusion at the London School of Economics where another team is also doing work under the Transforming the Prospects of Places programme.

- *Symposium.* The findings of the case studies and the emerging conclusions were discussed at a full-day symposium held in London on 19 October 2006 which was attended by some 50 senior people from a wide range of organisations concerned with urban and regional policy. The case studies were presented by the local researchers and other representatives from the European cities, and the UK partners were also represented. A report of the symposium and a list of the participants are available on URBED's website ([www.urbed.co.uk](http://www.urbed.co.uk)) and the discussions that took place at the symposium have informed the conclusions of the research which are given in Chapter 6 of this report.

## Choice of case studies

The three case studies cover regeneration schemes at:

- *Norra Älvstranden* ('Northern Riverside') in Gothenburg, Sweden – where the city's world-famous shipbuilding yards were located until the late 1970s when they all had to close because of foreign competition. The area is now being successfully redeveloped as a new mixed-use area;
- *Kop van Zuid* ('Southern Headland') in Rotterdam, the Netherlands – a former dock area close to the city centre which became abandoned when the port moved down to the mouth of the river. It has largely been redeveloped as a mixed-use quarter;
- *Roubaix* in the Lille conurbation in France – once a major textile town which became extremely run-down following the collapse of the industry in the 1970s and 1980s and the high unemployment that this caused. The town centre and its fringes are being regenerated through a wide-ranging programme.

The purpose of the case studies is to try to uncover lessons that might be relevant for the UK. It was therefore important to select three different countries in Europe which were not too dissimilar to the UK – e.g. EU members, in northern Europe, and with an industrial past – and to find an industrial city (which was not the nation's

capital) which had had to deal with the collapse, or wholesale relocation, of its principal industry in the late twentieth century. Within such cities a major urban regeneration scheme was sought that had been under way long enough to have real results (not just good intentions) to show, and which was widely considered successful. Consideration was also given to whether there was a reasonable amount of published information on each scheme and its background, as this would make the research more manageable.

The three case studies all fit these criteria, but other initiatives could just as well have been chosen instead. Therefore, a short list of potential projects in six countries was drawn up and discussed with the Project Advisory Group in order to make the final choice. For each European city a locally-based researcher was identified, and a roughly comparable British town or city was selected as its UK partner (see below). The role of the local researcher was not only to help write the case study but also to make contact with key people in the city concerned, including individuals from the communities affected by the city's industrial decline, or with community workers who had had close involvement with them, so that they could provide a sense of the impact of the project on the 'vulnerable groups'.

The UK partners and local researchers for each of the chosen case studies were:

- for the Norra Älvstranden case study
  - UK partner: Gateshead;
  - local researcher: Prof Lisbeth Birgersson (Chalmers University, Gothenburg);
- for the Kop van Zuid case study
  - UK partner: North Southwark;
  - local researcher: Dr Marco van Hoek (Erasmus University, Rotterdam);
- for the Roubaix case study
  - UK partner: Bradford;
  - local researcher: Claire Colomb (University College London and formerly Project Developer for the INTERREG IIIB programme based in Lille).

The locations of the case study cities are shown by the blue arrows on the satellite map of North West Europe (Figure 1). (The UK partner cities are shown by the red arrows.)

**Figure 1** Locations of case study cities and UK partner cities



*Europe by night.*

## The UK partners

- *Gateshead* is an industrial town just across the River Tyne from Newcastle in what was traditionally a shipbuilding, mining and heavy engineering area. It has suffered severely from the loss of manufacturing jobs and population, and is using culture and sport to spearhead its regeneration.
- *North Southwark* is a former dockland area close to the centre of London, but cut off from it by the River Thames and largely self-contained. The docks have now been filled in and the area has attracted much new housing as well as new office space as the City of London has begun to expand across the river.
- *Bradford* was formerly one of the world's great textile manufacturing centres. It attracted a substantial immigrant population which it retains, but it is now overshadowed economically by the neighbouring city of Leeds which has become the recognised regional centre.



The role of the UK partner was to help the research team understand the differences in the approach taken to urban regeneration in the case study schemes compared to what would be the case in Britain, and to suggest what lessons could be learnt for UK policy from the schemes. Officers from the UK partner local authorities (and a councillor from Bradford and Gateshead) participated in the two-day workshop held in each case study city, commented on the draft case study and took part in the symposium. The research team is very grateful for their contributions.

### **Structure of the report**

The next chapter draws on the literature review and summarises the challenges facing British cities and the areas where lessons might be learnt from Europe. Chapters 3 to 5 provide condensed versions of the three case studies and the conclusions of the research are given in Chapter 6.



## 2 Learning from Europe

This chapter summarises some of the key issues facing Britain's main urban areas and similar places on the Continent. It then identifies areas where lessons from European industrial cities may help to resolve some current UK policy issues.

### The state of our cities

The first *State of the English Cities* report (*SOEC*) and other recent research provide a good starting point for understanding the current challenges for urban regeneration in Britain and why it may be useful to look at European experience. *SOEC* (which was inspired by the *State of the Cities* reports in the United States) seeks to set out what is actually happening in the English conurbations and to show which places and people have been the winners and losers (Parkinson *et al.*, 2006). In particular, it brings together and analyses data for the past 15–20 years on 56 'Primary Urban Areas' with populations of over 125,000. These include London, Bradford and Tyneside (which covers Gateshead, but also Newcastle and other neighbouring centres). It delivers a number of messages in policy areas that are relevant to this study, as considered below.

### Urban renaissance

The Urban Task Force (1999), in calling for a renaissance for British cities, used comparisons with European cities such as Barcelona and Rotterdam to argue for denser and more compact urban areas with a higher quality public realm. It recommended much higher standards of urban design and a better quality of environment in order to attract people with choice to live in cities. The subsequent Urban White Paper (DETR, 2000) went further in stressing the importance of community engagement and of improving access to opportunities. *SOEC* confirms that: 'The process of urban renaissance, especially in the city centres, is well entrenched as many cities have dramatically improved the quality of their cultural, leisure and retail facilities. Substantial private investment is taking place. More generally, many cities have begun to develop post-industrial niches'. It concludes that: 'England's cities are now better placed than at any time since the end of the nineteenth century to become motors of national advance ... The years of decline and decay have been overcome' (Parkinson *et al.*, 2006).

### Spatial disparities

*SOEC* also confirms that there are significant disparities between English cities. Unlike American cities which are usually far apart, European cities, particularly those in Britain and parts of northern Europe, tend to be close together. They often have overlapping catchment areas and form parts of 'polycentric conurbations' – where people may live in one area, work in another and shop in a third (Davoudi, 2003). As Peter Hall showed, Britain's smaller and more peripheral industrial cities, as well as many of its seaside towns, are generally doing worse than the major centres. They have lost many of their old amenities and have difficulty in attracting fresh investment. This is certainly not helping to close the gaps (Hall *et al.*, 2001). Research for the Local Government Association found that growing divisions between places were being aggravated by the process of competitive bidding for funding, and that subregional planning was not yet working as intended. It concluded that: 'Though our towns and cities are undoubtedly winning battles they may still be losing the war to save both other cities and our countryside' (URBED, 2005a).

### Community benefits

The challenge of transforming places and people together is particularly acute for 'vulnerable groups'. In urban areas these almost always include people who previously had manual or unskilled jobs in industries that declined, as well as those who lived in the old industrial areas. However, industrial decline has had a more general impact on the residents of cities, and they have varying views about the success of the regeneration that has occurred since. Citizens' workshops carried out for the 24 Towns and Cities Initiative found that many people appreciated the boost that major projects had given to their cities, taking pride in, for example, the Millennium Bridge in Gateshead or the new university in London Docklands. But they also frequently had real concerns that the local environment had become neglected and unsafe, and that neither they nor their children were getting access to the better jobs that were being created (URBED, 2002). *SOEC* reports low turnout rates at elections and a host of attitude surveys suggest that there are many parts of cities that the urban renaissance has so far failed to reach, with high levels of deprivation persisting close to areas that are booming (Parkinson *et al.*, 2006).

### Working with the private sector

Urban renaissance is only partly about flagship projects which are often funded by central government or the National Lottery. It is also about restructuring the local

economy in order to bring widespread and sustainable benefits. The challenge is not just that the collapse of traditional industries like textiles, shipbuilding and the docks has left large areas of dereliction in the hearts of cities, but also that these places often lack other employers and investors to fill the gaps (Robson *et al.*, 2000). Spreading the benefits depends on influencing the private sector and creating a new mood of confidence that will encourage new private investment and break the vicious circle of urban decline. Multinational financial institutions dominate property investment in the UK and they tend to concentrate their funds on the largest cities, as the workshops which King Sturge ran for the 24 Towns and Cities Initiative identified (URBED, 2002). Big investors want to invest in the prime locations, where demand is thought to be strongest. Hence secondary locations, such as industrial areas and seaside towns, often lose out in attracting new offices or residential development, and there is no way that current levels of public funding can close more than a few of the gaps. Visions, masterplans and development frameworks, as recommended by the Urban Task Force (1999), can help to encourage private investment, as the renaissance of the centres of major cities such as Birmingham, Manchester and Leeds clearly demonstrates. However, if large-scale investment is to be spread out to more peripheral towns and cities, major private investors as well as local businesses will need to have confidence that public policies and investment plans are going to be implemented and co-ordinated.

## Employability

A further challenge in transforming people and places together is how to raise skills and aspirations in neighbourhoods that have lost large amounts of industrial employment (Hutton, 1995). The Treasury's *Review of Sub-national Economic Development and Regeneration* highlights the problem of 'worklessness', and recognises that English cities are lagging behind their European counterparts on economic growth, with 'persistent disparities between the poorest neighbourhood and the rest of the country' (HM Treasury *et al.*, 2007). For many decades post-industrial towns have also had to cope with population loss as well as economic decline, which has increased polarisation (Champion *et al.*, 1989). This has left behind not just brownfield land but also people who lack the skills or opportunities to benefit from the new jobs without considerable support. The continuing decline in manufacturing has only partly been compensated for by the growth of financial and business services in the larger centres. The main growth has been in part-time jobs, largely taken by women and often paying low wages. Unemployment may be low, but so too are productivity and incomes (Parkinson *et al.*, 2004). Significant numbers of people are not in work, and in some places have been living on benefit for several generations, as Will Hutton has described in *The State We're In*. He argues that

Britain is now a '30:40:30 society', in which 30 per cent of the adult population are either unemployed or economically inactive, and another 40 per cent are in insecure employment. Only 30 per cent are in fact doing well (Hutton, 1995).

### Competitiveness and cohesion

The massive ESRC research programme *Cities: Competitiveness and Cohesion* concluded that: 'to break out of a cycle of relative decline requires concerted action by different stakeholders'. It made it clear that 'trickle-down' policies do not work. The concluding volume *City Matters* (Boddy and Parkinson, 2004) also stated that: 'There is no obvious link from economic competitiveness to beneficial social outcomes'. It was suggested, however, that answers might be found by drawing lessons from Europe, where industrial cities, and their surrounding city-regions, seem to have done better than Britain in dealing with the forces of globalisation and industrial change. As cities in Scandinavia and the Netherlands do not have the marked spatial disparities which characterise British (and American) cities, but have similar cultural and political histories, their experience with managing regeneration should be particularly relevant (Kazepov, 2005). Also, as international comparisons have brought out, their societies are much more equal – and their young people appear to be happier (Aslam and Corrado, 2007; UNICEF, 2007).

### Opportunities for learning from Europe

SOEC and other government reports, such as the Local Government White Paper (DCLG, 2006a) and the joint Treasury, DTI and ODPM report *Devolving Decision Making* (HM Treasury *et al.*, 2006), all agree that a strong local economy is a key goal for urban regeneration. However, UK cities have been lagging behind their European counterparts on some indices of economic competitiveness, and there are also a number of social and environmental factors where UK cities seem to be performing less well than other European cities (Campbell *et al.*, 2000). This section identifies some of the areas where there might be scope for learning from abroad, to set the context for examining what other European cities have done.

### Encouraging business growth

Industrial cities in Europe seem to act as 'dynamos for regional growth' and provide what the American business strategy expert Michael Porter calls 'clusters of

economic activity' (Porter, 1998). *SOEC* found that even the best of our cities are not doing very well compared with other parts of Europe (Parkinson *et al.*, 2005). Despite Britain achieving higher rates of economic growth during the last decade than countries like France and Germany, England's Core Cities (eight of the largest English cities outside London) have generally lagged behind their Continental counterparts while disparities within them have widened. Unlike their European equivalents, most large English cities fall behind the national average in terms of household income, exports and gross value added (Parkinson *et al.*, 2006). Boosting productivity in a global economy depends on exploiting brain power, not muscle power. Yet as far as what Richard Florida (2002) calls the 'creative class' is concerned, only 18 of the 56 cities exceeded the average in England, and these were very largely in the south, usually within a 50-minute train ride of London. While there are of course a growing number of graduates in the North they tend to work in the public sector and not in industry. Hence the knowledge economy, which many see as the main source of future growth, looks very thinly spread, as maps produced by the Local Futures Group graphically illustrate (Local Futures Group, 2007).

*SOEC* argues for 'multiple specialised and higher performing sectors on the one hand combined with institutional arrangements that qualify local residents to either work on these sectors themselves, or benefit from the demands they generate for other local activities such as services'. However, how this is to be achieved remains an unanswered question. Manufacturing remains important in some parts of Europe, but the UK has suffered particularly badly from the loss of manufacturing jobs as research on *The Changing Nature of Manufacturing in OECD Economies* shows (Pilat *et al.*, 2006). Furthermore, it is men who have tended to lose the jobs in manufacturing while women have tended to be employed in the new jobs that have been created. Also the growth of employment has been fastest in small towns and rural areas rather than in the old industrial cities (Turok and Edge, 1999). This is why it is important to consider how to improve the prospects for both the people and the places affected by industrial decline, and how to encourage the growth of businesses and sectors that exploit local competitive advantages.

### **Raising productivity**

Productivity levels are closely linked with business growth. *SOEC* found that our principal cities lagged behind their European counterparts on productivity. Even the best of the English provincial cities in terms of GDP per capita (Bristol and Leeds) come only 34th and 43rd respectively out of a total of 61 cities. German cities have twice the GDP per capita of Leeds (but are really in a different league as many of them were formerly the capitals of small states).

The Core Cities have also been compared with their European equivalents on other key drivers of economic success, such as innovation, skilled workforce, economic diversity and strategic decision-making capacity – an important aspect of governance (Parkinson, 2003). Although many more people leave school in England without qualifications, the English cities do not do badly in terms of the percentage of the population with a college-level education (Local Knowledge, 2004). But while the UK has been successful in creating new jobs, many are in retail and business services such as call centres, where incomes are relatively low. Part-time jobs may not be secure if there is an economic downturn, or if the costs of getting to work increase, or there is a further shift towards outsourcing services and replacing them by machines (Hutton, 1995). It is not just skill levels but how the skills are used that holds back the productivity of English cities. A particular problem seems to be the lack of high-tech manufacturing (HM Treasury *et al.*, 2007). It may be possible to learn how European cities are responding to the challenge of competition from countries with lower labour costs, in what has become a global economy, and how to encourage more young people to stay on at school, as reports like the *Leitch Review* (Leitch, 2006) have urged.

### Getting to work easily

English cities also lag behind their Continental equivalents in the quality of their public transport systems, and more people use their private cars to get to work (Commission for Integrated Transport, 2007). Apart from better intercity networks it is also much easier to transfer from one mode to another in most European cities as systems tend to be more integrated. This makes it possible to live in suburban areas but still use public transport or cycle or walk to work. In general, poorer people tend to travel shorter distances, and so their choices are limited by how well the place they live in is connected to local employment opportunities. *SOEC* cites market research that found that, outside London, a clear majority of people would only travel by bus if there was no alternative, and bus travel was seen as the ‘domain of the poor’. Most people gave convenience as the reason for using a car to get to work. Employment goes where the conditions for growth are most favourable, and increasingly this involves the time it takes for the most skilled people to get to work. If travel patterns in conurbations outside London are to be changed, it is important to see how the more successful European cities have managed traffic growth and transport investment.

For decades Continental cities have invested much more in both public transport and the public realm. As a result they not only have better integrated transport systems, but also much higher levels of cycling and walking (Commission for Integrated Transport, 2007). Research by Carmen Hass-Klau (1990) has shown that this is



linked with higher development values along tram routes, lower car ownership levels, and less space given over to parking in the centres. People in Britain not only work longer hours, but they also spend more time travelling to work than elsewhere in Europe because of suburban sprawl. The resultant stress affects their quality of life, and the extra pollution leads to health problems (Hass-Klau and Crampton, 2002). A high quality, well-used public transport system can also deliver environmental benefits because of lower overall carbon emissions from individual private transport use and less pollution.

### **Fostering social cohesion and inclusion**

Social cohesion refers to the levels of integration within society and how people get along together. Differences between the rich and the poor, their qualities of life and their prospects for improving their position are likely to affect cohesion. They also create stress and ill health, as studies quoted by Richard Wilkinson (2005) in *The Impact of Inequality* show. In Britain the prevailing view up until the establishment of the Neighbourhood Renewal Unit was to hope that higher levels of productivity and national output would somehow 'trickle down' to poorer people, and allow redistribution of resources to poorer areas. However, the current Labour Government has recognised the importance of social inclusion in its strategies to tackle disadvantage, as shown, for example, by the report of the Commission on Integration and Cohesion (BURA, 2007). As a review for the Joseph Rowntree Foundation on poverty concludes: 'affluence by itself does not solve the problems or necessarily make it easier for policy makers to do so' (Glennister *et al.*, 2004). Similarly, McKnight (2005) notes that economic inactivity continues to be a significant factor and that the early success of the New Deal programmes, aimed at supporting social inclusion, has started to fade. There is strong evidence from the ESRC research programme on competitiveness and social cohesion that there are no direct links between the two. In other words, making cities more successful economically does not guarantee that they will be any fairer. Nor is it clear how far major regeneration projects, on which considerable hopes have been placed, positively affect the prospects of poorer people or the original residents of deprived areas.

The French were the first to use the term 'social exclusion' – to refer to the fact that large numbers of people are effectively excluded from the mainstream of economic life, and fail to share in economic growth and the new jobs created through regeneration. Since 1997 French urban policy has had a new objective of 'an upstream intervention to deal with the problems of urban and social segregation' (DIV, 2000). However, the riots that took place in the suburbs of many French cities in 2005 show that disparities cannot be ignored for long. In tackling poverty there

is a huge contrast between some places in Europe, where there is little support outside the family, and others like Scandinavian countries, where training and income support mean that people spend relatively short periods being unemployed, and that women are more likely to get better-paid jobs (Kazepov, 2005).

Recent research has shown that there is increasing spatial polarisation between rich and poor in Britain (Dorling *et al.*, 2007). The work of Tony Champion and the many surveys of why people move house show that it is the quality of the neighbourhood (as much as the quality of the home) that affects people's decisions on where to live (Champion *et al.*, 1989). Anne Power and Katharine Mumford argue that a fundamental priority for renewal areas should be to hold on to people when they get jobs, rather than losing them to the outer suburbs (Power and Mumford, 1999). A falling population means reduced demand for goods and services, which can create a multiplier effect and ultimately lead to a vicious spiral of decline. It also makes it harder to attract the key workers, such as teachers and health professionals, who are needed to improve service levels. Furthermore, the places of those who leave may be filled by others who are less able to cope or compete in the labour market, or to integrate with the established residents. In contrast Michael Parkinson points out that 'there is no clear pattern of social segregation in Dutch cities', despite similar trends in terms of middle-class 'flight to the suburbs', and concentrations of immigrants in the areas with the worst housing (Parkinson, 1998). Hence a key issue is how to secure a better social balance in deprived areas when they undergo regeneration.

SOEC shows that ethnic groups are disproportionately disadvantaged, with the overall employment rate in England for non-whites of 58.4 per cent contrasting with 75.6 per cent for whites. The greatest disparities in employment rates are in industrial towns, where the jobs that immigrants came over to fill, such as in textiles, have largely disappeared. The general trend has been one of improvement since 2000, but the larger the city, the more people there are without qualifications, and 'low skills and poor qualifications severely limit people's chances of gaining secure employment, and are associated with household poverty and neighbourhood deprivation ... Poor schools also influence where people with a choice tend to live' (Parkinson *et al.*, 2006).

### **Achieving mixed communities**

Improving social mix in British cities has been made harder by the growth of owner-occupation on the one hand, and the legacy of very large council estates, with concentrations of people on lower incomes, on the other. Anne Power, in *Hovels to High Rise* (1993), showed that as far back as 1990 Britain had one of



the highest levels of owner-occupation in Europe, apart from Ireland, and this has grown since to 71 per cent. With a very limited choice of private rented housing, social housing tends to be allocated to families on Housing Benefit, who are often unemployed, and can be trapped both economically and physically, particularly on the largest estates. Indeed as many as two-thirds of households in social housing are economically inactive, as the Hills Review (Hills, 2007) stresses. As a result there have been increasing attempts to create 'mixed communities' which seek to reduce the concentration of poverty and encourage greater social mix, with more affordable housing (including social housing) now being incorporated into new private housing developments (URBED, forthcoming). However, volume housebuilders have not yet filled the gap left by the public cutbacks on building social housing, and have been criticised for producing poor quality housing and surrounding public realm (CABE, 2005). There has consequently been an interest in looking to the Continent, particularly the Netherlands, for ideas on how to design and manage higher-density, mixed neighbourhoods (URBED, 2005b). The research into mixed communities makes it very clear that not only is it important to ensure that housing is 'tenure blind' (so that the tenure of a dwelling cannot be told from how it looks on the outside) but also that neighbourhoods need to be managed much more actively so that conflicts are kept to a minimum, particularly when building to higher densities (URBED, 2005c).

### **Joining up government**

The final reason for looking to the Continent is to find out how more decentralised forms of governance can be made to work. The Urban Task Force concluded that 'good governance' was critical for the delivery of an urban renaissance, but that there was a lack of the skills needed for place-making. This led to the Egan Review which stressed the role of local authorities in providing leadership, and recommended the formation of Regional Centres of Excellence to raise skill levels (Egan, 2004). The Lyons Inquiry (Lyons, 2007) reasserted the role of local government in 'place-shaping' and 'the importance of changed behaviours in all tiers of government, of local flexibility, and the pressing need to inspire a sense of powerfulness in local government'. However, this may be difficult if those involved in delivering regeneration schemes lack the authority to discharge their responsibilities, have to keep bidding for funds and reforming their teams, or have few incentives to cross boundaries. The Government's Local Government White Paper *Strong and Prosperous Communities* marks a shift towards supporting decentralisation of power to local authorities, with its stress on Local Area Agreements and the idea of City Development Companies (DCLG, 2006a). But lessons need to be learnt from other countries on how devolution affects urban regeneration, and how local authorities can exercise more leadership in this field than has generally been the case in the UK.

In summary, many of the reviews of government policies and other research studies suggest that the basic problem in regeneration is not one of policy intentions but of delivery (Campbell *et al.*, 2000). The overall message to government from the *State of the English Cities* report was that policy measures were generally working, but needed to be underpinned by the following principles:

- recognising cities are economic drivers, not liabilities;
- changing the balance of power between nation, region, city and neighbourhoods;
- reducing sprawl and encouraging sustainability;
- developing sustainable communities and managing housing markets;
- improving joined-up policy delivery.

Further work by Michael Parkinson for the Core Cities has argued that differences in organisational and financial structures lie at the heart of differences in the performance of cities (Parkinson *et al.*, 2004). However, many of the changes required are highly controversial. They affect the fundamental distribution of power between different levels of government, and how different communities are empowered. Even the smallest changes, such as those put forward in the Local Government White Paper, seem very hard to implement as they require a climate of trust, not rivalry. The authors of *Urban Regeneration in Europe* concluded that:

successful urban regeneration appears most likely to work where appropriate powers have been devolved to secure, stable and adequately funded local governments working in partnerships with local communities ... In England there still seems to be excessive central government control of the objectives and financing of regeneration, but the situation is fluid and new combinations of agencies are emerging ... The UK example of constantly evolving subsidy mechanisms, competitive bidding, an obsession with short-term achievements and a narrowly defined concept of value for money is inimical to the delivery of strong, long-term regeneration strategies. (Couch *et al.*, 2003)

## Policy issues for regeneration

Making Connections sets out to address a number of current policy issues where there are conflicting views. The Government has made a number of commitments

to a 'more flexible performance framework' (for example, ODPM and HM Treasury, 2005). It has said that it wants to devolve power to local authorities where it can. The *Review of Sub-national Economic Development and Regeneration* states that local authorities 'will be given stronger incentives ... and greater powers and flexibilities to promote economic well-being' (HM Treasury *et al.*, 2007). A strong case has been made for devolving power to local authorities. However, there are a whole series of potential counter-arguments, including the variable quality of local authority capacity and the problems of boundaries, which will make fundamental change difficult to justify unless there are convincing precedents that show that devolution can be made to work. Much, therefore, seems to depend on how the findings of the recent Treasury reviews, which were carried out in preparation for the 2007 Comprehensive Spending Review (Barker, 2006; Eddington, 2006; Lyons, 2007) are in fact implemented – for example, in co-ordinating transport policy with new development. There are a series of practical difficulties to be addressed, which discussions with practitioners and policy-makers held during the course of this research have emphasised, and which are summarised below.

### **Devolving power**

Devolving power and joining up delivery, as advocated by the Local Government Association, for example, is immensely difficult because of the way that in England power and accountability have become ever more centralised in recent years, and the lack of confidence in local government, as the low turnouts at local elections reflect. As the case studies will show, the process of devolution in Europe has taken place over a number of decades incrementally, with the larger cities, like Lille and Rotterdam, leading the way. Experiments in England with Regional Development Agencies committed to creating world-class regions have not yet resolved the chronic infrastructure and skills deficits. Also their budgets are limited (with, for example, only 10 per cent of the regional transport budget in the South-East being devolved to the region). Subregional planning is still in its infancy in the UK, as the previous attempt was dismantled by the Thatcher Government. Spatial and economic strategies, for example, have been produced by different agencies, and can view the same places in quite different ways. Hence European experience with regional and neighbourhood planning should provide insights into the way that central government could devolve more power.

### Planning strategically

An inquiry by URBED for the Local Government Association on Spreading the Benefits of Town and City Centre Renewal (URBED, 2005a) suggested that new approaches to planning and to funding infrastructure at a subregional level were needed to deal with competing centres in 'polycentric conurbations'. There were examples where authorities were trying to collaborate across borders, such as in South Hampshire or around Bristol. However, collaboration was made harder by the centralised systems being used to assess transport projects and allocate resources, and by the lack of private investment in the smaller centres, which reduced the potential for obtaining funding through Section 106 agreements. Planning in Britain had generally been seen as restrictive, rather than proactive, in recent years. It certainly had not been very effective in stemming urban sprawl, with retail parks and leisure centres creating American-style 'edge cities' on many former industrial sites. Many places felt they were missing out on the urban renaissance that was clearly taking place in the centres of large cities and in historic towns (URBED, 2005a). There has consequently been a call, led by the English Core Cities, for a new kind of strategic planning that addresses the issues of subregions or city-regions, which go beyond current local authority boundaries, and that is backed up with sufficient resources to turn visions into reality (Parkinson *et al.*, 2004). The Sub-national Review breaks new ground in recognising that 'our towns and cities are often the engine of economic growth and that many economic markets operate at the level of sub-regions' (HM Treasury *et al.*, 2007).

### Joining up decision-making

The idea of Multi-Area Agreements – proposed agreements between groups of neighbouring local authorities to pursue shared objectives for economic development and perhaps to pool some funding streams (HM Treasury *et al.*, 2007) – offers a way of making Local Strategic Partnerships (LSPs) more effective. LSPs bring together different agencies within a local authority area to work co-operatively to implement an agreed sustainable Community Strategy. However, they have suffered from a lack of incentives to overcome the problems of centralised funding and directives, and there are many unanswered questions as to how adjoining authorities are to work together while, at the same time, competing against each other for most of their budget allocations. Also there are few practical proposals in the White Paper on subjects such as neighbourhood management or David Miliband's concept of 'double devolution' (Miliband, 2006). There is to be a shift away from micromanagement, towards a single 'capital pot', but the public sector investment horizon in the UK will still only be three years ahead. In contrast the French *contrats de ville* have been

for periods of up to seven years. Over 200 of them have been signed (including in Lille), and they may provide information on how to make relations between different levels of government work when there are many stakeholders involved (DIV, 2000). It is also possible that the vibrancy of Continental cities stems as much from the continuity of local leadership as from the prominence of their leaders. If citizens and businesses believe that local authorities, rather than central government, shape the way their cities grow, they will want to get involved with local decision-making processes.

The proposals in the Treasury's *Review of Sub-national Economic Development and Regeneration* put the onus onto the Regional Development Agencies (rather than local authorities) to 'join up' the region's economic and spatial development strategies. In turn they are supposed to encourage higher-level authorities (counties, unitary and metropolitan districts) to use Local Area Agreements to draw together the work of other agencies, such as health. While Multi-Area Agreements are proposed where issues cross boundaries, as happens, for example, with most transport decisions and indeed economic development, the experience of subregional planning so far has not been encouraging. Many doubt whether there are currently sufficient incentives to overcome traditional rivalries and shortages of suitably experienced staff to deliver it.

### **Reaching cross-agency agreements**

There is a growing recognition within the Government that places matter, and that their quality of life affects their ability to attract and retain knowledge workers, which means that better ways must be found of funding infrastructure. It is also starting to be recognised that cities are economic as well as political entities that compete in a global marketplace for talent and investment, which is why cities have been encouraged to develop 'Business Cases' and 'City Growth Strategies'. The Comprehensive Spending Review has been searching for ways of releasing their potential, and of securing more joined-up decision-making. But this will depend on whether ways can be found of making the complex mechanisms of Local Strategic Partnerships, Local Area Agreements (and now Multi-Area Agreements), Local Development Frameworks and regional spatial and economic strategies work together (LGA, 2006). As yet there are no clear delivery models, which is why European experience of a more contractual approach should be of great value, particularly now that Regional Development Agencies are charged with 'developing overall strategy, identifying priorities and opportunities for growth' (including plans for housing growth) in consultation with local authority leaders (HM Treasury *et al.*, 2007). They in turn look to the private sector, thus further adding to the costs and

uncertainties, and failing to tap the very organisations and landowners who have most to gain (or lose) from development.

### Upgrading infrastructure

The problem is not only one of policy goals, which have been well articulated in a succession of plans and Planning Policy Statements, but how to turn good intentions into practice. This particularly applies to major transport decisions. The collapse of the Leeds Supertram project – on which £36 million was spent without any track being laid – is a telling example of the waste that can occur under the current system for evaluating major projects. So long as infrastructure projects are centrally funded, and there is no way of raising capital locally for public investment projects, huge amounts of time and money will continue to be spent on abortive bids to central government, transport and development decisions will be taken in isolation from the local context, and congestion will grow. In mainland Europe, by contrast, investment in transport has been much higher than in Britain for decades. This has resulted in better public transport systems and reduced car dependency. So far, in Britain, there has been no satisfactory way of raising funds locally for investment in infrastructure on the scale required. The plan to allow local authorities to levy and retain a supplementary business rate from 2010 (albeit only to a maximum of 2p per £1 of rateable value, or half the rate proposed in the Lyons Inquiry [Lyons, 2007]) is a modest step in this direction.

### Matching European good practice

The Government is committed to doing more to close the gaps between rich and poor, and to make development more sustainable, in the light of comparisons with the rest of Europe. It has also commissioned a series of reviews and reports on how to improve performance in key areas such as planning and transport. These call for different approaches, where experience from other countries could be highly relevant:

- The *Barker Review of Housing Supply* (Barker, 2004) encourages greater interest in learning about modern methods of construction in order to try to match European rates of housebuilding. Research into lessons from Europe on higher-density housing has highlighted a greater stress on long-term sustainability, mixed tenures and adequate infrastructure, and some developers are starting to apply Continental practices (Cope and Avebury International, 2002).



- The *Barker Review of Land Use Planning* (Barker, 2006) argues for a more strategic approach, including fiscal incentives to encourage local authorities to respond to market demand and to bring underused land into use. This might potentially include extending development into the green belt, an approach which Dutch and Danish cities have been applying for many years, but in a carefully planned way (URBED, 2007a).
- The Lyons Inquiry (Lyons, 2005), in its review of local government finance, referred to different approaches in mainland Europe and, for example, visited Denmark to examine how land values can be taxed to encourage better use of land. Its final report (Lyons, 2007) emphasises the need to give incentives to local government to pursue sustainable growth and to take on the role of 'place-shaping'. However, it doubts that major changes to the current financing regime, such as relocation of business rates, 'are at present technically or politically practical'.
- *The Eddington Transport Study* (Eddington, 2006) recommends making much better use of the existing transport system through local improvements rather than grand projects, along with the need for incentives for people to drive less, such as road pricing. It emphasises the importance of linking transport and economic development in order to respond to competition from abroad.
- The *Leitch Review of Skills* (Leitch, 2006) stresses the importance of raising standards everywhere, to respond to the expected growth in skilled jobs and fall in unskilled ones. It highlights the problem of the numbers of young people in Britain who leave school without qualifications compared with those in Continental countries. A fundamental shake-up of further education and the links between employers and colleges is now in progress, and this may bring us closer to European nations that stress practical or vocational skills.
- Following the Egan Review (Egan, 2004) of the skills needed to deliver sustainable communities, the Academy for Sustainable Communities has drawn on European good practice to develop a co-ordinated approach to improving planning and related skills. Leadership and project management are seen as the key generic skills that need to be developed (ASC, 2007).
- The Sustainable Communities Plan (Egan, 2004) represents a switch towards a more proactive and plan-led approach to housing growth in the South-East and to renewal in the North. Lessons could well be learnt from experience in countries like the Netherlands, where under the Vinex Plan the national housing stock was increased by 8 per cent through the development of 90 new suburban towns, over a ten-year period (URBED, 2007a).

- Finally the Sub-national Review (HM Treasury *et al.*, 2007), although it does not make much reference to experience in other countries, recognises no less than ten 'barriers to engagement between the public and the private sectors' which range from 'lack of strategic direction' to 'inefficient delivery'. It promises to consider options for a supplementary business rate which local authorities would receive (and here European experience might help in showing how businesses and local authorities can be encouraged to work together).

## Conclusions

In summary, this brief review of the literature and current policy issues suggests there are at least six good reasons for looking to comparable places in Europe to try to understand how they have dealt with the regeneration of run-down industrial areas. All these points were also made during the discussions which took place at the symposium that was held in October 2006 as part of the Making Connections project.

- First, although UK industrial cities have suffered particularly severely from the loss of manufacturing jobs, other European cities have also lost a great deal of industrial employment. Yet they seem to have since started to act as dynamos for regional growth.
- Second, they have built many more and larger homes in recent years, and turned former industrial areas into attractive places to live.
- Third, they have created mixed-tenure neighbourhoods without the social stigma that can sometimes apply to living in high-density developments, and are also having to deal with issues of integration and cultural diversity.
- Fourth, by living at higher densities and by containing car use more effectively, their urban areas appear better placed to cope with growing shortages of natural resources and the impact of climate change, and so may be able to provide models for how to create a high quality infrastructure and environment.
- Fifth, they generally have higher levels of citizen participation in government, and so may be able to show how to build delivery organisations that win trust by producing tangible results without continual reorganisation.



- Finally, their cities have had many years of experience of devolved power, and may be able to show how to make subregional planning and multilevel agreements work.

Recently there have been moves towards looking more to the Continent for ideas, and not just to North America. For example, Yvette Cooper, the Minister for Housing, was greatly impressed by seeing how differently housing is built in Sweden. And firms of European architects are increasingly being invited to undertake projects in British cities. There is also a new focus within government on ensuring that all new developments are much more sustainable. This is reflected, for example, in its *Proposed Changes to the Draft East of England Plan* (DCLG, 2006b), and the Government is now proposing a number of new 'eco towns' including at Northstowe in Cambridgeshire. Inspiration is being drawn from innovative new developments in the Netherlands and in Germany, for example in the preparation of the draft Growth Charter for Cambridgeshire (URBED, 2007b).

However, as Max Nathan and Adam Marshall (2006) point out in *Them and Us: Britain and the European City*, it is necessary to compare like with like, and to avoid jumping to the wrong conclusions or ignoring Britain's own considerable success stories in urban regeneration. Nor can all that much be learnt from comparisons between sets of international statistics, which are often collected in quite different ways and for different types of areas. Instead we need to get under the surface of how areas have changed over several decades to understand the connections between people and places. It is important to learn not only from places that have reinvented themselves over the past couple of decades, such as Rotterdam, but also from places where there have been deliberate attempts to build mutually beneficial relationships between all the stakeholders, as in Lille and Gothenburg, and to draw out learning from things that have gone wrong as well as from successes. It is necessary to go beyond differences in policy and institutions to find out how things were actually made to happen, which is the aim of the case studies that follow.

# 3 Norra Älvstranden case study

## Context

### Overview of the regeneration scheme

Norra Älvstranden (Northern Riverside) is an area which runs along the north bank of the Göta Älv river, right opposite Gothenburg's historic city centre (Figure 2). It is some 5 kilometres long and 0.6 kilometres wide, covering 290 hectares (about 1 square mile). The river is 300–400 metres wide and there are bridges at each end of the site which, together with a river bus, provide connections to the city centre. The north bank used to be predominantly industrial, and the railway line to the main Port of Gothenburg passes just behind Norra Älvstranden (NÄ), effectively cutting it off from residential areas beyond. Up until the 1970s NÄ was the home of Gothenburg's three world-famous shipyards, and also contained cargo-handling and port facilities. About 15,000 people were employed directly in the yards, and there were perhaps another 30,000 who worked elsewhere in firms which supplied the shipyards as their main customers. However, foreign competition was growing, and the oil crisis of 1973 not only caused a recession but also led to a change in the types of ships that were required. Gothenburg's shipyards were hit hard. They started merging and cutting down their workforces, and within less than ten years all shipbuilding had ceased in Norra Älvstranden. The area became virtually derelict, and many of the buildings that remained were huge and difficult to reuse. It was a forbidding place that nobody went to, an eyesore in full view of the city (Ander and Ekman, 2001).

After a slow start, the redevelopment of NÄ as an up-market mixed-use district (with housing, high-tech industries, educational facilities, a science park and an accessible waterfront) took off in the 1990s. NÄ has already become a successful, stylish new quarter for Gothenburg. By the time that the scheme is complete, in about 2025, it is forecast to have around 13,000 residents. Some 40,000 people will work there (far more than worked in the shipyards), and in addition there will be 13,000 students. It will be an important part of central Gothenburg and, more importantly, it is intended that it will be one of the main drivers of the regional economy.

**Figure 2 Central Gothenburg with Norra Älvstranden running along the northern bank of the river**



## Gothenburg

Gothenburg is Sweden's second city, with a population of 500,000. It is the dominant, stand-alone centre of its region, which has a population of around 900,000, and is one of only six large cities in all of Scandinavia. It is Scandinavia's chief port (although only one-tenth the size of Rotterdam) and Sweden's main industrial centre with extensive automotive and other engineering production as well as oil refineries, shipping and port operations. It has good road and rail connections to Oslo (Norway) and Copenhagen (Denmark) as well as to Stockholm, the capital of Sweden, but, in European terms, it is a long way from the main centres of population.

Gothenburg has a very different feel to any British industrial city. Its historic core, on the south bank of the river, is spaciouly laid out, with broad avenues, fine institutional buildings, canals and parkland. Two major universities are located close to the centre and housing in the inner areas is in high demand. There are no run-down 'inner city' districts. Much of the industrial land lies along the river, particularly along the north bank and to the east of the centre. Away from the river, the land is more hilly, with rocky outcrops, and most of the population live in 'suburbs' – purely

residential housing estates made up mainly of walk-up apartment blocks on the outskirts of the city but connected to it by an efficient tram and bus system. Most of these apartments were built as part of Sweden's One Million Homes Programme to replace older, city centre housing and to accommodate the families that were still, as late as the 1950s and 1960s, moving away from rural areas to find better-paid work in towns and cities. While they have local shopping and service centres in them, they are not at all like British suburbs with their individual houses and separate town centres. They can seem rather soulless, but the housing is of high quality and the surroundings are scrupulously clean. Litter, graffiti and vandalism are virtually unknown in any part of the city and there is none of the stigma that is often still attached to British industrial towns.

Despite its peripheral location Gothenburg is a successful city. It is a place where people want to live. With the exception of a brief pause between 1970 and 1985 (during its main period of industrial decline) its population has been steadily rising, and continues to do so in spite of a growing trend among people with well-paid jobs to move to small communities in the surrounding area, especially along the coast. It is full of students, and its technical university, Chalmers, is well known internationally. It is also a place where businesses want to invest and it still retains the headquarters of several important companies (Volvo, SKF, Stena Line etc.). It has a positive, widely shared sense of community and is committed to being a 'people-friendly city'. Like Sweden as a whole, it has attracted in many overseas immigrants over the years.

Gothenburg has a strong sense of identity. It is run by its city council and proud of its 'Gothenburg spirit' which encourages people from all sectors and all walks of life to work together for the good of the city and the country. For example, it has recently organised a highly participative visioning exercise to help plan how the city can become a model of sustainability by 2050. The City of Gothenburg is not the only local authority within its city-region but it is by far the largest, and it is recognised as being the 'engine of growth' of the local economy as well as its cultural centre. The city has a long tradition of collaborating with the surrounding authorities (for example, through the subregional economic development company Business Region Göteborg AB) and makes a point of not trying to subordinate them. Under Swedish law local authorities are able to form joint organisations, which they can authorise to carry out particular functions over a wider area than a single municipality. The City of Gothenburg tries to have less than a 50 per cent stake in such organisations and to emphasise collaboration.



## **Sweden**

Although Sweden is over twice the size of Great Britain it only has a population of 9 million. It has a classic (albeit dwindling) social democratic system, characterised by consensus, neutrality and equal rights. It has high taxation but excellent public services and a generous welfare system. Economic and social differentials are lower than in most countries, including the UK. Particular attention is paid to the environment, sustainability, health, education (especially technical education), social responsibility, civic pride and participation in public affairs.

Sweden is also committed to full employment and has a strong work ethic. Economic activity among people of working age (15–64) is 77 per cent, well above the EU average and slightly above the figure for the UK (75.6 per cent). However, about one-third of employment is in the public/social sector and one of the key issues at the 2006 general election (which the ruling Social Democrats lost) was about the ‘true’ level of unemployment. Official figures put this at 6 per cent, but others claim that it is very much higher when those on government training schemes and other programmes are included.

### **Swedish Labour Market Board**

Sweden pursues an ‘active’ labour market policy through its Labour Market Board (AMS) – on which Britain’s short-lived Manpower Services Commission was based. It is funded nationally but has a regional and local operating structure. It tries to foresee what jobs will be available (or which should be encouraged) in the future, and it organises and pays for ‘labour market schemes’, such as training and job-creation schemes, which are designed to alleviate unemployment and to prepare people for appropriate jobs. It pays special attention to vulnerable groups such as the long-term unemployed, people with disabilities, immigrants, refugees and young people.

For many years after the Second World War Sweden’s economic growth was second only to Japan’s. Unemployment was at an enviably low rate. In order to maintain growth, more people, especially women, were encouraged to join the workforce and immigration was encouraged too. Unemployment was kept to a low level even during the period of the shipyard closures.

### Taxation

Not only are taxes in Sweden high, but they are also distributed very differently than they are in the UK. Most significantly, basic rate income tax, in its entirety, is a local authority tax (see Box 1). It is set locally (within limits laid down by central government) at rates that range from about 30 to 35 per cent of a resident's earned income and retained by local authorities. This is far more than the 'local income tax' that some in Britain suggest should replace council tax. At the same time, while the central government pays normal unemployment benefit (for up to about one year) and for 'labour market schemes', local government is responsible for social security payments to the long-term unemployed. Thus, in Sweden, local authorities have a strong incentive to support their local economies so that they can generate well-paid jobs, as well as to reduce long-term unemployment and welfare payments.

#### **Box 1 Local taxation in Sweden**

Sweden is a much more decentralised country than Britain. At the local level the country is divided into 290 municipalities, each of which has an elected council. Municipalities are legally responsible for providing certain basic services (e.g. schools, housing, roads, childcare) but under the principle of self-government they are also entitled to decide on matters of common concern to their residents, and so have considerable latitude over what other services to offer. Municipalities have the power to charge for services (at cost) and to levy income tax on residents' earned income. At the regional level there are 20 counties with elected councils (as well as county administrative boards which represent the central government at regional level). County councils have responsibility for services that require co-ordination across a wider area, such as health and regional transport. They too can levy income tax to cover their costs.

Basic rate tax is set by local authorities (both municipalities and counties) and collected by a central government agency which passes it on to them. About two-thirds of a local authority's income comes from local income tax. This tax has natural buoyancy (as it rises automatically with rising incomes) and it gives local authorities considerable autonomy. Higher rate tax (at another 20–25 per cent on taxable earnings above about £27,000) goes to central government, as do all corporate and property taxes (although there are plans to introduce a property tax that will be retained by local government). Central government has the right to require local authorities to take on new responsibilities, but if it does so it must by law provide them with the funds to cover their additional costs (the 'Funding Principle').

Source: Swedish Institute Factsheets ([www.sweden.se](http://www.sweden.se)); Invest in Sweden Agency; Sveriges Kommuner och Landsting.

## Regeneration of Norra Älvstranden

### Aims and scope of the scheme

The vision for the regeneration of NÄ has changed greatly over the years, depending on who has been responsible for the site and on wider economic realities. It was not until the City of Gothenburg took full charge that a sustainable strategy gradually emerged. When the shipbuilding industry collapsed in the mid 1970s, the yards were taken over by a state-owned company called Swedeyard. Thus although the City of Gothenburg's Harbour Authority still owned the working harbours, Swedeyard became the main landowner in NÄ and was therefore primarily responsible for deciding what to do with it.

Initially (late 1970s) Swedeyard's aim was to 'revive full employment in the area' – by creating industrial jobs similar to those that had been lost (e.g. related to offshore oil platforms). This tied in with the fact that the land was zoned for industry. It was also very much in line with the central government's commitment to full employment and to a widely shared local feeling of responsibility for those who had lost their jobs. Despite the good intentions, it soon became clear that new industry on the site was not going to provide replacement jobs for the people who had worked in the shipyards. The new markets did not appear, and the only jobs that remained in NÄ were in a small ship repair yard and a few small businesses.

The next version of Swedeyard's vision (in the early 1980s) focused on housing. Proposals were put forward for a whole new town of 20,000 residents with 20–30-storey tower blocks. One of the arguments was that this would provide jobs for 'one thousand building-construction workers ... for ten years' (Ander and Ekman, 2001). However, Sweden's One Million Homes Programme had already created a housing surplus and so these plans were rejected by the city's planners. Efforts instead went into making environmental improvements and trying to attract more small firms into some of the empty buildings on the site, drawing on experience from the UK, including work by URBED.

It was not until the second half of the 1980s that the City Planning Authority started to work on a new structure plan for the area, asking such questions as:

- How do we make the best of the small projects that are now established in NÄ?
- What are possible uses for the big buildings?



- How can the history that is embodied in the site be taken care of?
- How can NÄ and any activities there be linked in to the city centre?
- What should the future of NÄ be?

At that time the city was thinking about its future as a whole, and concluded that Gothenburg had to change from an 'industrial city' to a 'knowledge-intensive city'. Clearly NÄ could have an important role in this as it involved:

- diversifying and modernising the city's economy – e.g. by developing IT and other high-tech industries, promoting the city as a centre of education (particularly technical education) and ensuring that the local economy had 'a dozen legs to stand on';
- making Gothenburg 'the Friendly City' within which NÄ would be an exemplary district (e.g. as a vibrant mixed-use area, with buildings that were on a human scale, with a fine and healthy environment, where people could live close to their work). Interestingly, in the words of the Planning Authority, NÄ 'should be a vibrant quarter that would not be similar to the London Docklands' (Ander and Ekman, 2001).

A comprehensive masterplan, with detailed plans for each quarter, was completed in 1989, but neither the city council nor Swedeyard had the resources to implement it. Furthermore, Swedeyard (and its successor, the state-owned investment company Celsius) viewed NÄ as just a potential property development, and was reluctant to start investing in an area with such a poor reputation. Over the following years, therefore, a campaign was mounted to change the image of the area, and to encourage people to visit it and see how close it was to the city centre, by holding pop concerts, exhibitions and sports events there. Gradually NÄ became a more familiar and accepted place.

In the early 1990s, however, Sweden suffered a severe banking and financial crisis, and in 1996 Celsius agreed to transfer its land in NÄ to the City of Gothenburg for a nominal sum. The city now owned the entire site (although it was split between three separate subsidiaries) and was in a position to start implementing its vision for NÄ as a quarter that would play an important part in the repositioning of Gothenburg as a knowledge-intensive city for the future.

## **Management of the scheme**

In 1998 ownership of all the land in NÄ was brought under the control of a single development company, Norra Älvstranden Utveckling AB (NUAB), which is fully owned by the City of Gothenburg but has its own board of directors. NUAB has the clear objective of bringing about the redevelopment of NÄ, and doing so in such a way that does not cost the city any money. It is able to borrow money commercially in order to finance its projects, and, although it works within the framework set by the city council, it is a market-led, consumer-oriented organisation. It operates very much like a private sector company.

When it was set up NUAB insisted upon three conditions that would apply to its relationship with the city council:

- It would be free of party politics, regardless of whoever controlled the city council.
- It would be free to reinvest all its profits back into the scheme.
- The city's Planning Authority would agree to work co-operatively and flexibly with it.

Bringing in a private sector approach was quite a change. In Sweden, the public sector had been used to planning projects and then just delivering them according to the plan (a 'linear approach' to development). This was the case, for example, with the One Million Homes Programme which had led to the building of high quality apartments, but too many of them and not necessarily in the right places. However, after Sweden's financial crisis, it was recognised that in future developments would have to be far more market-oriented, especially if private sector investment was to be attracted in. This has led to a different type of relationship between the development agency and the Planning Authority. Much more of the pre-planning work is done by NUAB. The rigid overall masterplan no longer applies. Instead the Planning Authority has provided a set of overall guidelines. (For example, residential buildings in certain areas have to be designed to allow for retail uses on the ground floor. However, these spaces do not necessarily have to be used for retailing initially, but this may be required later.) The Planning Authority and the development agency have a permanent joint working group which discusses all planning issues, but the Planning Authority still has to give its formal independent approval to development proposals in the normal way.

In addition to working closely with the Planning Authority and other city council departments, NUAB also works closely with developers and prospective developers

and with potential end users of sites in NÄ (see 'Developing an IT cluster' below). In this way it has been able to move the development forward step by step, taking advantage of changing market conditions, but always keeping in mind the overall aims of the scheme for Gothenburg as a whole.

### **Actions and achievements**

The regeneration of NÄ has now acquired a real momentum. As of 2006, some 6,000 people live in the area. Over 400 businesses, with about 15,000 employees, operate there, and around 9,000 students are taking courses in the 'knowledge centre'. Different parts of the area have predominantly different uses and have been developed at different stages. Some parts of the site are quite densely built up, but others are still quite empty. Furthermore it is not just the physical development that is important. There is more to the development of NÄ than meets the eye.

#### **Early actions**

While initial efforts to find new industrial uses for the shipyard sites were not successful, other actions were taken early on which have had an important impact on the redevelopment of the area. Work was undertaken to clean up the site and improve the environment, and some of the large buildings were converted to provide premises for small businesses and studio space for artists. Above all, efforts were made to change the image of the area in the minds of the people of Gothenburg by providing reasons for them to visit NÄ. This was a slow but necessary process which eventually led to people becoming interested in living there and private investors being prepared to invest there.

#### **Knowledge centre**

One of the crucial factors in the subsequent development of NÄ was the decision, or decisions, to locate a whole series of educational and training facilities there. When the shipyard crisis began, the Swedish Government reacted by establishing a health and safety research and training establishment in NÄ. Then the city council decided to locate several 'upper secondary' technical schools and vocational training establishments in the same area, even though almost nobody lived there initially. In 1994 Chalmers University opened a second campus in NÄ, in spite of the

difficulties and extra costs of operating on two sites. More recently Chalmers and Gothenburg universities have jointly set up an IT university on the same part of the site, Lindholmen, which has become an important 'knowledge centre' for the whole city-region (Figure 3).

**Figure 3 The heart of the knowledge centre**



In Sweden, education is held in high regard, as well as being seen as the foundation of future prosperity. These investments would no doubt have taken place somewhere in Gothenburg anyway. However, the fact that they were all located together in one part of what was then a derelict site not only confirms the city's commitment to a knowledge-intensive future but also illustrates its belief in education-led regeneration. It shows, too, that the leading universities were prepared to go out of their way to support an initiative that was considered good for the city as a whole, even though it was a burden for them. It must also be stressed that these developments would not have been viable without Gothenburg's excellent public transport system (tram and bus) which enabled students from all parts of the city to reach the comparatively isolated area without difficulty.

A business incubator unit and a science park have also been established in the knowledge centre, but it was the decision of a division of Ericsson, the Swedish electronics giant, to move to Lindholmen Pier and form the nucleus of an 'IT cluster'

next to the knowledge centre that was a turning point for NÄ and for Gothenburg's development strategy. Since then several other major firms have followed Ericsson to the area.

### Developing an IT cluster

The IT cluster which is growing in Lindholmen/Lundbystrand (Figure 4) shows that the knowledge centre concept is indeed paying off for both NÄ and Gothenburg (over 15 years after it was first put forward in 1988). Technical education has always had a high priority in Gothenburg, and the fact that there is a large pool of well-qualified IT staff in the area was a key reason why ERV (the Mobile Data Design division of Ericsson) decided to move to NÄ.

ERV played a leading role in the creation of the IT cluster. It had very specific requirements for its new space when it outgrew its existing premises in eastern Gothenburg in 1998. It needed space for about 1,200 of its own employees with room for expansion. And in particular, it wished to be within walking distance of a 'critical mass' of other knowledge-based companies which together employed at least 10,000 IT and other technical staff (so that it would be easier for ERV to recruit – or lay off – employees as its needs fluctuated in a volatile business). It believed that a place with attractive spaces and buildings, a stimulating environment and high quality services and infrastructure would be needed to attract the right sorts of companies and people. Initially, even though it was planning an investment of about 1 billion krona (£75 million), ERV could not find a suitable site in Gothenburg and was threatening to move out of the city altogether. The chief executive of ERV met the chairman of the city council (who was also on NUAB's board) and explained the position to him.

There was space in NÄ, but nothing on the scale required for the IT cluster (around 300,000 square metres of floorspace) that had planning permission. The best site was owned by the Harbour Authority and had a listed building on it. It was reckoned that it would take about four years to sort the site out, but ERV wanted to start building within a year and it also had an extensive list of other requirements for the cluster. While these were basically in line with the city's overall strategy they involved taking on substantial responsibilities, such as finding a large number of suitable tenants, providing a range of ancillary facilities – including a ferry stop, car parking, a marina (for employees' yachts) and a British pub – agreeing not to charge high rents, and demolishing the listed building. In other words, the city council needed to take on considerable risks and jump through a series of hoops if it wanted the IT cluster in NÄ. It jumped. This also led to the restructuring of its land holdings and



**Figure 4 Part of the IT cluster**

to the redefinition of the role of the development agency, which now became more proactive in bringing forward projects within the city's overall objectives, the planning and urban design framework and its own financial constraints. It became much more in tune with the needs of potential users and investors, while still adhering firmly to the long-term objectives of the city, including that of making NÄ a place where local firms might build international competitive advantage.

The two initial drivers behind the IT cluster, which now occupies a growing amount of space in NÄ and is becoming one of the mainstays of Gothenburg's economy, were Chalmers University and ERV. Chalmers is an old and respected institution based in Gothenburg, and ERV (although only a division of Ericsson, which is based in Stockholm) has senior executives based in the city. Not only was there overlap between the boards of these organisations (the Chief Executive of ERV was on the board of Chalmers Lindholmen, and both the Dean of Chalmers Lindholmen and the Chief Executive of ERV were on the advisory board of the Lindholmen Science Park) but there was also a clearly perceived and shared interest in making Gothenburg a successful high-tech city. This shared vision was also at the heart of the city council's vision for NÄ, and it enabled all the parties to 'work together' very effectively in developing the IT cluster and science park (Öhrström, 2004).

Another important supporter of the IT cluster has been Volvo, the car maker whose headquarters are in Gothenburg. In the late 1990s it was taken over by Ford and, although successful, found itself a small part of a global company. It had to justify why investment should be made in Gothenburg, rather than in Germany, which was seen as the centre of automotive development in Europe, or even in the Far East. Local management successfully argued that there were certain specialist technologies, including safety and telematics (where telecommunications and computing overlap), in which Volvo could be a world leader, and that there were resources and ancillary services in Gothenburg (specifically within the emerging IT cluster in NÄ) which made it the ideal location to develop them.

Thus close collaboration between leading industrial companies, the technical universities and NUAB has helped to turn a tentative vision into economic reality. Indeed it is now possible to talk of the development of 'safety and telematics clusters' in NÄ, and these in turn attract highly qualified specialists and further investment to the city, as well as keeping the jobs of many important Volvo (and other company) executives in Gothenburg. NÄ not only provides an attractive and congenial working environment for those involved in knowledge industries, but its residential areas are designed to attract them too – and in doing so they have proved to be highly attractive to others as well. Consequently NÄ is becoming a highly sought-after part of Gothenburg in which to live, and the sale of housing brings in the funding that is required to continue the development of the area without drawing on public funds.

### Development of other parts of the site

As well as the developments in and around the knowledge centre, other parts of the site are being developed too, particularly for housing. In part this is due to people wishing to live near where they work, but because NUAB has paid attention to what the market wants, it has found that there is a strong demand for stylish housing close to the centre of Gothenburg – and in a fine, waterside location on the sunny bank of the river. It is filling a gap in the market that the One Million Homes Programme ignored. Key features included:

- At the old Eriksberg shipyard, in the western part of NÄ, over 1,000 high-grade flats have been built and more are under construction and being planned. Several of the huge machine shops and other old industrial buildings have been converted to new uses ranging from a hotel and exhibition halls to offices and premises for small firms. Landscaping along the river front is of a high standard, and some of the heritage of the area has been retained, including the giant Eriksberg crane which dominates the skyline.



Figure 5 Norra Älvstranden before ...



... and after



- In Lindholmen, in the centre of NÄ, efforts have also been made to conserve and celebrate the heritage of the shipyards. Traces of the slipways can still be seen. Apart from the knowledge centre there is also some housing. A sizeable number of old working-class tenements and cottages have survived. The Lindholmen community was originally built by the shipyard workers themselves in a semi-rural, semi-urban pattern during the second half of the nineteenth century. The original buildings have been extensively refurbished, and sensitively designed modern flats have been added.
- Lundbystrand, in the centre-east of NÄ, is developing as a business area, partly through the conversion of large buildings (for workspace, sports facilities etc.), and partly as an extension of the IT cluster from Lindholmen next door. The remaining ship repair yard continues to operate here, and provides a significant reminder of the city's industrial heritage.
- The eastern end of the site is still partially used for port operations. It is likely that this will be integrated into the NÄ development in the future.

### Overall success of the scheme

Although it is far from complete, the regeneration of NÄ is undoubtedly a success. Over 11 billion kroner (£1 billion) has been invested in the area – and none of it new money from the public sector (apart from the Government's initial subsidies to Swedeyard). NÄ is undoubtedly a place that people with choice now wish to live in (and are prepared to pay to do so), and a place that businesses (including very large businesses) wish to invest in. It is becoming an accepted central quarter for the city – although it is nothing like as lively as the city centre itself – and property values are rising.

NÄ also appears to be succeeding in terms of its contribution to the drive to diversify the city's economy in ways that can help it to remain prosperous in a highly competitive world. It is, of course, impossible to say whether the particular niches (safety, telematics etc.) in which the city is aiming to grow strong will in fact prove to be defensible. However, the city council, and the other key players in Norra Älvstranden, including the major businesses, share a vision and plausible strategy for the economic development of Gothenburg, and are working collaboratively together to use the redevelopment of NÄ to help achieve it. The future seems very promising.

Nevertheless there are some unresolved issues to be tackled. NÄ is still relatively inaccessible compared with the city centre. In particular, a way of crossing the railway and main roads at the back of the site needs to be found. This will enable the site to be socially and economically linked to the rest of Hisingen, the island on which it lies, and where a sizeable proportion of the city's population live and work. (There is also talk of building another bridge across the river, but as yet only talk.) Then there is the issue of broadening the range of people living and working in the area, to include all sections of the community including immigrants. NUAB does not receive any public subsidy, and yet has had to invest in infrastructural and environmental improvements. As a result there is little 'affordable' housing and workspace in the area at present, although there are plans for more social housing in the future to help create a more 'balanced' community. There has also been a concern that investment in NÄ is taking resources and attention away from other areas of the city. However, NUAB stresses that the city has not spent any extra resources on NÄ; the scheme has been financially self-contained.

## **Benefits for vulnerable groups**

### **What was done for the vulnerable groups?**

NÄ was a shipbuilding and harbour area. While many thousands of people worked there, very few lived there. Thus it was the workforce that was most directly affected by the closure of the yards – although it was a blow for the entire city too, as it was the shipyards that Gothenburg was known for around the world.

Originally it was hoped to attract new manufacturing employment to NÄ, and to use the redevelopment of the site to provide new jobs for those who had previously worked there. However, these jobs never materialised, and it soon became clear that the changes that were taking place in the world economy were so drastic that entirely fresh thinking – about the future of an industrial city with a high standard of living, like Gothenburg, as well as about the NÄ site – was needed. Furthermore the timescales were not realistic. The redevelopment of a former shipyard area would take many years. (The NÄ scheme will have taken around 50 years by the time it is complete.) On the other hand, people whose jobs disappear need to have their problems addressed very quickly. It was not the redevelopment of NÄ that addressed the needs of those who lost their jobs.

Amazingly, perhaps, redundancies from the shipyards were avoided, and unemployment in the city only rose from 2 to 4 per cent during the whole of the 1970s. The issue of the workforce was entirely decoupled from the redevelopment of the site and the problems were solved in a way that seems typical of Sweden and Gothenburg – by collaboration. The trade unions took the lead, but the city, the employer (Swedeyard), the Labour Market Board, local businesses and others were all involved. The yards were merged and closed sequentially, keeping people on for as long as they could. Some new work, on oil platforms and the like, was found but it was carried out at a more modern yard at the mouth of the river, to which some of the workforce was transferred (and which itself had to close some years later when its principal customer went bankrupt). A technical consulting company was established to sell shipbuilding and business experience to overseas customers, and many engineering staff were transferred to it.

The pension age for shipyard workers was lowered to 58½, and so about one-third of the workforce took early retirement. Younger people were helped to find new jobs in other companies. For example, Volvo, which was expanding rapidly at the time, made special efforts to find positions for former shipyard workers, and other companies did so too. Finally training schemes were organised by the Labour Market Board to enable people to gain new skills, and those who could not find work immediately were paid generous benefits and taken back on to new programmes if they were not back in work within a maximum of six months. Many people were also helped to return to education and to gain new qualifications, especially if they had missed out earlier. The universities and colleges created special courses for them where necessary.

It was stressed by the dozen or so former shipyard workers who were interviewed or attended the case study workshop that everyone was treated as an individual, and a solution that was right for them was sought. It was also stressed again and again that everybody worked together. Everyone saw the demise of the shipyards as a shared problem and was willing to help deal with the consequences. However, it was also said that because Sweden is now part of the European Union, which has strict rules concerning public sector support for businesses, it would no longer be possible to do all that was done at that time.

### **Who has benefited most from the regeneration of NÄ?**

Participants at the case study workshop in Gothenburg, including people who had worked in the yards, were asked to sum up their reactions to the closures and to the way the area had been redeveloped. There was a broad consensus that although

it was a shock and a very sad event Gothenburg was a better place now, and the redevelopment of NÄ would make the future better too.

All the future people of Gothenburg have gained. The city is more diversified now.

It is all to the good. If the yards were still there the young people of today would not want to work in them. And there are now more people working in NÄ with good jobs than worked there ever before.

The young people who have been educated there have gained most. But most of the people in Western Sweden have gained too because it is a driver of the economy of the region.

Criticisms of the scheme were few and mostly concerned the high cost of housing, which was making NÄ an area for the privileged rather than a balanced community. There was also felt to be a lack of emphasis on and support for local cultural activities. However, it was agreed that it would take time for a new area like NÄ to mature. Three thousand affordable housing units were due to be built in Eriksberg, and NÄ was certainly becoming a new quarter that the people of Gothenburg felt proud of.

## **Key elements of the scheme**

The scheme illustrates a number of factors which were important in the overall approach to regeneration and its apparent success, and which may be applicable more widely.

### **Approach to urban regeneration**

- A major regeneration scheme should be planned for its effect on the whole city – or wider city-region – and not seen just as a property development. The local authority (or grouping of local authorities) which is responsible for the city and its future success should therefore be directly responsible for the scheme.
- Although urban regeneration needs to address a range of needs, economic success is critical as it is this that generates the resources that are needed to carry through all the other aspects. In other words, sustainable regeneration cannot take place in isolation from successful economic development.



- Education, skills and innovation are vital for economic success. Educational, training and research establishments must be closely involved in the strategy for regeneration and economic development. They must share the vision, and ensure that their actions reinforce it.
- Economic success is delivered by businesses. Business leaders must also be at the core of regeneration and economic development.
- Urban regeneration is a long-term process and is 'non-linear'. The strategy must be capable of being modified in line with changing external forces. It must have flexibility.
- Successful regeneration and economic development require many agencies and individuals to work constructively together over a long period. In Sweden, working together for a common goal is a well-established practice.

### **Strategy, organisation and funding**

- Cities (or city-regions) which do not have specific strategic advantages are in direct competition with each other. They all need to attract knowledge-intensive businesses, people to work in them and long-term investment. As well as being attractive and friendly, such cities also need to develop niche activities in which they can maintain a competitive advantage.
- The strategy eventually arrived at for NÄ is based on creating defensible niche business areas in which firms based in Gothenburg can be world leaders.
- The strategy needs to be clearly understood and accepted by all the key interests in the city.
- The image of the city and the regeneration area is vital in attracting and retaining high-calibre employers and workers and in bringing in private investment.
- High quality services, including good public transport and a well-designed public realm, can also help to attract and retain investors, businesses and workers.
- A dedicated and committed development and marketing organisation is essential for driving a scheme through. There appear to be benefits from this being an agency of the responsible local authority (in order to ensure that it pursues the same overall strategy) and not a separate quango.

- The development agency needs to be proactive in seeking out projects, investment and end users, but also needs to work within strategic parameters set by the responsible local authority.
- In Sweden, local authorities have a substantial tax base of their own. Basic rate income tax is a local tax. This gives a strong incentive to make sure that the local economy flourishes, as well as providing a predictable source of finance.
- Ownership of the entire site makes regeneration easier and provides an increasingly valuable asset.

### **Mechanisms for overcoming obstacles**

- The main mechanism for overcoming problems is to work co-operatively with all the parties involved, including educational establishments and key businesses.
- It is important to maintain flexibility of action (within an agreed strategic framework) in order to be able to seize opportunities and to react to circumstances that inevitably change over time.
- Building on local strengths, and retaining links with past successes, can reinforce the identity of an area and help to make it distinctive.

### **Spreading the benefits**

- In NÄ, addressing the needs of the vulnerable groups (e.g. those who worked in the shipyards) was decoupled from the issue of regenerating the site, thanks to Sweden's advanced employment policies and the people of Gothenburg's willingness to help each other.
- All the people of Gothenburg have access to the jobs being created in NÄ, which spreads the benefits of the scheme widely. The jobs include not only those that require advanced qualifications but also a whole range of ordinary jobs in supporting services.
- The wide range of educational facilities in NÄ will help ensure that very many people in Gothenburg and its wider region will benefit from the scheme.



### Future-proofing

- Making Gothenburg attractive to people with choice and developing 'defensible niche business areas' which Gothenburg can dominate are basic ways of ensuring that the city will remain competitive in the future. Success attracts success.
- The investment in educational facilities will raise skill levels, especially in knowledge-based fields, and help the city to retain and attract the firms that are needed for its continuing prosperity.

### UK partner's reaction

The UK partner for the Norra Älvstranden case study is Gateshead. Gateshead is a former mining and industrial town on the south bank of the River Tyne (once a great name in shipbuilding) directly opposite Newcastle, the regional capital. The town of Gateshead has a population of 78,000 compared to Newcastle's 190,000. The river is not wide and is spanned by several bridges, including the spectacular Gateshead Millennium Bridge (the winner of the RIBA Stirling Prize in 2002). Gateshead and Newcastle are even joined by one of the few metro systems in Britain outside London. Together with adjacent towns they form part of a conurbation of nearly 1 million people (Tyneside), which is similar to the size of Gothenburg's city-region. Both Gothenburg and Tyneside are comparatively isolated from other commercial centres and both are a long way from the main economic centres of Europe.

The last coal mine in the borough closed in the 1970s and activity on the Tyne moved towards the mouth of the river. Buildings along the quays became derelict and the centre of the town suffered a big decline following the opening of the MetroCentre, England's first out-of-town regional shopping centre. However, just as Norra Älvstranden has been the focus of recent regeneration, so has the riverside in Gateshead, and Gateshead Quays is regarded as a great success story too.

Although Gateshead's regeneration started with concerted efforts to achieve high standards in all the services it provides as a local authority, it is best known for its culture-led regeneration strategy and improvements to the public realm along the riverfront. Major projects have included the Gateshead International Stadium (for athletics), the Angel of the North (a landmark sculpture on the site of a former pithead baths) and, along the quays, the BALTIC Centre for Contemporary Art, The Sage Gateshead (a highly acclaimed music venue) and the Millennium Bridge. Unusually, Lottery funding has been a major source of finance for this regeneration

programme (which perhaps indicates that 'culture' is not yet fully accepted as a basis for urban regeneration). In Gateshead, culture is seen not just as providing an avenue for raising people's aspirations, increasing their self-esteem and improving their quality of life, but as also leading to economic development as well.

This strategy is seen as complementing the primarily economic strategies of other parts of the conurbation, and Newcastle and Gateshead, although ancient rivals, are increasingly working together at an official level. They recently put in a joint bid to become European Capital of Culture in 2008 and, although they did not finally win, they were one of the front-runners.

The officers and councillor from Gateshead who attended the case study workshop in Gothenburg were impressed by the quality of the development that was taking place at Norra Älvstranden and by what had been achieved. They liked the city as a whole and the stress given to the physical environment. They noted the way that the heritage of the area was retained and incorporated into the development. They were also impressed by the comprehensiveness of the underlying strategy for NÄ, particularly on the economic side, and by the close involvement of both the universities and leading businesses. They admired the way that the city council's development agency, NUAB, worked with potential developers and potential end users of development sites and the way that it worked closely with the Planning Authority. Above all they felt that Gothenburg had much more autonomy and freedom to control its own destiny than was the case for a British local authority.

On the other hand they noted that NÄ did not yet have great vitality (particularly when compared to the centre of Gothenburg) and that the cultural side of the regeneration of NÄ appeared to be a low priority – which seemed like a missed opportunity.

## **Potential messages for UK policy**

Although the regeneration of Norra Älvstranden is far from complete it is clearly a success in terms of creating a new high quality mixed-use quarter close to the city centre. It is already a 'triple win' development in that it provides more jobs, more housing and a much better environment than it did in its industrial heyday, even though there is more to be done to make it a complete community. Furthermore, since the city council obtained ownership of the entire site, there has been the additional aim of using the regeneration of Norra Älvstranden to help reposition Gothenburg in an increasingly competitive world. This is the same underlying task which so many of Britain's industrial towns and cities still face, and there are several

features of the approach that has been taken in NÄ that should be relevant for UK policy, especially:

- the strategic economic view taken by the city council in conjunction with other key players, especially major businesses and the universities;
- the decisive role of the city council in leading the economic development process;
- the way in which all the parties were prepared to work together for a common long-term goal, although this was not always in their short-term interest (as in the case of Chalmers University agreeing to operate on two separate campuses). This includes the involvement of leading Gothenburg companies, and the lengths to which the development agency was prepared to go to ensure that their needs were accommodated;
- the strong incentive for the city council to promote the economic success of the city as much of its income is derived from a tax that is directly linked to local prosperity;
- the realisation that making the city attractive and user-friendly was an indispensable part of the regeneration and economic development strategy;
- the importance attached to quality in all aspects of the development including the business environment (for example, in the provision of attractive open-air meeting places where people from different companies located nearby can gather and perhaps exchange ideas);
- the commitment to education and job-related training, so that all the city's residents would have access to good jobs;
- the wisdom of having systems in place to cope with unexpected plant closures etc., which meant, in this case, that the decline of the shipyards did not lead to mass unemployment, and that in time their closure could be seen as a good thing for the future, even by people who worked there.

## 4 Kop van Zuid case study

### Context

#### Overview of the regeneration scheme

Kop van Zuid (Southern Headland) is a peninsula on the south bank of the River Maas directly opposite Rotterdam's city centre. It covers some 125 hectares and used to be an important port area with docks, a shipyard and a terminal for ocean-going liners, but all these activities closed down when the port moved downstream to the mouth of the river during the 1960s and 1970s, and Kop van Zuid became abandoned (Figure 6). It was an isolated and largely hidden area, cut off from the river by warehouses and from surrounding areas by railway lines, and was poorly connected to the city centre. The wider area in which it lies, the borough of Feyenoord (one of Rotterdam's 13 sub-municipalities), consists mainly of poor residential neighbourhoods where the people who worked in the port and other riverside industries used to live. It now has a high level of immigrants among its population. It has traditionally been an area of low educational achievement and high unemployment, and it used to have a very poor image, which made it difficult to attract private investment or people with choice to live there.

**Figure 6 Old docks in Rotterdam**





There were plans to redevelop the area for social housing, but in 1986, under a masterplan commissioned by the new City Planning Director Riek Bakker, Kop van Zuid became seen as a key to unlocking huge potential for the whole city. If it was developed as a high quality mixed-use area, with eye-catching buildings and a lively waterfront, and connected directly to the city centre, it could not only change Rotterdam's image but also open up the entire south side of the city.

Although, as of 2006, the final part of the project has yet to be completed, Kop van Zuid has already become a successful mixed-use area with residential, commercial, educational and leisure uses (Figure 7). It is estimated that around 15,000 people will be living in Kop van Zuid and 18,000 working there by 2010 (KvZ Communications Team, 2002). While not everything has worked as originally intended, the masterplan and the planning authorities have proved flexible enough to accommodate changes. A number of its new buildings have been designed by world-famous architects, and the public realm is memorable and highly walkable. The spectacular Erasmus Bridge, a new metro station and a new tramline join the area – and areas further to the south – to the city centre. Kop van Zuid is not only a successful regeneration scheme in its own right, but it has indeed also helped to change the image of Rotterdam – from an industrial port to 'Manhattan on the Maas' – and to attract in the young professional workers who are needed to diversify and modernise the city's economy.

**Figure 7 High quality mixed-use development**



## Rotterdam

Rotterdam, situated in the delta of the Rhine and the Maas (or Meuse), is by far the largest port in Europe. Although its docks and terminals have moved out of the city centre to land a few miles away reclaimed from the sea, it still retains its immense national and international importance. The port generates 10 per cent of the GDP of the Netherlands (*Economist*, 2005). The city itself has a population of 600,000 (which is now rising again after a sharp decline in the 1970s and 1980s), and it is at the centre of a travel-to-work area of about 1.4 million inhabitants. As is often the case in the UK, there are other large towns and cities nearby (The Hague, Amsterdam, Utrecht), and together (including Rotterdam) these are referred to as the Randstad ('Ring City'), an agglomeration of around 7.5 million people, or nearly half the country's population.

Traditionally Rotterdam has been a predominantly working-class city, and its neighbouring cities have been seen as more attractive. Although the port and city centre were rebuilt after massive bomb damage during the Second World War, the subsequent relocation and modernisation of the docks left large areas of derelict land in the city and high unemployment, especially among unskilled workers. At the same time there was a large outflow of people to the growing suburbs and a large inflow of immigrants from former Dutch colonies and elsewhere. By 1996 22 per cent of Rotterdam's working population and 40 per cent of its residents were of non-Dutch origin (Blok *et al.*, 2000). In 2005 unemployment in the city was 11 per cent, with much higher rates among minority ethnic groups (Bolt and van Kempen, 2002). Thus, in spite of its enduring strategic position, Rotterdam has had to face many of the same challenges as British industrial cities have faced in order to stay competitive in the global knowledge-based economy.

Rotterdam is a municipality and is run by its city council which is responsible for the economic, spatial and social development of the city. In recent years its main strategy has been to build on the strength of its port and logistics sector, while at the same time diversifying the city's economy and expanding its facilities so as to make it an attractive location for 'knowledge industries' and for 'knowledge workers'. This has meant repositioning Rotterdam away, in part, from its traditional roots and attracting in new people, while at the same time pursuing the Dutch aim of 'balanced development', which emphasises working together for the common good and balancing economic, social and environmental considerations in order to diminish the gaps between rich and poor.

Transport has been an important element in Rotterdam's renaissance. The metro opened in 1968 and now stretches over 80 miles, and the city has also invested in

a high quality tram system. A new tramline was built in advance of the development of Kop van Zuid to assist the area's regeneration and promote the use of public transport, and a further major investment was made in the Erasmus Bridge over the Maas. A new project is under way to upgrade the area around the city's central station, and a light rail system linking the Randstad cities is under construction. Rotterdam will also soon be joined to the European high-speed rail system.

### National and regional policies

The Netherlands is a small, low-lying and densely populated country (population 16.3 million). It has a reputation for being neat and tidy and relatively egalitarian. This is often attributed to the 'polder mentality' of people having to collaborate to maintain the dykes that keep out the sea. There has been a tradition of discouraging urban sprawl, especially into the area between the four big cities, through voluntary collaboration between local authorities. Concern to reduce travel by car (and to encourage walking, cycling and the use of public transport) has reinforced the commitment to 'compact cities'. Furthermore, a national priority has been to upgrade the centres of the main cities in the belief that they act as economic dynamos for their wider city-regions (URBED, 2005b).

### Urban renewal

In response to the housing shortages caused by the Second World War and the influx of immigrants, the Government undertook an extensive housebuilding programme. It quickly became apparent that there needed to be a particular focus on inner urban areas. In Rotterdam, a group of elected politicians led the way by setting up local urban renewal organisations and campaigning for government-funded renewal areas to be created. This policy was largely successful and by 1996 more than 50 per cent of the housing stock in the renewal areas (including parts of Feyenoord) had been modernised. However, this policy did not tackle unemployment or the wider social aspects of urban living. Eventually the mayors of the four large cities collectively lobbied the national government for greater support for a broad-ranging approach to urban renewal. This led to the Major Cities Policy (Grote Steden Beleid) which aimed at creating 'complete cities' through economic, social and physical measures and with a bottom-up approach to implementation. The outcome was a five-year funding agreement between the central government and the local authorities in each of the four cities, including Rotterdam. The first agreements were made in 1994. There have been two further five-year agreements



since, and the number of participating towns has increased to 30. Each agreement sets out an agreed development strategy and a corresponding financial commitment from the national government. The implementation programme is drawn up by the municipality concerned and includes a limited number of output targets. In return for the guarantee of predictable long-term funding, the local authority accepts responsibility for the implementation of the programme and for the success of its town. This amounts to a substantial devolution of power and responsibility from central government to the local level.

Although most public funding for local authorities is channelled via the national government, municipalities own much of the land and therefore have a strong incentive to promote development. However, the provincial authority (South Holland in the case of Rotterdam) also plays a role by ensuring that development is consistent with major infrastructure capacity (for example, by deterring development around Rotterdam airport until Schipol, Amsterdam's airport, was complete).

## **Decentralisation**

Historically the Netherlands used to be a decentralised state, with a strong stress on local collaboration (the so-called 'polder mentality'). Although the autonomy of local authorities had been gradually reduced during the late nineteenth and early twentieth centuries, they still retained significant roles. After the Second World War, the call for a larger welfare state, and the need for large-scale provision of housing and the repair of damaged urban areas, resulted in more power and a greater share of financial resources being taken by central government. However, during the 1990s there was a reduction in state intervention in welfare and housing (including, for example, the promotion of owner-occupation), and a move to give more responsibilities back to local authorities so that they could make decisions and integrate activities at a more local level. The Major Cities Policy is an example of this.

The result is that municipalities can be flexible in the way that they implement national policies. Central government sets the policy framework, and local authorities implement the policies in the way that best fits local circumstances. This flexibility allows local authorities to take a more proactive and entrepreneurial approach in both planning and policy implementation. In Rotterdam this has led to an 'Integrated Area Approach' which focuses on priority areas and tackles local employment and quality of life issues as well as making physical improvements. Great stress is now placed on 'working together' – involving residents, landowners, businesses, local politicians and local agencies such as housing associations – and on communication. Social inclusion is also given a high priority, especially because of the large number

of immigrants in the city and the view that they should become integrated into Dutch society.

### **Working together**

Another important characteristic of the Dutch approach is the ability and willingness to work through informal networks. As in Sweden and northern France (which is Flemish in origin), the concept of working together, across professions and sectors, towards the common good is widely accepted. This appears mainly to take place in a voluntary way. Although there are many formal partnerships (as in the UK), it is not just the structures that are important but the attitudes of the parties involved and their ability to be flexible and co-operate at a practical level.

The Netherlands does not have a formal city-region layer of government. An experimental Rijnmond region around Rotterdam was tried, but it failed – partly because of confusion over its role in co-ordinating policies among municipalities, and partly because it would create a fourth tier of government (Hoek, 2000). A referendum was held on whether there should be a formal city-region, but the proposal was rejected. However, the municipalities concerned recognise that they need to co-operate in order to promote economic competitiveness, and so informal city-regions (in which the individual municipalities keep their independent identities) have in fact developed around the major cities. There is also increasing collaboration across the Randstad ('Regio Randstad') with a view to increasing its overall international competitiveness too.

However, in the case of Kop van Zuid the development was controlled by Rotterdam City Council which had a clear idea of the way that the city should develop and the contribution that Kop van Zuid could make.

## **Regeneration of Kop van Zuid**

### **Aims and scope of the scheme**

The scheme to regenerate Kop van Zuid that was set out in the 1986 masterplan was both complex and ambitious. It had strong social as well as economic and physical goals. Its aim was to change Rotterdam as a whole, not just to transform an abandoned port area. Above all it aimed to change the image of the city to outsiders

(particularly business investors and enterprising people) and to change the image of a large part of the city to existing residents of Rotterdam. Before the Kop van Zuid scheme, the River Maas had been seen as a barrier, and the South Bank beyond it 'one of the most repelling parts of the city'. But if it were to continue to prosper and grow, Rotterdam would need a larger city centre and areas with the quality and excitement to attract the types of people who drive the knowledge economy. Furthermore, in spite of previous housing renovation programmes, there were parts of the South Bank where high unemployment and social exclusion needed to be tackled. The Kop van Zuid scheme was intended to address all these issues, by:

- linking Kop van Zuid, and the suburbs to the south of it, directly to the city centre (Erasmus Bridge, a new metro station and the extension of Tramlus, the city's high quality tram service);
- creating a lively and attractive mixed-use district (with offices, residential, leisure and educational facilities) in Kop van Zuid;
- insisting on high quality of design in all buildings and throughout the public realm;
- reusing existing landmark buildings wherever possible;
- developing a programme of 'Mutual Benefit' to ensure that residents of the poorer areas next to Kop van Zuid benefited from the scheme.

### **Organisation of the scheme**

The scheme is run directly by Rotterdam City Council, which is responsible to its electorate for all aspects of the development of the city. Many different council departments are involved (including Rotterdam City Development Corporation, which owned the land, the Planning and Housing Department, the Rotterdam Transport Company, the Public Works Department and the Port Authorities). The scheme is co-ordinated by a dedicated Project Team which includes a Communications Team and a Mutual Benefit Team. The Project Manager reports to a council steering committee which also oversees the external Quality Team that vets development proposals and advises on all aspects of design.

In the beginning the main task was to persuade leading people in the city, the national government and other public agencies to support the scheme, and to provide funding for the infrastructure required to get it off the ground. It was essential

to do this in order to demonstrate the public sector's commitment to an area that private investors were reluctant to invest in. From the start the regeneration of Kop van Zuid had to be seen as a project that was for the good of the country as whole, and the role of the Mayor of Rotterdam – a Crown appointment – was important in building such a shared vision.

The city council approved the masterplan for Kop van Zuid in 1991 and it was approved by the national government in 1994. Meanwhile the Government had also agreed to pay more than 300 million guilders (150 million euros) for the Erasmus Bridge over the Maas, which was completed in 1996, and which has now become a highly recognised symbol of Rotterdam (Figure 8). A new boulevard from the bridge runs through to the southern ring road, and greatly improves access to and from the south side of the city. Significantly the politicians were persuaded to support the most expensive – and impressive – of the three options for the bridge, and to agree to the relocation of several government departments (including the Customs and Tax Office and the Court of Justice) to the area.

**Figure 8 The iconic Erasmus Bridge**



## **Actions and achievements**

The plan for Kop van Zuid aimed to create a series of distinctive buildings and quarters in order to broaden the population and create new jobs in the area. Two university colleges with capacity for 10,000 students were built. The plan provided for 5,300 residential units and 400,000 square metres of offices, but it was flexible enough to accommodate changes in the mix as the housing market gained in strength. The redevelopment has been carried out under a phased strategy spread over several years. Although only the first part of the scheme has been completed, it has already had a dramatic impact on the area and on Rotterdam, and the second part of the scheme is now under way.

### **Reuniting a divided city**

The Erasmus Bridge, the new metro station in Kop van Zuid and the extension of the tram system have linked the north and south sides of the city much more closely. Also, by putting the main railway lines underground, the pedestrian links with the adjoining residential areas have been greatly improved, and new suburban stations have helped improve local accessibility. There is also a popular system of water taxis which cross the river and link up with various visitor attractions. Kop van Zuid is now only a few minutes from the city centre, and the city centre is well connected to all of south Rotterdam. People from north of the river now visit the South Bank, and many of the new residents of Kop van Zuid have come from across the river as well as from the wider region. The high quality of the public realm, with direct pedestrian routes and high quality surfaces, has helped to attract people with higher incomes to live in the area, thus helping to rebalance the demographic profile. Rising property values are encouraging existing residents to stay, as the whole area is definitely 'on the up'.

### **Changing the city's image**

Apart from the bridge, Kop van Zuid now has a number of stunning buildings (Figure 9). Many were designed by leading architects such as Renzo Piano, Norman Foster and Rem Koolhaas. Historic older buildings too have been restored and reused. For example, the former Holland America Line terminal has been converted into the atmospheric Hotel New York. The Entrepot building became a supermarket and a series of restaurants with food from around the world, so as to retain some of its previous character. Although the restaurants failed as sufficient demand had not built up, the scheme succeeded in changing the area's image and in attracting private investment in high quality housing.

High quality urban design has also been a notable feature (supported by Dutch planning policy in general, and by Kop van Zuid's Quality Team). Public art is used imaginatively to interpret the area's history. The waterside has been opened up to people on foot. There is good lighting, a minimum of street clutter, and imaginative use of shared surfaces, with ample street parking in most residential areas combined with wide tree-lined pavements. The streets are kept scrupulously clean by teams of cleaners and by the use of large underground receptacles into which rubbish has to be put. Although the area is densely developed, with higher-density activities concentrated around transport nodes, the sizes of the residential units are generous by British standards. (For example, the three-room flats built by a local housing corporation – equivalent to a housing association in the UK – have a floor area of 92 square metres and all new flats have spacious balconies.) There is also a greater variety of residential styles, with different architects working on each block within an overall design framework which includes, for example, a requirement that each home should have its own outdoor space and encourages the provision of larger windows. Even though public transport is good, car parking is provided for at least one space per dwelling. This can mean using several of the lower floors of a building like the 43-storey Montevideo Tower for car parking – but the ground-floor perimeter is always designated as being for retail or other public use, so that the streets have active frontages.

**Figure 9 Memorable architecture**





## **Repositioning Rotterdam**

The redevelopment of Kop van Zuid as a high quality mixed-use area close to the city centre is playing an important part in repositioning Rotterdam's economy by making the city attractive to modern industries, such as design, and to the people who work in them. Back in the 1980s the city feared that it could never compete with Amsterdam or The Hague as an office centre, let alone as a place for creative businesses. However, this has now started to happen. Rotterdam was cited as one of the leading examples of urban renaissance by the Urban Task Force, and it won recognition as European Capital of Culture in 2001. Unemployment fell from 17 per cent in 1991 to 6 per cent in 2005 and the population of the city is slowly rising again. Much of the new employment has been created in the north-west of the city (towards the airport) and many of the jobs in Kop van Zuid are in organisations that have relocated there from other parts of the city. What has succeeded in a big way is the new housing, and it has helped in attracting people with good jobs to live in the city. Many of the residents of the area come from outside the region. They are attracted by the prestige and convenience of the location. Furthermore, as Amsterdam has become more expensive, so Rotterdam with its new image is becoming the place for creative people to be, with, for example, many of the country's leading architects now located there. This is exactly what is required to reposition Rotterdam as not just a port but also a dynamic city for the twenty-first century.

## **Spreading the benefits**

In the Netherlands a high priority is given to social programmes. The growth in immigration of people with low skills, combined with the changing labour market, put major pressures on Rotterdam, particularly in areas like Feyenoord. While the redevelopment of Kop van Zuid was aimed at repositioning Rotterdam for the future, there was a danger that it might leave the poorer communities right next to it largely unaffected. When the plans for Kop van Zuid were first made public, there was concern in the city council and among the local neighbourhood associations over the problems that might be caused by putting luxurious development next door to deprived areas. It was therefore agreed that a concerted effort would be made to ensure that the project also created benefits for local people. The neighbourhood associations were included in the project organisation, and a Mutual Benefit programme was developed to help channel as many as possible of the jobs generated by the development to local people and to improve the economies of the surrounding areas.

In addition, the new transport connections that are an integral part of the project have made it easier for the residents of Feyenoord, and indeed the whole of the south side of Rotterdam, to access the rest of the city. What is more, the successful redevelopment of Kop van Zuid has encouraged new investment in other parts of the south of the city, which almost certainly would not have gone ahead without it, and this is likely to continue in the future. For example, local housing corporations (which have recently been allowed to operate in the private, as well as the social, market) are now developing higher quality housing in poorer neighbourhoods, which means that local people can move to better housing without leaving the area altogether. This not only helps to promote a sense of 'belonging' to an area, but will over time also help to create the more 'balanced' communities that Dutch policy favours.

The high quality of the environment created in Kop van Zuid has also prompted housing corporations in neighbouring areas to pay more attention to the quality of the public realm. The positive influence of Kop van Zuid is therefore starting to spread outwards. The new schools and vocational college in Kop van Zuid provide another set of benefits and opportunities for people from the wider area, because the better-off parents require high standards for their children who go to the same schools. It was also emphasised by a head teacher at the case study workshop that the schools help pupils – and parents – from different backgrounds to get to know each other, which reduces barriers between the old and new communities and helps tackle some aspects of social exclusion. A local councillor stressed the problem of worklessness in Feyenoord, and the consequent importance of changing local attitudes in order to spread the benefits of the development to surrounding areas.

## Benefits for vulnerable groups

### Mutual Benefit programme

The people who were most affected by the demise of the port activities in Kop van Zuid were those who worked there or who lived nearby. The area itself had been abandoned for many years before the regeneration project got under way, and many of those who had lived in Feyenoord when the port was there would have moved away by then. Nevertheless Feyenoord remained a poor district with many 'inner city' problems – high unemployment, low educational attainment, high crime rate, poor reputation etc. – and a high proportion of immigrants. While there had been a considerable amount of investment in improving the housing stock in the 1970s and 1980s, other aspects of urban regeneration had not been addressed. Therefore, one

**Figure 10** Kop van Zuid, Feyenoord and the Erasmus Bridge as seen from the north side of the river



aim of the Kop van Zuid scheme was to use the project to create more jobs for local people. The Dutch approach to combating poverty and social exclusion is based on bringing people back to work or into a ‘social activation programme’, and ensuring that all stakeholders can participate in policy development and implementation. It was for these reasons that the Kop van Zuid project contained a Mutual Benefit programme (run by the Mutual Benefit Team and funded initially by the City Development Corporation) which started as far back as 1991.

The main thrust of the Mutual Benefit programme was economic (Berg *et al.*, 1999):

- Acting as a broker, or employment agency, which tries to match local job-seekers to employment opportunities in Kop van Zuid, for example in construction work, in the Hotel New York, or in the new supermarket. Apart from seeking out and publishing job opportunities locally, the team also organises recruitment fairs and funds training programmes for those who need to develop a particular skill in order to get a job.
- Assisting existing local businesses and in particular local retailers, for example by establishing a shopkeepers’ association and several initiatives to improve the quality of the shops in the surrounding areas, so that they would provide a better

service for existing residents and attract some of the new residents of Kop van Zuid to use them. This would not only create more jobs but would also help foster social inclusion, as shopping was seen as an activity that can bring people of different backgrounds together.

- Promoting new businesses and new business ideas, for example by establishing, in collaboration with a bank and a local college, a local Enterprise Centre with space and support for new firms.

The initial budget for the Mutual Benefit programme was 5 million guilders (2.3 million euros) over five years, and it later received funding through the European Regional Development Fund. The programme is continuing under the management of the Feyenoord Sub-municipality.

In the event, fewer direct jobs for local residents were generated by the project than originally anticipated (Berg *et al.*, 2003). In particular very few construction jobs were filled locally. In part this was due to the oversupply of labour at the time and to the lack of relevant skills among the people of Feyenoord. Thus the old and the new communities in Feyenoord are still very different economically, and statistics based on averages are likely to be misleading. However, the Mutual Benefit programme proved to be an effective mechanism for engaging with the local communities and for showing that there were benefits potentially available to them.

### Opzoomeren programme

As well as trying to help poorer neighbourhoods through social and economic programmes, the Dutch have also emphasised that all communities have a responsibility to help look after their own neighbourhoods, for the good of the whole city as well as for their own benefit. Rotterdam has developed its Opzoomeren programme for Cleaner, Safer, Greener streets and has so far applied it in over one-third of the streets of the city. The initiative focuses on individual streets and the basic idea is to challenge residents to take responsibility for their own environment (in places where they are not doing so). The programme has three well-defined stages and uses local facilitators, backed up if necessary by social workers and the police.

The programme starts with a diagnostic phase aimed at understanding who lives in the street and then encouraging them, through activities (like street parties) that help people to get to know each other, to take care of their environment. The second stage (called 'urban etiquette') is to get people to develop and agree rules regarding the environment of their street (for example, that football can be played in the street

but not after 8pm or that rubbish may only be put out on the street on the day it is to be collected). In the final stage the agreements are included in a formal social contract, and activities in the street are monitored. The aim is to secure long-lasting co-operation among the residents and between the residents and the providers of public services. If the rules are broken, particularly if this is done by difficult or aggressive individuals or families, the people concerned are visited and spoken to. Ultimately they can, if necessary, be threatened with sanctions, and social workers – and ultimately the police – will then become involved.

However, the social contract is not just a one-sided agreement. It involves step-by-step negotiations between the residents and service providers, so that it is clear what each party will do. In order to encourage groups to conclude a contract, a reward of around 2,500 euros is paid to those streets that do so, to be spent in ways that help to improve the street. Needless to say the city council takes care to see that its side of the agreement is kept, and finds that the Opzoomeren programme does help ensure that residents also take responsibility for their street, and take pride in a cleaner, safer, greener environment for the city.

### **Social reordering and housing management**

The Dutch housing system has traditionally allowed a much wider range of people to occupy rented housing than in England, and the housing corporations play an important role in regeneration. Rents are linked to incomes, and this encourages a broader social mix. The huge expansion of new suburbs has encouraged an urban exodus (as in the UK). As a result apartment blocks, particularly those that are privately owned, are often occupied by immigrant groups, many of whom find it difficult to secure employment outside the 'black economy'. The Government has therefore been promoting a policy of 'reordering', in an attempt to rebalance the social profile of neighbourhoods, and the attraction of people earning higher incomes to Kop van Zuid is seen as a success for the policy. Previous research has suggested that lessons could be learnt from the Dutch approach to housing management (Power, 1993), and, for example, many English authorities are now adopting 'Choice Based Letting' policies. In Britain, with such a shortage of social housing, and with concerns about security and the quality of local schools, those on lower incomes have tended to look to the outer suburbs for places to live, which leads to increasing polarisation. Also it appears that the Dutch educational system has been better at attracting a range of pupils and motivating them to stay at school through vocational education. Schools are seen as important community hubs.

### Key elements of the scheme

The scheme illustrates a number of factors which were important in the overall approach to regeneration and its apparent success, and which may be applicable more widely.

#### Approach to urban regeneration

- Rotterdam City Council sees itself as fully responsible for the continuing success of the city and for the consequent need to reposition its economy (and change the types of businesses and residents that it attracts). It is firmly in charge of urban regeneration.
- The redevelopment of Kop van Zuid, and the linking of the two sides of the river that this required, was seen (in the mid 1980s) as a crucial opportunity for transforming the city.
- The changes were so far-reaching that it was necessary to take the time to develop a sound (but flexible) plan and to persuade the key players (local, provincial and national) that the proposed scheme was good for the whole country as well as good for Rotterdam. Vision and communication are all-important.

#### Strategy, organisation and funding

- While the masterplan showed how Kop van Zuid itself would be redeveloped, it was recognised that the strategy also depended on making sure that the development changed the city's whole image and on convincing the private sector to invest in the area.
- This meant creating eye-catching, and highly visible, structures early on in the development, and committing sufficient public resources to transport and other infrastructure, public facilities and the environment to attract in private investors.
- Rotterdam City Development Corporation, the key implementation agency, is a permanent arm of the city council – not a central government quango. This reflects where responsibility for and commitment to urban regeneration lie – and the fact that regeneration in a city is likely to be a continuing process, in response to changing economic and other circumstances.



- In Rotterdam, as in the Netherlands in general, there is an accepted tradition of working together for a common goal. Many parts of the city council and other agencies were required to work together to implement the Kop van Zuid strategy – and were able to do so effectively.
- Rotterdam City Council was able to be highly proactive in getting the development of Kop van Zuid off the ground in accordance with its strategy because it owned most of the land (through its subsidiary, the Port Authority) and because it had organised the finance (from central government and its own resources) for the initial investments required (transport infrastructure etc.).
- Funding for the Erasmus Bridge and the new metro station came largely from central government. The City Development Corporation and Rotterdam's Transport Company also had substantial capital that they could invest as they were able to borrow against the prospects of future income.
- The successful development of Kop van Zuid will generate substantial extra revenues from property tax for the city council, which will make it a good investment for the city, in addition to the money generated by rising property values when disposals are made.

### **Mechanisms for overcoming obstacles**

- The masterplan was designed to be reasonably flexible, which allowed the mix of housing and commercial space to be varied when the demand for housing in the area proved to be so strong.
- Since high quality development has been seen as the key to changing the image of the city, the independent Quality Team has a crucial role to play. Through it the city is able to tap the views of leading experts on design, rather than just relying on the more limited experience of councillors.

### **Spreading the benefits**

- Although the essence of the scheme was its role in repositioning Rotterdam as a city, it was accepted from the start that there was a need to ensure that benefits, particularly economic benefits, also flowed into the poor residential areas nearby, for these would not 'trickle down' automatically.

- Involving local people in devising and implementing the Mutual Benefit programme, and in planning other aspects of the development, has helped to ensure their acceptance of the project.
- While the direct spin-offs from the project (in terms of jobs) were less than originally hoped for, there have been many other benefits, including changing perceptions about the whole of the south side of Rotterdam and increasing local confidence.

### Future-proofing

- Rotterdam's role as Europe's leading port guarantees it a certain level of future success, but a city of its size also needs to diversify its economy to ensure prosperity for all its residents. Therefore so long as Rotterdam in general, and Kop van Zuid in particular, are able to attract enterprising people who will drive forward a range of modern businesses, the future of Rotterdam seems assured.

### UK partner's reaction

The UK partner for the Kop van Zuid case study is the London Borough of Southwark (the council for Southwark) in London, and officers from the authority took part in the workshop in Kop van Zuid. There are strong similarities between the history and physical nature of the former port areas of Southwark and Rotterdam. Rotherhithe, on the south bank of the River Thames, is a peninsula of a similar size to Kop van Zuid, and unusually the public sector has an extensive land ownership. It, too, has undergone a major physical and social transformation, following wartime destruction, the filling in of its docks, and the development of new housing on a major scale. Its population has grown from 6,000 to 16,000.

However, the nature of development of the area has taken different forms in each place. When regeneration was first considered in Rotherhithe the priority of the London Docklands Development Corporation, which took over both land ownership and responsibility for planning, was to attract private housing developers. Luxury flats were developed along the edge of the river, unlike in Kop van Zuid where there is public access to the entire waterfront and where more active use has been made of the water areas. The central part of Rotherhithe was developed as a modern suburb with relatively low-density family housing, unlike Kop van Zuid where stylish new neighbourhoods of modern high-density apartments were constructed. As a result

there is a marked division between ‘them and us’ in Rotherhithe, whereas in Kop van Zuid there is a greater social mix at the neighbourhood level, in part because of the way in which rented housing is made accessible to people on different incomes.

However, the greatest difference between the two areas is in the way that in Kop van Zuid higher-density and higher quality development has been concentrated around transport nodes, with, for example, a new college and a major entertainment complex located above the metro station, and with some iconic housing schemes overlooking the enclosed docks. In Rotherhithe, the extension of the Jubilee Underground Line came as a surprise (thanks to contributions from the developers of Canary Wharf). As a consequence, the shopping centre at Canada Water is to be redeveloped after only a couple of decades. There have also been major conflicts between the London Borough of Southwark, and the existing residents, and the Mayor of London on the densities that should be sought in the rest of the peninsula.

Although the London Borough of Southwark and the Greater London Council had acquired the main land holdings in Rotherhithe (the former Surrey Docks) and started to prepare it for development, the land was taken over by a government-appointed development agency, the London Docklands Development Corporation, whose brief was to develop the sites as rapidly as possible, and with the maximum level of leverage of private investment. Little attempt was made in the early days of the Development Corporation to take account of local needs and opinions. There was no proper masterplan, and developers were encouraged to do whatever they thought was appropriate. Only a limited amount of public investment was made in providing landscaped urban spaces, with an ecology park in the centre and a wide distributor road round the peninsula. As a result, walking around is seen by many as unattractive and unsafe, and cars are used even for quite short journeys, which creates problems of congestion in getting on and off the peninsula.

Rotherhithe’s rich history has been largely ignored, and there is little public art or attempt to interpret the area’s roots. While there are hotels and conservation areas on the peninsula, they tend to be isolated from the surrounding attractions. There is a river boat service from the main hotel to Canary Wharf but, without a new bridge or a system of water taxis, most people in Rotherhithe are cut off from the north bank of the river. A major issue is how to build a greater sense of community when most of the people living in the private apartments only stay in the area for a short time. With limited social housing, the numbers of black and minority ethnic groups are below the average for the surrounding area, although this is likely to change as new housing is developed. Latterly a public realm investment strategy has been drawn up, and the council is negotiating with the developers of a major scheme in the area to try to secure benefits through a Section 106 planning agreement. Southwark officers

felt that the quality of the public realm in Kop van Zuid was far superior, reflecting the higher levels of expenditure that were possible as there was less need to rely on developers' contributions.

### Potential messages for UK policy

Although Rotterdam is underpinned by its port, it still faced (and will continue to face) the same types of issues as many British industrial towns do in needing to reposition itself in a highly competitive world. There are therefore several aspects of what is being done in Rotterdam that should be relevant to current UK policy debates, especially:

- the way in which the city council's Planning Director saw the strategic impact that the regeneration of Kop van Zuid could have on the development of the whole of the city;
- the leading role taken by the city council (which has responsibility for transport as well as planning, and which owns all development land) in developing and carrying out the scheme;
- the use of the city's established Development Corporation to manage the scheme and to act as 'spider in the web', getting a whole range of public and private partners to work together and create results that are far above a 'lowest common denominator';
- the fact that, through the Major Cities Policy, the national government devolved responsibility and resources for joined-up urban regeneration to local authorities – first just to the four largest cities, but eventually to 30 towns and cities;
- recognition of the importance of early investment in high quality infrastructure (including the Erasmus Bridge), impressive architecture and a first-rate public realm in changing the image of the area and creating confidence among potential investors;
- making a concerted effort to involve the surrounding communities in the plans for the scheme and to spread the benefits of regeneration through programmes such as Mutual Benefit and Opzoomeren (though noting the problems that some projects faced).

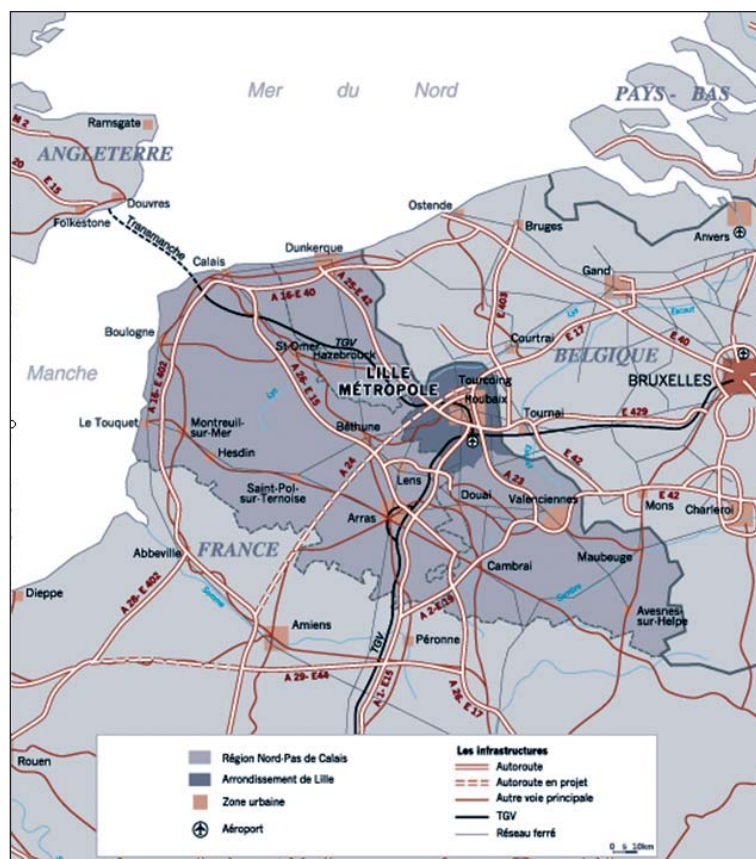
# 5 Roubaix case study

## Context

### Overview of the regeneration scheme

Roubaix is an industrial town in north-east France next to the border with Belgium. It has a population of nearly 100,000 and is about 15 kilometres from the centre of Lille, the established regional capital. Indeed the two built-up areas, plus Tourcoing and the new town of Villeneuve d'Ascq, run directly into each other, and form the core of 'Metropolitan Lille', or the Lille city-region (Figure 11). Like many large industrial towns in Britain, Roubaix experienced serious decline and deprivation following the collapse of its main industry. However, it is now recovering thanks to a broadly based, locally driven regeneration programme.

Figure 11 Metropolitan Lille



### Roubaix

Roubaix is located in what was one of France's few truly industrial regions. Lille and Roubaix were textile towns – once second only in world importance to Manchester (Fraser and Baert, 2003) – and there were coal-mining and steel-making centres just to the south. Roubaix itself concentrated on woollen textiles, and grew rapidly in the nineteenth century, with its population rising from 8,000 in 1806 to 125,000 in 1900. As is typical of textile towns, it was made up of many separate factories surrounded by tightly packed housing. While the French textile industry was hit hard by both world wars and by the Depression, it was not until the 1970s, following 30 years of post-war boom, that it began to collapse in the face of foreign competition, along with the other heavy industries nearby.

During the boom years, Roubaix had attracted in waves of immigrants, initially from other parts of Europe and later from North Africa, to work in its mills. However, employment in the textile industry fell from 54,000 in 1973 to 8,000 in 2000 and, from the early 1970s, unemployment rose sharply. The population of the town declined and the proportion of foreign residents grew. The National Front gained a significant share of the vote. Shops as well as the factories closed, and the town centre became very run-down. The residential and business property markets collapsed. Thirty thousand square metres of commercial floorspace were lost in the 1990s, and the housing stock continued to decay. Unlike other French cities, where problems often appear in peripheral housing estates (*banlieues*), Roubaix suffered from the same sort of 'inner-city decay' that was found in Britain. Even so, it did not escape the rioting that affected so many French towns and cities in 2005, although on a much smaller scale than in most places.

In the 1990s Roubaix was frequently called 'the worst town in France'. Since then, however, it has been undergoing a manifest revival which has several aspects that may be relevant to the UK. While there is still a long way to go (unemployment, for example, although down from 33 per cent in the late 1980s, is still over 20 per cent), it is widely agreed in France that Roubaix has turned the corner decisively and is making significant progress as a *ville renouvelée*. Roubaix, however, is joined to Lille in rather the same way that, for example, Bradford runs into Leeds. Its regeneration can only be understood in the context of Lille's regeneration as a whole.

Lille city-region and LMCU (Lille Métropole Communauté Urbaine) has a population of 200,000, but its wider conurbation has 1.1 million inhabitants (and nearly 2 million if adjoining towns in Belgium are included). In the past, as well as having to deal with the problems of heavy industry, Lille suffered from being right at the edge of France. In spite of having a fine historic centre, it too was very depressed in the 1970s and



1980s. Its revival, which has been well documented, is chiefly attributed to Pierre Mauroy who was Prime Minister of France from 1981 to 1984 and, more importantly, Mayor of Lille from 1973 to 2001.

Mauroy's strategy was based on the premise that while Lille was peripheral to France it was actually located in the centre of the new economic heartland of the European Union. He successfully lobbied for a high-speed train station in Lille (opened in 1994) on the Paris–Brussels–Amsterdam and Cologne routes, and later ensured that the Channel Tunnel link with London also went through Lille. The new rail lines followed the old city defences on publicly owned land, which was also used for a major new commercial and shopping centre (Euralille) to provide Lille with a business centre on the scale of other major cities (Figure 12). Further flagship projects were undertaken in order to reorient the local economy towards growth sectors (such as ICT, business services, health and biotechnology) and to take Lille into the 'premier league' of European cities. In 1994, for example, Lille launched a serious bid to host the 2004 Olympic Games, and it actually became European Capital of Culture that year.

**Figure 12 Euralille**



The crucial step for Roubaix was Mauroy's realisation that Lille could not attract in the people and investment that it needed to become a leading European city if it was still associated with major areas of deprivation such as those found in Roubaix and Tourcoing. Lille's new image might be jeopardised, for example, if Roubaix's

problems reached a point where there was potential for rioting. In spite of historic rivalries, the benefits of the strategy needed to be spread out to, and shared with, the rest of the conurbation. The mechanism for doing this was already in existence, the Lille Métropole Communauté Urbaine (LMCU – previously also known as CUDL), although it had not played such a pivotal role before (see Box 2).

### **Box 2 Lille Métropole Communauté Urbaine (LMCU)**

France was traditionally a highly centralised state with a powerful national government and local government in the hands of over 36,000 separate municipalities (or communes), each with its own elected council and mayor. Roubaix and Lille are large municipalities, but most of the others in the city-region are very small (the smallest has just 178 inhabitants). Since 1967, as part of a move to decentralise power from Paris, municipalities have been encouraged to group together so as to be able to provide better local services and to develop infrastructure. In 1967, too, 14 metropolitan authorities, including LMCU, were established. LMCU is made up of 85 municipalities whose councils appoint an assembly with 170 members. The initial objective of LMCU was to plan and co-ordinate key public services at the metropolitan scale. A number of (investment-related) responsibilities previously in the hands of the individual municipalities were therefore transferred to LMCU.

LMCU is now also responsible for strategic planning and investment, including public transport, economic development, environmental services and urban regeneration (which it shares with the individual cities). It has a much bigger investment capacity than individual municipalities, with resources coming from local taxes and central government grants. It now has an annual budget of almost £1.5 billion and a staff of over 2,000. It is the body with the mission to take Lille (including the Belgian part of the conurbation) up to the top league. Its president is Pierre Mauroy. The individual municipalities retain their traditional responsibilities in areas such as land use planning, street management, primary schools etc.

Initially LMCU was regarded principally as a mechanism for providing services more efficiently. In 1989, after a great deal of political and administrative effort, a ‘metropolitan compromise’ was reached between the mayors of the 85 municipalities, and especially the four main ones, as part of the negotiations with the French Government over a new type of contract (*contrat de ville*) for the regeneration of the Lille city-region. The compromise was enshrined in a signed agreement under which Roubaix, Tourcoing and the other municipalities gave their support to the massive public investment in Euralille and agreed that the city-region should be marketed

under the Lille Métropole banner, while LMCU agreed to extend the tram and the metro out to Roubaix and Tourcoing (funded partly by a supplement on the local payroll tax), to undertake extensive and broad-based urban renewal in both centres and to support the principle that the flagship projects would be spread throughout the city-region. This compromise became the foundation for the *ville renouvelée* concept which reflects the integrated view of urban regeneration – economic, social, environmental, cultural, not just physical – that is now an accepted part of French urban policy.

In practice in Lille this translates into an overall economic-led development strategy for the city-region together with a wide range of specific projects supported by LMCU in ‘priority neighbourhoods’, including Roubaix. In the words of Michel David, the Director of Roubaix’s Ville Renouvelée programme: ‘Lille acknowledged that it was in the interests of Lille to save Roubaix, and Roubaix accepted that Lille was the capital of the city-region’. The compromise recognised that Metropolitan Lille was a polycentric city, and that urban regeneration is about people as well as places. It is about both creating benefits and spreading them to all sections of the community.

There were financial benefits too for Roubaix which, partly because of its tight boundaries, had a weak tax base. Most of a local authority’s income in France comes from the *taxe professionnelle* (the French business tax levied on payroll, business premises and fixed assets – at the same rate across LMCU) as well as from property taxes, which did not favour Roubaix during its decline. However, through LMCU, it was possible to share tax revenues across the city-region to help offset this disadvantage. Furthermore, LMCU was also able to channel resources into the agreed projects in Roubaix from central government and other public agencies, and from financial institutions including the Caisse des Dépôts et Consignations, an investment bank which is owned by the French state (not the French Government) and which draws its funds from savings by the general public and from public sector pensions.

The fact that so much of a local authority’s income depends on the success of the businesses in its area provides a strong incentive to pay attention to the health of the local economy. Additional central government funding to area-based urban policy programmes in French cities has been channelled, since the late 1980s, through a system of *contrats*, or contractual agreements (see Box 3).

**Box 3 *Contrats de plan état-région, contrats de ville and contrats d'agglomération* (contractual agreements for investment and development between the state and local authorities)**

The regional authorities (*régions*), created in 1982, are responsible for developing '*contrats de plan*' with the state in co-operation with the *départements* and with the principal cities of the *région*. The *contrats de plan* set out long-term programmes of investment in the economy, social welfare, transport, the environment etc. This system was tried out at the urban level between 1988 and 1996. The first generation of *contrats de ville* aimed at incorporating specific help for disadvantaged neighbourhoods into a broader, city-wide approach to urban development. Under these contracts local authorities and the Government agreed to implement a long-term programme of integrated urban development – and agreed on their funding contributions towards it. In the Lille metropolitan area, the pilot *contrat de ville* was signed in January 1992 for a total value of 1.5 billion francs over three years, of which 40 per cent was contributed by the central government. The *contrats de ville* represented a new form of relationship between central and local government whereby, in return for a guaranteed package of funding from several government sources, the decentralised local authorities were enabled to carry through the agreed plans for their towns, and central government also ensured that its wider urban policy objectives were achieved.

The contracts were relaunched in 1998 and 2000, in order to include other national objectives, e.g. on social inclusion, inter-communal co-operation, sustainable development and housing. The recent *contrat de ville* for Metropolitan Lille was signed between the central government, the *région*, the *département* and LMCU within the wider framework of the *contrat de plan état-région* for 2000–06 (which matched the time period of the EU's Structural Funds). LMCU was the key local partner, as it was recognised that the regeneration of disadvantaged areas cannot be dealt with in isolation from the rest of the metropolitan economy. Funding for up to 50 per cent of total costs was provided by the central government, with the remainder coming mainly from LMCU and the municipalities. The benefit for local partners lies in the additional funding from central government and the long-term nature of its commitment.

Sources: EUKN, 2005; BURA, 2007.

In addition to LMCU, another unifying body, the Comité Grand Lille, was set up in 1993 by a prominent local businessman. It brings together the key people in the Lille area from the business, cultural and political worlds, and has been influential in ensuring that all sectors feel involved in and committed to the renewal of the fortunes of the city-region, and are prepared to work together (see Box 4).

#### **Box 4 The Comité Grand Lille**

The Comité Grand Lille is an informal body created in 1993 on the initiative of Bruno Bonduelle, a leading local industrialist. The idea was to provide an opportunity for civic and business leaders to think strategically about the future of the city-region. The committee brings together business and industrial leaders, academics, NGO representatives and some elected politicians. It discusses and recommends possible actions to improve the area's image and position as a major European centre – in such fields as culture, tourism, education and international partnerships. The Mayor of Lille often joins its debates.

The Committee creates a link between business leaders (traditionally Christian Democrats) and local politicians (mostly Socialists) on strategic ideas for the promotion of the city-region, focusing on common goals and not on political differences or the rivalries between individual municipalities. It also helps to secure business support for various flagship events. One of the Committee's first actions was to put forward Lille's bid to be the official French candidate city for the 2004 Olympic Games. The bid had a powerful effect in bringing local leaders together around a common goal. Lille's selection as the French candidate greatly boosted local pride and reinforced the role of the committee, even though Athens was eventually selected to host the Olympics. Building on this, the Comité Grand Lille went on to promote Lille's successful bid to become European Capital of Culture in 2004.

## **Regeneration of Roubaix**

### **Aims and scope of the scheme**

Roubaix is densely built up. It contains a mixture of factory buildings, brownfield sites, nineteenth-century residential streets – some of which were once highly fashionable, although many were not – and commercial and civic buildings. By the early 1990s it had become a very run-down area. It had a very poor image, poor housing, high

unemployment, low consumer purchasing power and few opportunities. It was an area of multiple deprivation, which required a multifaceted or 'integrated' regeneration strategy to tackle its problems. The overall scheme, which has been led by the Roubaix municipality and its mayor since 1994, René Vandierendonk, has focused on:

- rebuilding the town's economic base;
- bringing retailing back to the town centre and making it a shopping destination;
- creating a safe and attractive public realm and promoting the town's architectural heritage;
- developing a cultural programme to promote local pride and social cohesion and attract visitors;
- improving the housing stock, to benefit the existing residents and to attract in active newcomers, including young professionals;
- linking employment and training opportunities for local people to all new investments.

It was recognised from the start that the regeneration of the town would take a long time. Perseverance, and progress on all aspects of the strategy, would be required before results showed. This has been helped not only by the fact that many of the key players in Roubaix have remained in post over many years, but also through the active support of the city-region, which as described above is undergoing its own renaissance. It has also benefited from backing from the French Government which has used Metropolitan Lille, and Roubaix in particular, as a test bed for a succession of urban policies.

While the breadth – economic, physical, social and cultural – of the regeneration scheme is fundamental, it has been clearly understood all along that an over-riding aim is to make Roubaix a place where private investors want to invest once more. The scheme is therefore economy-led, but (as in Gothenburg) with the firm intention that economic progress should then be used to produce wider local benefits. Great importance has been attached to changing the image of the town (by giving outsiders good reasons to visit it and see its new developments) and to seeing culture as a central part of regeneration, not just as a luxury add-on – because culture is the essence of a living city. In general, too, the strategy for Roubaix, like the strategy for the city-region as a whole, is based on identifying and building on the potential



strengths – physical, social, economic – of the town in ways that will help bring it sustainable success in the future, within the context of a flourishing city-region.

## **Actions and achievements**

Over the past 20 years or so, a great deal has been achieved in all aspects of the scheme, as summarised below.

### **Rebuilding the town's economy**

Responsibility for Roubaix's economic development is shared between the municipality and LMCU, as it is seen as being an integral part of the city-region's strategy, the success of which is vital for the future of both Roubaix and Metropolitan Lille. A key element in rebuilding Roubaix's economy has been the introduction of a tax-free zone (*Zone Franche Urbaine/Enterprise Zone*). The whole of the town centre was declared a tax-free zone in 1997. This enables the firms in the area to obtain exemption, or partial exemption, for five years from business tax (mainly a payroll tax), corporation tax and property tax. To obtain these benefits at least one-third of all new employees must come from within a specified local area – in contrast with British Enterprise Zones which had no such requirement. Other flagship projects include:

- *Eurotéléport*. A teleport is a telecommunications centre which provides links to satellites, and to fibre optic and other data networks (e.g. for digital TV and radio, video transmission, telemarketing etc.) and often also provides premises for firms involved in the processing and transmission of such data. The Roubaix teleport, opened in 1993, now consists of 25,000 square metres of office space housing 50 firms. It covers 14 hectares around the Motte-Bossut mill (closed in 1981) which itself now houses the National Archive of the History of the Labour Movement.
- *Speciality textiles cluster*. Roubaix has not turned its back on textiles. While large-scale manufacturing is no longer feasible, there are many opportunities for 'innovative' or 'technical' textiles and there has been strong support for the idea of retaining research, education, design, production and marketing facilities in the town to support these niche areas. Roubaix is considered to be a 'pole of excellence' in textiles. The municipality and LMCU have supported several initiatives to encourage speciality textile businesses, including a 'cluster

management' organisation which provides premises for selected small firms, encourages collaboration, training, marketing and even the pooling of resources (e.g. specialist machinery) where appropriate. Again participating firms are encouraged to employ local people, including those from vulnerable groups.

### Bringing retailing back to the town centre

A healthy town requires a healthy town centre (Figure 13). A high priority was therefore given to reviving the high street (*grand rue*) – through policies to encourage small shops, enhance the public realm and improve public transport (metro, tram and bus) – and to developing the centre as a shopping destination that would draw people in from outside. In addition to the Enterprise Zone tax breaks and grants to small firms, the larger developments were financed by a public–private partnership with support from the state-owned bank, the Caisse des Dépôts et Consignations.

**Figure 13 A healthy town**



Furthermore, Roubaix had a history of selling its textile and other products through mail order and local factory outlets. Mail order businesses have been encouraged and several large firms (La Redoute, 3 Suisses, Blanche Porte, Damart etc.) now have their main operations in the town. There are now also two major factory outlets

in Roubaix – L'Usine, a large disused factory that houses 70 sales units including those of the main mail order companies, and McArthur Glen which is in the form of a new 'street' with over 50 top-brand stores, right in the heart of the town. The latter development was assisted by the municipality which owned the site and transferred it free of charge to the company. It also ensured that the development was well served by public transport and had car parking. These outlets draw over 2 million visitors per year, and the town centre shops as a whole have over 5 million visits annually.

### **Creating a safe and attractive public realm**

An essential part of making the town centre a place which people would wish to visit, and where investors would wish to invest, has been to change its image. The main square and its fine civic buildings have been restored. The main streets have been refurbished with particular respect for their architectural heritage. In some places the facades of buildings have been coloured, so as to show Roubaix in a different light. Security has been improved. Extra police and street wardens (called 'street mediators') have been introduced to discourage anti-social behaviour. In addition the neglected canal has been turned into a 'green way' through the town and the parks have been upgraded. Industrial and other buildings of merit in the town centre (such as the spectacular Motte-Bossut mill) have been listed and grants made to help restore them. Most of the money for these improvements has come from LMCU, and what was once seen as a forbidding part of the city-region is taking on a new lease of life (Figure 14).

### **Developing a cultural strategy**

Reviving the cultural life of the town is considered to be equally as important as reviving its physical appearance. It is regarded as a key element in the regeneration strategy, which will help to improve the image and identity of the town (both internally and externally) and encourage cohesion and participation, in addition to bringing economic benefits. It also provides opportunities for celebrating the town's industrial past and for reducing social and ethnic divisions.

Flagship cultural projects include La Piscine – the art deco former public baths which is now a nationally acclaimed museum of art and industry (Figure 15) – and La Condition Publique – a fine building originally used for storing and testing textiles which was converted, in preparation for Lille's year as European Capital of Culture in 2004, into a 'culture factory' with a theatre/concert hall, exhibition space

**Figure 14 Attractive environment**



and recording and artists' studios as well as workspace for small firms in creative industries. These have played a key role in attracting new people to visit Roubaix and in changing the way that the town is portrayed in the national media. It is now officially classified as a Historic Town. Furthermore, emphasis has been given to local participation, both in major events and in street theatre and local performances. The flagship projects have also had local spin-offs. There has been a noticeable increase in demand for housing around both La Condition Publique and La Piscine, and more local shops are opening up in those areas. A 'fashion quarter' for young designers is developing around La Piscine, linked to the local college, and 15 per cent of new jobs in Roubaix are in the cultural industries.

### **Improving the housing stock**

Roubaix has been a stronghold of 'municipal socialism' with a long history of housing renewal. However, the economic decline of the town, and the loss of population, meant that its housing continued to deteriorate, in spite of large-scale slum clearance in the 1950s, 1960s and 1970s. Many of the houses were built around *courées*

(narrow alleys running back from the main streets). These were seen as fit only for demolition in spite of the strong sense of community that existed in them. It was only after local resistance at the end of the 1970s that the emphasis changed to renovation and community engagement. And it was only in the 1990s that it was realised that housing renewal by itself was not enough; it had to be linked in with wider regeneration, particularly economic regeneration, so that those who lived in the renovated housing had incomes – otherwise the housing would just decline again, and this would reinforce social exclusion.

**Figure 15 La Piscine**



Housing renewal in Roubaix is focused on:

- continuing to upgrade the social housing stock (35 per cent of Roubaix's housing is social housing) with central government funding;
- supporting the renewal of the private housing stock, much of which dates from the time of the Industrial Revolution (and 25 per cent of which is owned by registered social landlords), with funding from the region and LMCU;
- encouraging new private sector housing – as is starting to happen around La Piscine.



The aim is both to improve the quality of life of existing residents and to attract in new enterprising people to the town. Roubaix's overall housing policy is governed by LMCU's Housing Plan for the city-region, which seeks to balance the proportion of investment in different types of housing in different parts of the city-region, and stresses the need to accelerate housing renewal in deprived areas.

### **Linking employment and training for local people to all investment projects**

In the Roubaix workshop we were told that there has been a strong political will to use every possible investment opportunity – public or private – that arises in the town to create local employment opportunities, and this policy has been pursued with great determination. It includes the Enterprise Zone tax breaks. Also in projects led by public bodies (such as La Piscine and La Condition Publique) there can be formal clauses (*clauses d'insertion*) in construction contracts and in contracts for the funding of ongoing operations which require local people to be offered certain jobs. In the late 1990s there were objections to these types of contract on the grounds that they breached EU employment law. However, in 2001 the French Government revised the National Code for Public Procurement so as to enable the practice to be reinstated, as criteria other than price can be used in the selection of tenders. In the case of La Condition Publique, for example, the works contract was divided into many parts so that small local companies, and even individual craftsmen, could bid. Furthermore, special parts of the project, such as creating a garden on the roof (using unusual plants whose seeds used to be brought in with the wool and other raw materials that were imported into Roubaix), were subcontracted to non-profit organisations that specialised in providing training and jobs for the unemployed. And since the building opened in 2004, many of the bar and restaurant staff have been recruited from the local, highly deprived, neighbourhood.

At present *clauses d'insertion* can only be made mandatory in public sector contracts. However, the municipality negotiates with all major private investors to try to create employment for local people. The mayor and his team take a proactive approach in searching out potential investors and in establishing the scope for local employment early on in this process. They then follow through to ensure that suitable training and other mechanisms are in place to ensure that local people (where possible from target areas or target groups) are prepared for these jobs. For each major project there is a dedicated team in the municipality which works with the investor to provide any necessary support (such as sites, subsidies, services, tax breaks etc.) in return for certain levels of employment of local people.



## Benefits for vulnerable groups

In Roubaix it is recognised that multiple deprivation can only be overcome by bringing the most vulnerable groups – including unemployed former industrial workers, residents with immigrant backgrounds, unqualified school leavers etc. – into employment. It is also recognised that even though the city-region and the town are undergoing a renaissance, employment and prosperity will not just automatically ‘trickle down’ to the most disadvantaged groups. Positive actions are required.

While much of the regeneration strategy is about encouraging investment and promoting new employment in the town, a particular effort has also been made to ensure that as many of the new jobs as possible are taken by local people. Because the new jobs are almost always very different from the old industrial jobs, requiring new skills and sometimes new attitudes to work, there has been a great emphasis on training and the development of practical skills. In part this has been necessary because of the highly academic nature of traditional French education and the lack of prospects for those without qualifications. In the past there have been a bewildering number of agencies and initiatives at national, regional and local levels, but a ‘one-stop shop’ is being created in Roubaix which will not only co-ordinate training and job-seeking services, but will also be directly involved in local economic development and support for new businesses.

Since 1991 the municipality has also operated the Plan Roubaisien pour l'Insertion (PRI) which aims to reintegrate the long-term unemployed, and other vulnerable groups in defined areas, into the labour market. It is partly financed through the European Social Fund, and is operated by a non-profit association which not only organises training and employment advice but also arranges fixed-term employment contracts with local employers, including those in such fields as catering, cleaning, childcare, building maintenance etc. It has been effective in helping many people back into work even though unemployment in the area remains high. Officers of the municipality and others also emphasised the important role that the improved public transport system has had in increasing the range of employment opportunities that are available to local people (one-third of households in Roubaix have no car). But it was also stressed that good transport by itself was not enough; people's mindsets had to be expanded too.

Through these proactive policies Roubaix has retained some big companies (La Redoute etc.) which have a long association with the town, and attracted in others (such as McArthur Glen) which do feel a sense of loyalty to it. While competition means that such firms have less room for manoeuvre than in the past, they and their

senior managers do try to support the town – and indeed the wider city-region – in its efforts to create a place that is attractive for businesses to invest in and to reduce multiple deprivation.

### Key elements of the scheme

The scheme illustrates a number of factors which were important in the overall approach to regeneration and its apparent success, and which may be applicable more widely.

#### Approach to urban regeneration

- Sustainable urban regeneration requires co-ordinated action at both city-region and local levels. It is about both people and places. It is about creating benefits (through a flourishing city-regional economy) and spreading them out to local places and people.
- Lille city-region is seen as polycentric with interdependent centres. The core needs to flourish, but the other centres need to be successful too.
- While regenerating Roubaix is a broadly based effort, it too is underpinned by a strategy to regenerate its economy and to change its image to potential investors and new residents.
- Promoting culture is an integral part of urban regeneration, not an add-on. Cultural activities attract new people as well as helping to build up confidence and encourage social cohesion.

#### Strategy, organisation and funding

- There is a clear strategy for turning Metropolitan Lille into a top-ranking European city, building on its location in the heart of the EU's 'golden triangle'.
- There is a formal, signed agreement between all the municipalities in the city-region which commits them to supporting co-ordinated regeneration in all the main centres.

- LMCU acts as the strategic body for planning and co-ordinating urban regeneration and economic development across the city-region. It is controlled by an assembly of members appointed by each municipality (with the larger municipalities appointing more members). It is not a directly elected body.
- A series of *contrats de ville* between central and local government has provided integrated, long-term funding that has enabled LMCU and the municipalities to pursue a locally driven regeneration and development strategy – within national urban policies.
- Roubaix's regeneration strategy aims to build on its residual strengths (e.g. mail order, speciality textiles) and to create a centre which people wish to visit and investors wish to invest in.
- LMCU enables local tax revenues to be shared between the municipalities, thus helping to offset Roubaix's weak tax base. For example, a supplement on the local payroll tax was used to help fund improvements to the city-region's transport links.
- LMCU is also active in channelling funding from public and private sources, including the state-run investment bank, to projects in Roubaix.

### **Mechanisms for overcoming obstacles**

- Lille (and Roubaix), like several cities in France, has long-serving, and respected, local politicians (e.g. Pierre Mauroy, René Vandierendonk) who provide strong local leadership. In part this is because local politicians in big cities have real power.
- The French tradition of key politicians holding high-level positions in both national and local government acts as an important link between the two tiers.
- In Roubaix and Lille many key players (officers as well as politicians) have been in post for many years, and are used to working together.
- In addition to LMCU, the Comité Grand Lille provides a forum for local leaders from all sectors, including businesses.

- The municipality of Roubaix has shown determination and tenacity in its efforts to revive the town and improve its residents' prospects.
- All possible fiscal and other measures (e.g. Enterprise Zone, EU programmes, European Capital of Culture, Grand Projet Urbain) have been harnessed to support Roubaix's strategy where feasible.
- There is strong political will to use every investment opportunity to create employment for local people (through *clauses d'insertion*, investment support teams etc.).

### Spreading benefits

- Early in the regeneration process, Lille city-region invested in a modern, integrated public transport system which links the main centres together – and enables residents of Roubaix to reach a wider range of opportunities.
- The efforts to ensure that as many as possible of the new jobs created go to local people have particularly targeted 'vulnerable groups' (long-term unemployed, minority ethnic groups, people without formal qualifications etc.) and people from 'priority neighbourhoods' (areas of multiple deprivation).
- Particular emphasis has been put on providing practical training to help prepare local people for new job opportunities.
- One of the main aims of the cultural strategy has been to provide access for local people to a range of cultural facilities, as well as creating opportunities for local participation and for local jobs.

### Future-proofing

- The sustainability of Roubaix's regeneration largely depends on the success of Metropolitan Lille's economic development strategy. Since this is based on taking full advantage of its location at the heart of a prosperous and dynamic region of Europe, Roubaix's future as a major centre in a confident and co-ordinated city-region is much brighter than if it were operating on its own.

## UK partner's reaction

The UK partner for the Roubaix case study is Bradford, and officers and a member from that city took part in the workshop in Roubaix. Bradford's industrial past, like Roubaix's, was based on textiles. Bradford was once one of the largest producers of woollen textiles in the world and was notorious in the nineteenth century for poor housing and working conditions. Like Roubaix, too, it is the second largest centre in a much bigger conurbation (West Yorkshire, which also includes the Core City of Leeds). Bradford, however, is much larger than Roubaix. The city itself has a population of nearly 300,000, and the West Yorkshire conurbation has a population of 2 million. Like Roubaix, Bradford contains areas with multiple deprivation. Economic activity is low, and the city has a large immigrant population.

A major regeneration programme is under way in Bradford's city centre, and the borough as a whole is associated with some innovative regeneration projects. Manufacturing still remains an important part of the local economy, but – unlike Roubaix – many of the larger businesses have their headquarters elsewhere. The two principal mail order firms in Bradford (Damart and La Redoute) are actually subsidiaries of companies which have their headquarters (and their decision-makers) in Roubaix.

In the past 20 years Bradford has suffered from being overshadowed by Leeds which has attracted much of the investment in offices and in fashionable city centre apartments that has taken place in West Yorkshire, as large organisations have centralised their operations in the 'regional capital'. There is not the same collaboration between Leeds and Bradford as there is within Metropolitan Lille, and there is no official 'city-region of West Yorkshire'. However, now that property values have increased so greatly in Leeds, developers and investors are starting to consider Bradford. There is growing confidence that the city is starting to turn around. Recent research has concluded that West Yorkshire is performing badly in comparison with other British regions, and put forward recommendations for inter-city collaboration as a means of making the whole region more productive and competitive. It suggested that Bradford could be the creative capital of the region.

The regeneration of Bradford's city centre is being promoted by an Urban Regeneration Company (a joint venture between the local authority and the Regional Development Agency with English Partnerships also represented on the board of directors). The URC's role is to establish an accepted vision and masterplan for Bradford city centre (within established regional frameworks), to promote key physical development projects and to secure private sector investment in them. The

URC, however, is a single-purpose, short-life organisation which focuses only on 2 square kilometres in the centre of the city and is expected to last for only eight years. In contrast, Metropolitan Lille's Development and Urbanism Agency is a permanent part of the authority, as urban development is seen to be a permanent activity within the city-region.

The observers from Bradford noted many similarities between Roubaix/Tourcoing/Lille and Bradford/Leeds. Both 'cities' had a population of about 1.1 million, and were undergoing a similar process of revival and reorientation (although they would not refer to this process as the 'Art of War' as they did in Roubaix). On the other hand, they felt that Roubaix's decline had been more dramatic than what had occurred in Bradford. The factors that they considered had contributed most to Roubaix's revival were:

- making political links at different levels of government (e.g. through Pierre Mauroy), and having a tenacious, long-standing, local champion. This provides for better communications, an increased capacity to take advantage of opportunities, and a unifying public figure (whereas there was no similar high-profile figure to champion the Leeds city-region);
- securing a high-profile investment with Eurostar, and negotiating a subsequent city-region agenda to enable Roubaix (and Tourcoing) to benefit by working closely in a win-win situation with Lille (as opposed to resistance to the concept of a Leeds city-region);
- achieving European Capital of Culture status in 2004, which helped Lille to raise its profile and attract additional resources (whereas Bradford lost out to Liverpool as UK nominee for 2008);
- promoting culture as a focus for economic regeneration, and not regarding it as a 'luxury add-on'. Of new jobs created 10–15 per cent were in this sector (while in Bradford culture tended to be viewed as providing low-value/seasonal jobs). In Roubaix, culture is seen as important for improving the image of an area and contributing to a better quality of life, which could bring in higher-paid jobs and help make a place a location of choice. The promotion of 'popular' culture in Roubaix is also seen as a starting point in reducing racial tensions.



## Potential messages for UK policy

The problems which Roubaix has had to tackle are on a similar scale to those once found in the most depressed industrial towns in Britain. Indeed many of the initiatives undertaken are similar to those pursued in equivalent British regeneration schemes, and there is much that remains to be done in Roubaix, particularly in reducing the very high level of unemployment that still persists. Even so there are several aspects of the approach taken in Roubaix and Lille that would seem highly relevant to current UK policy debates, especially:

- the understanding that the regeneration of Roubaix depended on the success of a wider economic development strategy for the city-region, and required a transformation of the image of the town, so that it would be seen as a place of opportunity, not just need;
- the leading role taken by the metropolitan local authority (LMCU) in bringing all the municipalities together and driving forward regeneration in all parts of the city-region;
- the ability of the municipalities to share revenues through LMCU and their agreement on priorities for regeneration throughout the city-region;
- the use of long-term contracts between central and local government to secure collaboration at city-regional level and enable a locally driven development strategy to be implemented;
- the long-term persistence and collaborative working across sectors and between different parts of a city-region that are needed to make sure that urban regeneration succeeds;
- the incentive to promote local economic success that comes from local authorities in France receiving much of their income from a local business tax;
- the importance of an efficient, integrated public transport system which links all parts of the city-region together;
- the high priority given (via 'employment clauses' etc.) to ensuring that many of the new jobs that were attracted into Roubaix went to local people, so that the existing population (including the 'vulnerable groups') – and not just the newcomers – benefited from the regeneration;

- recognising that culture is a central part of urban regeneration even in the most deprived areas – and not just a luxury add-on.

## 6 Conclusions

The case studies describe the main actions that were taken to regenerate large areas of dereliction in former industrial cities in three different countries. This chapter seeks to bring out common themes and potential messages for British urban and regional policy. In doing so it also draws on the discussions that followed presentations of the case studies at the symposium held in London which was attended by key British and European stakeholders.

### Caveats

It is clear from the case studies that there is no single 'European model' for successful urban regeneration. In some respects the schemes are quite different from each other. Furthermore great caution is required when trying to transfer lessons from one country to another, and even perhaps from one city to another. In drawing conclusions from the case studies there are a number of caveats that need to be kept in mind.

### Interpreting success

Although the case studies try to get 'under the skin' of each of the regeneration schemes and to take account of many different points of view – by using well-informed local researchers, discussing the findings at workshops and getting inputs from UK partners and experts – it is still a matter of judgement as to which factors contributed most to a city's success. Inevitably many factors play a part, and different people may reach different conclusions. This research has tried to look for factors that the case studies have in common, but even so this does not guarantee objectivity.

### Special circumstances

Each city is different and some of its success (or its difficulties) may be due to factors which simply cannot be transferred to other places. Also, what works in one place may not be appropriate for somewhere else, particularly if the context – geographical, economic or political – is very different. In each case study there

were special circumstances which had an important effect on what could be done and which would not be directly transferable to a British city.

For example, there were particular geographical factors:

- Gothenburg, although only founded in the seventeenth century, has an enduring strategic position as a gateway to Scandinavia and the Baltic region. Also there are no other large conurbations nearby – in sharp contrast to most of Britain's industrial towns which have competitors close by.
- Rotterdam, because of its position at the mouth of the Rhine and the Maas, was able to retain its fundamental strategic importance as Europe's leading port, even though the port facilities themselves moved out of the city centre.
- Lille's location made it possible for the city to see itself as being at the heart of Europe rather than just on the edge of France.

And there are special circumstances in Britain too which may affect its cities in ways that do not apply in other countries. For example, in London Britain has a world city which attracts resources and operates (particularly in the field of international business and financial services) on a scale which is unmatched by any other city in Europe. While this is highly beneficial for the prosperity of the country as a whole, it may have repercussions (both positive and negative) for other British cities that other European cities do not share.

### **Traditions of governance**

The three countries in which the case studies are located have political and fiscal systems which are not the same as Britain's, and they have different traditions too:

- Sweden is a decentralised country which has had a strong social democratic tradition. In the 1970s Gothenburg was able to take steps to prevent mass unemployment from the shipyards, although much of what was done then would not be permitted nowadays under the EU's State Aid rules.
- The Netherlands is also inherently social democratic. Even though the national government controls most of the funding, the Constitution gives municipalities the right to choose, wherever possible, the way in which national legislation should be implemented at the local level (the principle of 'joint rule'). In practice working arrangements have grown up through which municipalities have a great deal of freedom to interpret national and provincial policies to suit local conditions.

- France has traditionally had a strong central state; particularly as local government was in the hands of over 36,000 separate municipalities. Since the 1960s, however, there has been a concerted effort to create stronger regional, departmental and metropolitan authorities and to devolve power and responsibilities to them. In France there is also a well-established tradition of politicians holding both local and central posts at the same time.
- All three countries elect their governments by proportional representation, which usually results in coalitions and the need for more power-sharing and consensus-building than are usual in Britain.

### **Changes over time**

Large-scale urban regeneration – as the case studies confirm – takes a very long time and, in a constantly changing world, maintaining the success of a city is probably a never-ending process. Therefore the context in which a major regeneration scheme should be judged will almost certainly change over its lifetime, and it may not be easy, at a particular point in time, to predict whether the city in question is on a reasonably sustainable trajectory towards success. Although the case studies were chosen because they are widely considered as success stories now, history's verdict on their final outcomes may be different. Also during the life of a scheme, external circumstances – including, for example, national policies – can change, and this can make it difficult to draw clear-cut conclusions.

### **Failures as well as successes**

Finally it would be quite wrong to give the impression that everything that is done in European cities is somehow better than what is done in Britain. This is certainly not so. The case studies clearly show that not every aspect of each scheme was successful:

- In Gothenburg, successive early visions and strategies for Norra Älvstranden turned out to be unviable.
- In Rotterdam, the number of jobs in Kop van Zuid which were taken by people from the adjoining neighbourhoods was well below expectations.

- In Roubaix, unemployment – although much lower than before – is still over 20 per cent, and there were riots in the town in 2005 – although on a smaller scale than in many other French cities.

Furthermore, learning is a two-way street and there is much good practice in Britain already. In many respects Britain, which was one of the first countries to feel the effects of large-scale industrial decline, has been a pioneer in urban regeneration. Each of the case study countries has itself tried to learn from UK experience:

- Gothenburg was keen to promote small entrepreneurial businesses and creative firms in Norra Älvstranden. It looked to British experience in how to do this, for example through the conversion of large redundant industrial buildings into many small workspaces.
- When developing a vision for the regeneration of Kop van Zuid, Rotterdam's planners studied the ways in which the former port areas of other cities had been redeveloped, including London's Docklands, and learnt lessons from these approaches.
- To encourage business development, Roubaix's entire town centre was designated as a tax-free zone, a *Zone Franche Urbaine* (ZFU). These ZFUs, introduced in France in 1996, were modelled on Britain's Enterprise Zones.

## Key messages

With these caveats in mind, the conclusions that have been drawn from the research focus on the approach taken to regeneration rather than on the specific details of the case study schemes. While none of the schemes follow exactly the same path, there do appear to be ten key messages from the case studies which seem to underlie successful urban regeneration in those cities, and which the subsequent discussions at the symposium confirm as being highly relevant to current British urban and regional policy debates. These messages are:

1. recognise that cities are in competition;
2. focus on the wider metropolitan area (or city-region);
3. work together across boundaries, sectors and professions;



4. devolve real power and resources to city authorities;
5. provide incentives for sustainable success;
6. create attractive and balanced residential neighbourhoods;
7. invest in high quality infrastructure and public realm;
8. spread the benefits of economic development throughout the community;
9. build permanent delivery organisations and skills;
10. value the role of culture in regeneration.

Although they were not given the same weight in each case study, it does seem that all ten of these principles are essential, as there are strong links between them.

## **1. Recognise that cities are in competition**

In all three cases it was apparent that a powerful and committed local authority was in charge of the regeneration scheme, and that it was using the scheme not only to improve a run-down or derelict area but, much more fundamentally, to change the image of the whole city and to transform its economic position. In other words the cities were taking a long-term strategic approach, which seemed to go well beyond the 'place-shaping' and service delivery roles advocated for British local authorities by the *Lyons Inquiry into Local Government* (Lyons, 2007). This was driven by the realisation that they needed to find a new economic role for their city that would underpin all other aspects of its future prosperity. Indeed the regeneration of a deprived area on its own was unlikely to be sustainable. It needed to be linked to the opportunities that wider economic development created, and the local authorities were responsible for achieving both goals, which required clear strategic thinking as well as single-minded commitment.

- In Roubaix, senior officers even used metaphors relating to 'waging war' to try to describe the importance of what they were doing and their commitment to its success.

The three cities realised that the world had changed and would continue to do so, because of changing technology and the globalisation of the international economy. These were the forces which had swept away their old industries and

which would shape their future. As a result it would no longer be wise to rely on just one main industry; the city's economy needed to be diversified and knowledge-based industries encouraged. This did not mean, however, that all cities must be the same. Indeed it was vital to create an attractive, user-friendly but distinctive place, for (whether they realised it or not) cities were in fact in competition with each other both nationally and internationally. They were competing for the assets on which their future prosperity depended. They were competing not just for investment and footloose employment but more importantly for the go-ahead people, the university departments, the research institutes, the key wealth-generating businesses and their decision-makers, the transport systems, and the cultural and other facilities that might be persuaded to put down roots and stay in the area. For a city, successful 'economic development' was not just about narrow economic issues. It was far wider than that, because in order to be successful over the long term a city had to become a place with the vitality, facilities and environments that the enterprising people and businesses that it needed found convenient and attractive (bearing in mind that there were plenty of other places they could choose from).

Thus in all three cities a great deal of attention was paid to using the regeneration schemes to improve the image and character of the whole area, to provide better housing and a better quality of life, and to improve social conditions and promote inclusion, as well as to create attractive sites and conditions for new businesses. They were attempting to balance and deliver the social, economic and environmental aspects of 'place-making' – as identified, for example, in the Egan Review (Egan, 2004) – to meet the future needs and aspirations of both residents and businesses. In other words the cities were pursuing what might be called a 'city development' strategy that went beyond 'economic development'. It included qualitative as well as quantitative components – aiming to make the city attractive, liveable and distinctive, while still having economic development as its main objective.

While many basic jobs and opportunities (from lawyers to shop assistants, bus drivers or builders) might be relatively similar in any city, each of the case study cities was particularly keen to foster certain types or 'clusters' of businesses with which they felt they could build some competitive advantage, for example through innovation.

- In Gothenburg, the concept had been taken even further. While there was a deliberate strategy of diversifying the economy ('having twelve legs to stand on') and encouraging knowledge-based industries, certain specific sectors, including safety and telematics, had been singled out as niches in which the city could develop a viable long-term position of international leadership.

- In Rotterdam, it was felt particularly important to attract creative businesses in order to counterbalance its freight-handling activities and to enhance the city's standing in the Randstad.
- In Roubaix, there was emphasis on mail order and speciality retailing as well as cultural industries, speciality textiles and IT firms connected to its teleport.

A direct result of this strategic economic thinking was that certain companies were seen by each city as being especially important for its future. Particular efforts were therefore made to understand their needs and to work closely with them. Successful cities depended on having successful companies, and successful companies were likely to be attracted to places in which their key employees wished to live and which had the services that the companies needed, including both basic services and highly specialised ones, such as specialised technical institutes.

Cities, like other organisations that have to compete, need long-term strategies. Some body needs to take responsibility for devising and implementing the strategy and to be held to account for making the city successful. Local authorities already perform many of the functions that help create and maintain an environment in which successful firms may wish to operate. They are elected bodies and therefore have a democratic mandate. They are uniquely identified with a particular place, and so it is at the local authority level that full responsibility needs to lie. In other words, each city should be responsible for its own economic development and its own success. This is the approach that is taken in each of the three case study cities.

It is sometimes thought that businesses will just go to the location that offers them the largest subsidy. The case studies (and common experience) show that this is not the case. Even comparatively high-cost cities like Gothenburg (and indeed London) can have highly attractive environments, and so be highly attractive places for both people and businesses. It might also be argued that only the largest cities are in competition with each other, and that there is no need for smaller places to think strategically or to seek to take responsibility for setting and managing their strategic position. Again this is not true. The cities covered by the case studies are not especially large. Roubaix, a town with a population of only 100,000, is certainly thinking strategically about its position, both within Metropolitan Lille and within the wider region. However, it is doing so – in spite of past animosities – in full co-operation with the other parts of the city-region. Furthermore, competition can and does take place at many levels. While Gothenburg, Rotterdam and Lille are competing with other cities on a national or international canvas, smaller places may well be competing on a regional or even subregional scale.

### 2. Focus on the wider metropolitan area (or city-region)

While, in each of the three case studies, the regeneration scheme was run by a local authority with a fixed boundary, it was clear that the economic footprint of the city stretched well beyond the municipal boundary.

- In Gothenburg, although the city's boundaries had been extended over the years, it was recognised that the functional economy of the city was spread over at least twelve other neighbouring municipalities ('Business Region Göteborg').
- In Rotterdam, especially since the port moved out from the centre of the city, it was recognised that the city's economy stretched over a much larger subregion. (Some would say that the whole Randstad – which includes Amsterdam, The Hague and Utrecht as well as Rotterdam – is really becoming a single polycentric city-region or subregion.)
- Only in Metropolitan Lille has a larger local authority (LMCU) been established (somewhat similar to Britain's former metropolitan counties). This covers no less than 85 municipalities and has played a crucial role in developing and implementing the wider city's strategy. However, it does not in fact extend over its full economic footprint. This is stretching further and further beyond LMCU's boundaries, and includes several sizeable towns in Belgium.

In order to set and operate the overall strategy for a city it is this wider travel-to-work area, within which people live and work, that should realistically be taken into account. It is also this whole area, or subregion, that ought to be benefiting from a successful city strategy, and the people who live in it need to be involved in both approving it and contributing to its costs. This idea, which in Britain is being given increasing weight by economists and by government departments (Marvin *et al.*, 2006; HM Treasury 2007 *et al.*, especially Chapter 4), is generally referred to as the 'city-region'. However, in practice, it is not easy to tie down a city-region's boundaries. Economic boundaries change over time, and their extent may even vary depending on the aspect of a strategy that is under consideration. Furthermore, they can spread across established regional (and national) borders and, given the fact that several of Britain's conurbations are very close together, the boundaries of some city-regions will certainly overlap.

The concept of a city-region as a distinct economic entity – and one which is in competition with other city-regions – not only appears to make sense, but it is already being applied in each of the three case study cities. However, they do not get hung up on boundary definitions (and when there was a referendum on the creation of a

statutory Rijnmond city-region around Rotterdam the proposal was heavily rejected). Instead, the neighbouring authorities concerned have been able to recognise the mutual benefits of working together because their economies are interdependent, and to agree on a shared vision and strategy.

- At the symposium, a speaker from Lille explained that during its early years LMCU had acted as little more than a bank for the individual municipalities (drawing in money from government and other sources and distributing it to the municipalities). It had taken lengthy negotiations over a 'metropolitan compromise' for the municipalities to agree to it taking on a strategic function – and there was always the possibility that it could revert to its original role if the major municipalities were no longer able to agree to work together and follow a shared strategy.

It is also perhaps significant that in Lille, the only one of the case study cities that had an official city-region-type council (LMCU), that council is not a separately elected body but is made up of representatives who have been elected to its constituent municipal councils (like some English Regional Assemblies, but with tax-raising powers). A powerful strategic body with its own electoral mandate might well clash with the municipalities or the central government.

By no means everything, however, has to be done at the city-regional level. While each case study city is taking a city-wide, strategic approach to its future development, individual projects and programmes within that strategy are being carried out at local and neighbourhood levels. Each of the regeneration schemes is itself a local area-based scheme, with even more localised projects within it. Locally managed projects can fit within the overall framework of the city's strategy, and the city's elected representatives are responsible for its overall success.

- In Gothenburg, the regeneration of Norra Älvstranden is being carried out by NUAB as a stand-alone scheme, yet it forms an important part of the city's overall development strategy. Different parts of the area are being redeveloped at different times and with different partners.
- The Kop van Zuid scheme is made up of a number of different elements and individual projects which, when taken together, have changed the image of Rotterdam and opened up the south side of the city. Some, like the Mutual Benefit programme, have concentrated on particular neighbourhoods and required a high degree of community involvement.

- Roubaix's mayor and elected council have been in charge of the projects that have been undertaken to revive the town. At the same time these projects have been part of LMCU's strategy to regenerate and reposition Metropolitan Lille.

In Britain there is much interest, especially among the Core Cities, in forming city-regions. The recent White Paper (DCLG, 2006a) supports the concept and promises further discussion. A joint-departmental report on *Devolving Decision Making* (HM Treasury *et al.*, 2006) states that 'there is significant empirical evidence to suggest that co-ordination of economic policies across the city-region is conducive to economic performance'; and that 'This wider functional economic area is an important determinant of people's quality of life and access to opportunity'. The later *Review of Sub-national Economic Development and Regeneration* (HM Treasury *et al.*, 2007) goes even further, saying that:

analysis has shown that subregions are in many respects the key spatial level around which growth is concentrated, in particular in city-regions. Sub-national economic markets are also concentrated at the subregional level. Increasing the extent to which economic development decision-making is managed at the subregional level is therefore an important means of improving economic outcomes, including in the most deprived areas.

Several cities, including Bristol, Manchester and Sheffield, are already aiming to change their strategic positions, and London clearly takes a strategic view of its position as a world city. The difference is that the case studies show that in the three European cities they not only accept the concept of taking a strategic economic approach but they are already putting it into practice on a subregional basis.

In Britain, the subregional tier is not well developed, and the primary responsibility for economic development lies at the regional level – even though there may be little relationship between the economies of different parts of a large region and some economic subregions certainly do spread across regional boundaries. However, until recently there was not much experience of subregional working in the European cities either. The case studies show that it is not principally an issue of boundaries and structures, but of being able to work together with a mutual interest and a genuinely shared strategy. It is not necessary to reorganise local authorities in order to make subregions or city-regions work. It is much more important that they should see where their mutual interests lie and be motivated to work together.



### 3. Work together across boundaries, sectors and professions

The local authorities in charge of the city strategies in the case study areas all stressed the importance they attached to ‘working together’ – between different levels of government, between neighbouring authorities, and across sectors and professions (including, particularly, key businesses, educational establishments, transport authorities and potential developers). Many different factors were involved in the fundamental task of making a city-region attractive to enterprising people and businesses. Although the local authorities felt responsible for the overall success of their cities, they knew that they had to work with many other bodies in order to bring that success about. While ‘partnership working’ is greatly stressed in Britain, it did appear that in each case study scheme a higher level of working together and consensus-building was taken for granted.

- In Gothenburg, they said that working together was part of the ‘Gothenburg spirit’. Visiting British academics, for example, got very frustrated by the number of meetings they were expected to attend to discuss any issue. People from all levels were encouraged to have their say.
- In Rotterdam, they spoke of collaboration being an essential part of the Dutch ‘polder mentality’. They also pointed out that all three of the countries being studied in this project used some form of proportional representation to elect their governments (both nationally and locally). They were thus used to having to hammer out policy decisions through lengthy discussions with other interests.
- In Lille and Roubaix, the overall strategy was jointly owned by LMCU and its constituent municipalities, and there were other mechanisms for cooperation, such as the Comité Grand Lille. They also felt that throughout Flanders (of which Lille had been the capital) there had always been strong traditions of pragmatism, hard work and collaboration.

At the symposium it was argued that there was much more trust and mutual respect, as well as better communication, between central and local government in most European countries than there was in Britain.

- Under the Swedish Constitution municipalities have a great deal of freedom to organise their activities as they see fit. Not only do they have an independent power of taxation, but if the central government wishes to impose additional duties on local authorities it must, by law, also provide the extra funds required to carry them out (the ‘Funding Principle’).

- Local councillors in Rotterdam felt able to contact national cabinet ministers directly if necessary. Mayors of Dutch cities were highly regarded individuals formally appointed by the Crown.
- In France, as the Roubaix case study showed, it was common for senior politicians to hold important local and central government positions at the same time. (For example, Pierre Mauroy, the long-time Mayor of Lille, and still current President of LMCU, had also been Prime Minister of France from 1981 to 1984.)

Furthermore, in France there is a well-established system of 'shared competences' (or shared responsibilities) through which the different tiers of government share responsibility for different aspects of public administration. The different roles are clearly set out and understood, so this is not a cause of conflict. However, it does mean that the different tiers often have to work together.

In order to promote constructive working between local authorities it was emphasised that finding common interests and understanding the needs and motivations of each party were more important than having a formal structure. Such relationships could take a long time to establish and required considerable effort to maintain. This was made easier if people remained in the same post or organisation for a long time or if, as in the case of Gothenburg, it was usual for senior people to hold more than one position in the city.

- In Lille, although there was a formal metropolitan authority, what had really mattered was the negotiation of the 'metropolitan compromise', under which the municipalities (including Roubaix) agreed to support massive public investment in Euralille and the marketing of the city-region as 'Metropolitan Lille' in return for an extension of the public transport system and a commitment to undertake extensive urban renewal projects in the other centres in the subregion.
- In contrast the representatives from Bradford recognised that their lack of support for the Leeds Supertram scheme may have contributed to its cancellation.

The private sector played a crucial role in both Norra Älvstranden and Roubaix, and the local authority paid particular attention to the needs of key firms that it considered essential to encourage to stay in the city. Dialogue with local businesses was seen as essential. (The private sector was less directly involved in Kop van Zuid, although new business investment in other parts of the city – often attracted to Rotterdam by the new image created by Kop van Zuid – has played a crucial role.) While attracting in new firms is important, being able to retain established firms which can contribute to the city's future – especially their headquarters' functions – is even more valuable.

Sadly, in many UK industrial towns and cities the old firms have either departed altogether or been reduced to branch plants with little investment authority.

- Although the shipyards all closed, Gothenburg has made great efforts to use the redevelopment of Norra Älvstranden to retain the important divisional headquarters of Volvo Cars (now owned by Ford) and Ericsson in the city, and was able – by working closely with these companies and with the city's universities – to develop a strategy which would benefit both the companies and the city over the foreseeable future.
- In Lille, the prestigious Comité Grand Lille, which was set up by a local industrialist, brings together leading people from all sectors of the community, including politicians, to think strategically about the future of the city and to recommend actions to improve the city's image and position. It put forward Lille's (unsuccessful) Olympic bid in 1994 and its successful application to become European Capital of Culture for 2004.

In all the case studies, too, educational establishments, especially universities and colleges, were seen as making a vital contribution. They not only attracted students to the regeneration area (and to the city), produced the skilled workforce that key employers were looking for and enabled local people to take advantage of new opportunities. They also provided support (and, if necessary, 'cluster management') to the businesses on which the city's future success could be built. In Britain, universities are often seen only in narrow educational terms (including research), and not in relation to their potential for helping to drive forward the future strategy of their city or to support its key business clusters. There are, of course, fine examples of 'working together' in Britain, such as the Leeds Initiative in which the city's two universities as well as leading businesses and others played a major part (although it focused only on the city itself and not on its wider city-region). However, the depth of relationships shown in the case studies, and especially in Gothenburg, suggests that much more can be done if British city-regions are to compete with their European and other rivals.

In England, Local Strategic Partnerships (LSPs) provide a basis for 'working together' at the local authority level, so long as the success and funding of the individual agencies involved are dependent on the achievement of the overall, long-term city-region strategy. The new Local Area Agreements (LAAs) are intended to do this. At present, however, each LSP focuses on its own particular local authority area and on targets drawn from a national set of performance indicators. Multi-Area Agreements (MAAs) have recently been proposed (DCLG, 2006a) to allow groups of local authorities to come together 'on a voluntary basis to agree collective

targets and performance indicators, rather than each having individual targets ... Local authorities would also be able to agree to pool funding streams to be used to achieve these collective outcomes. This approach potentially has particular benefits for objectives which relate to economic development' (HM Treasury *et al.*, 2007). This is an encouraging move, but, as the case studies show, it must be implemented with the knowledge that there are many elements in a city-region strategy, some of which go beyond 'economic development'. The Roubaix case study shows that the French system of *contrats de ville* (contracts between central government and local authorities) was used not only to motivate municipalities to work together, but also to co-ordinate long-term funding from different sources (including different central government departments) to enable a broad regeneration and development strategy to be pursued. It would seem essential that MAAs incorporate both these aspects. Otherwise the opportunity that they present will be missed.

Furthermore, a critical factor in getting organisations to want to work together is that there should be something worthwhile for each side to gain from doing so. It is therefore important that local authorities in Britain – if they are to take the lead in developing and being responsible for their city-region's strategy along the lines of the three case study cities – have real powers, resources and incentives with which to negotiate with other parties and with which to carry through their strategies. Another important factor, emphasised in the Netherlands, is having a 'common language' between the parties. This is encouraged by having a common training in urban design and by the tradition of having an Architecture Centre in every Dutch city.

#### **4. Devolve real power and resources to city authorities**

It is clear from the case studies that in each of these European success stories the local authority (or, in the case of Roubaix, the local authorities) was very much in command – not only of the regeneration scheme, but also of the city's development strategy.

- In summing up their visit to Gothenburg for the workshop on the Norra Älvstranden regeneration scheme, the representatives from Gateshead MBC concluded that Gothenburg was a city 'in control of its own destiny'.
- The new vision for Kop van Zuid, and its role in both opening up South Rotterdam and changing the image of the city, was devised, promoted and masterminded by the city council.

- The drive to reposition Lille, and to use a whole series of regeneration projects throughout the city-region to help bring this about, came from the mayor. Similarly Roubaix's agreement to the 'metropolitan compromise' and the strategy for regenerating its town centre and taking part in the whole city's renaissance were driven by its mayor and municipality.

The local authorities concerned clearly also took responsibility for the strategic economic success of their cities. In discussions at the workshops it seemed perfectly natural to those responsible for the projects that the elected local authority should be responsible not only for the regeneration scheme under discussion but also for the overall development strategy (including both economic positioning and 'place-shaping') which underlay it. To do this the local authority needed to have responsibility for, and control over, as many as possible of the key functions involved in the regeneration and economic development, and of planning, housing policy, transport, culture and the environment, as well as access to adequate resources and the ability to adjust priorities in the light of changing external circumstances. Local control made it easier to negotiate with other parties and co-ordinate all the different aspects of the city's development.

In some cases this was a comparatively recent development. Both the Netherlands and France had been highly centralised states (and in some respects still were). However, in recent years they had devolved substantially more power to local authorities.

- In the Netherlands, the devolution of power over urban regeneration and economic development to the larger local authorities has come through the Major Cities Policy, which came about after the mayors of the four main cities convinced the national government that regeneration (which had previously been largely confined to housing renewal) involved economic, social and physical programmes which needed to be carefully co-ordinated in order to create 'a complete city'. The outcome was a five-year funding agreement, starting in 1994, for the delivery of an agreed strategy (with a limited number of key targets). Enough flexibility was allowed to enable the local authorities to take a proactive and entrepreneurial approach, as in Kop van Zuid.
- In France, there are over 36,000 municipalities. Since 1967 they have been encouraged to group together in order to be able to take more responsibility. In Lille, LMCU is now responsible for strategic planning and investment, including public transport, economic development, environmental services and urban regeneration (which it shares with individual municipalities like Roubaix). LMCU now has an annual budget of over €2 billion and a staff of over 2,000. It has been the driving force behind the regeneration of Metropolitan Lille.

- In France, too, a system of long-term contracts between the national government and regional and local authorities has been developed since the late 1980s. The first *contrat de ville* for Metropolitan Lille was signed in 1992. The contracts have allowed the city, through LMCU, to take a strategic approach to urban regeneration which has included improved infrastructure provision (e.g. transport) as well as successful housing, employment, business development and cultural projects. Again the contracts were first tried out in a few places before being spread out to other centres.

Devolution is certainly considered to have worked in both Rotterdam and Lille, and the success of the regeneration schemes covered by the case studies supports this view. In Gothenburg there has always been a more decentralised system, and those involved in the Norra Älvstranden scheme could not envisage it happening any other way.

- When the Swedish state was directly involved in NÄ through the nationalisation of the shipyards (and thus owned much of the site), the regeneration scheme (in spite of the very best intentions) did not get off the ground. It was not until the 1990s, when the city council was firmly in control and all the land was in one ownership, that the project took off.
- In Gothenburg, it was stressed that urban regeneration in a competitive world was a 'non-linear process'. This meant that a long-term regeneration scheme needed to be adjusted during the course of its life so as to respond to changing market and other external conditions. This argued strongly for local control and local responsibility for achieving success.

Thus devolution – or empowering local authorities and holding them responsible for the long-term success of their cities, including the results of urban regeneration and economic development – is seen as having made a marked contribution to the success of the case study schemes. Furthermore, the message from the Dutch Major Cities Policy in particular is that devolution does not have to be done all at once. A step-by-step policy can be followed, perhaps along the lines of the 'differential devolution' advocated by the Local Government Association in Britain (LGA, 2006). The Major Cities Policy started with devolution to just four cities. It was not until a decade later that this number had increased to 30.

Britain, too, has been a highly centralised state, although considerable power has recently been devolved to the Scottish Parliament and the Welsh Assembly. In England, it is recognised that there should be a more devolved approach too. The Sub-national Review (HM Treasury *et al.*, 2007) states that: 'Local authorities need



to play a central role in leading economic development and neighbourhood renewal ... Local authorities need better incentives ... and they need stronger powers and greater flexibility'. However, it does not appear to recognise that it is city-regions, rather than regions, that are the principal competitive entities. In its view it is the Regional Development Agencies that 'will continue to lead on economic development within each region' and will have 'executive responsibility' for developing 'a single integrated regional strategy which sets out the economic, social and environmental objectives for each region'. They will also 'prioritise investment between places' within their regions. While it is acknowledged that 'Local authorities need to play a central role in leading economic development and neighbourhood renewal', they will be required to 'support the development of wider regional and subregional strategies and ensure that local strategies are consistent with these'. This is a very different approach to that taken in the case study cities, where it is the cities themselves, not agencies responsible for the performance of large regions, that are in charge of – and held responsible for – their 'city development' and competitive economic success.

The real test of devolution lies in control over resources. It is one thing to devolve duties and decision-making authority, but real power – and therefore ultimate responsibility – remains with the body that controls the resources. In the case study cities resources as well as responsibilities were devolved to the city authorities.

- In Gothenburg, the city's tax-raising powers ensured that it had direct control over substantial resources.
- In Rotterdam and Roubaix, the local authorities had the ability to raise tax from businesses as well as from residents, but much of the funding for their regeneration schemes came through long-term contracts made directly with central government.

Direct control over resources gave the three cities the ability to adjust their strategies over time in the light of changing conditions. It also enabled them to take real ownership of their city development programmes and to accept that they were accountable for making their cities successful. Furthermore, in each case, the funding system provided a direct incentive for them to achieve success.

## **5. Provide incentives for sustainable success**

One of the most basic ways of encouraging cities, or any other organisations, to create and implement successful development strategies is to make sure that they themselves benefit financially from that success. The Lyons Inquiry (2007) pointed

out that in Britain ‘there are no coherent or systematic financial incentives [for local authorities] that encourage growth’, and that there is a need for a funding system that provides ‘financial incentives for local authorities ... to promote economic prosperity and residential growth’. In other words a significant part of a local authority’s income should be directly linked to the continuing success of the local economy – and this, for the reasons previously discussed, should be the success of the entire subregion or city-region in which it is located.

This is exactly what already happens – in different ways – in the three case study countries.

- In Sweden, the relationship between a local authority’s income and the success of the local economy is even more marked. Basic rate tax on residents’ earned income goes entirely to the municipalities and the counties in which they live.
- In the Netherlands, the local authorities tend to own the main development sites and therefore have an interest in increasing their long-term value. They also receive income from property taxes.
- Roubaix previously suffered from being ‘tax poor’ because its boundaries were tightly drawn and it had few wealthy residents or prosperous companies. After the ‘metropolitan compromise’ it gained access to more funding, as it was able to share more of the whole city’s wealth through LMCU. Also, in France the largest local tax is the *taxe professionnelle*, a tax levied on the payroll, business premises and fixed assets of local businesses, which means that much of a local authority’s income is linked to the health of local businesses.

While the income from such sources may fluctuate in the short term, it is clearly linked, over the long term, to the health of the city’s economy (and the long-term success of its strategy). It thus provides the systematic financial incentive that British local authorities currently lack. (Business rates, for example, are a national tax, even though they are collected by local authorities.) The Sub-national Review states that: ‘Getting incentives right is key’. But: ‘local authorities currently have relatively weak incentives to promote economic growth and tackle neighbourhood renewal. If local authorities are to play a greater role, incentives need to be improved’. As the case studies show, local taxes related to economic success not only provide a powerful incentive, but they can also raise substantial sums of money for the local authority and help to ensure certainty of funding for the longer term. The Government has announced plans for local authorities to be able to levy (and keep) a supplementary business rate of 2p per £ of rateable value. This is certainly a step in the direction suggested by the case studies, but only a very small step. It will not yield very

substantial sums of discretionary money and, as an extra tax, is likely to be resented by businesses.

In Britain there is sometimes unease about rewarding success, especially in a field such as urban regeneration which is fundamentally about overcoming deprivation. Some people consider that resources should be channelled to areas of greatest need, rather than being retained by places that are doing well. However, this was not the attitude taken in the case study cities, especially not in Gothenburg, even though great emphasis was given there to tackling all forms of disadvantage. Successful regeneration not only helped to reduce deprivation directly, but, as the local authority was allowed to reap some of the financial benefits, also generated funds that could be spent on wider social and environmental programmes and motivated the city council to ensure that the regeneration was sustainable. Rewarding successful regeneration was seen as perfectly compatible with tackling deprivation.

## **6. Create attractive and balanced residential neighbourhoods**

Transforming the prospects of a city-region depends very critically on creating places where people with choice want to live, and all the case study schemes succeeded in turning what had been low-status areas into attractive ones by improving the quality of their housing. They did this through a combination of refurbishment and high quality new build at relatively high densities in schemes where it was not easy to tell from the outside what kind of person lived there, or what the tenure was. This was not just a matter of imaginative housing design or sensitive refurbishment, but also the way both the blocks of housing and the surrounding areas have been planned and managed to create and retain balanced neighbourhoods.

- In Gothenburg, housing associations are very important, and when people move into a development they pay a proportion of the estate's value (funded through a loan) which is repaid to them when they move out – at a rate that reflects current market value, thus giving them a stake in the success of the neighbourhood. The city council rejected plans to build housing in Norra Älvstranden when there was an overall housing surplus in the city and, by waiting until the market picked up, has succeeded in creating an attractive residential waterfront area that complements the city's historic centre.
- In Kop van Zuid, housing associations refurbished former warehouses and made them into student flats, while private developers built stylish and spacious apartments with large balconies that appealed to families as well as young professional people. As rents are related to income, a much wider range of

people can afford to live in the same block. The policy of 'reordering' areas (so that they have a more balanced mix of residents) was used to justify building housing that attracted people who worked in the knowledge economy in what was previously a poor district. It also helped retain people in the area who would otherwise have left.

- In Roubaix, the emphasis has been on refurbishing the old terraced streets, encouraging owners to restore the buildings through grants and tax incentives. Colour has been used as a means of brightening up residential areas and changing the town's image. Again, housing has been used to reinforce the town's cultural identity and to rebalance its population by appealing to creative, and upwardly mobile, working people.

### **7. Invest in high quality infrastructure and public realm**

A crucial step in regenerating a run-down area or town is to change its image. All the case studies show that this was a necessary part of the regeneration process. It may take a great deal of effort, but regeneration is unlikely to be successful – especially at the strategic level – without it. Furthermore, it was important to start making the required investment early on in order to attract the private investment and the new residents that were needed to take the strategy forward. Investor confidence was essential for development, and high quality public investment in infrastructure (such as transport facilities) and the public realm helped to generate confidence.

- Norra Älvstranden had been a cut-off industrial area that few people from Gothenburg ever went to. An important part of the regeneration process was to organise prestige events, like pop concerts, exhibitions and sporting events, that encouraged people to visit the site and see just how close it actually was to the city centre. A fast ferry was introduced (inspired by one working at the time in London Docklands).
- In Kop van Zuid, investment in the iconic Erasmus Bridge and in high quality public transport and other facilities changed perceptions not just about the area itself but also about the whole of South Rotterdam. The design that was selected for the bridge was the most expensive of those which were put forward, because it was felt that it would have most impact on the image of the area.
- In Lille, investment in a high-speed train station, and then the Channel Tunnel link, put the city on the map and changed investors' views about it, which was essential for its further development. Also, extending the metro system out

to Roubaix, upgrading the tram and restoring the town's squares and public buildings played an important part in changing the image of Roubaix's town centre from a forbidding, almost deserted place to one which people now wish to visit, and spend time and money in.

In a competitive world, image, quality and the standard of maintenance are basic factors on which success or failure can easily depend. In Britain, the Urban Task Force and subsequently the Commission for Architecture and the Built Environment (CABE) have consistently championed high quality urban design. Investment in good public transport and a high quality public realm is paying off in cities like Manchester. But this is not often the case outside the centres of the biggest cities. Poor design can be costly in the long run and can all too easily create a lack of confidence and a poor reputation which is difficult to shake off. It is especially important to create an unexpectedly positive impression in a run-down town or city centre if its image and fortunes are to be transformed, and if its residents are to feel better about it too.

## **8. Spread the benefits of regeneration throughout the community**

A successful regeneration scheme should bring direct benefits to those who are, or were, most closely connected with the area that is improved (e.g. those who live or work in it, or use it frequently in some other way). If the scheme forms part of the wider development strategy that helps the city become more prosperous then many more people will benefit, especially those with better jobs.

- At the Gothenburg workshop, one of the participants (who had previously worked in one of the shipyards) said that: 'The young people who have been educated [in Norra Älvstranden] have gained most [from the regeneration scheme]. But most of the people in Western Sweden have gained too because it is a driver of the economy of the region'.

One of the main aims of urban regeneration in Britain has been to reduce the disparities between and within regions and to improve the quality of life of poorer people, and this was also the case in the three Continental case studies:

- In Gothenburg, the city council accepted that it needed to generate income from development in order to maintain high levels of public services for all its citizens, thus serving both its own interests as well as those of its citizens.
- In Kop van Zuid, the Mutual Benefit programme was an integral part of the scheme right from the beginning, not only because of a genuine wish to benefit

the neighbouring districts but also because it was recognised that putting high quality development next to poor areas might cause resentment and obstruction.

- Under the 'metropolitan compromise' (which led to the Ville Renouvelée programme in Roubaix), Lille acknowledged that it was in its interests to rescue Roubaix, as it understood that it would not be seen as a leading European city so long as it still contained areas of deprivation like those then found in Roubaix. Also many of the projects in Roubaix for European Capital of Culture 2004 involved reusing former textile mills or transforming the town's public squares, so that many local people could enjoy them.

Indeed, where the elected local authority is clearly seen to be in charge of the regeneration process, it makes sense to make sure that as many people as possible feel that they have benefited from it, for they are the voters.

In this research a conscious effort was made to try to find out what had happened to those who had been most directly affected by the original industrial decline that eventually led to the regeneration schemes (the 'vulnerable groups', e.g. those who worked in the industry or lived in the area at the time of its decline). Since the closures took place 25–30 years ago (and in fact the industries had been under pressure before then – often reacting by attracting in immigrants prepared to work for lower wages) it was not easy to find typical 'vulnerable' people from that era (except in Gothenburg where local historical societies and social clubs still survive). However, it is clear that physical regeneration ('transforming places') and actions to help those who lose their jobs etc. ('transforming people') operate on very different timescales. Large-scale regeneration takes many years, if not decades. Vulnerable people need to be helped immediately. Attempts to perform a 'regeneration quick fix', and replace the lost jobs with ones that the previous workforce can do, are almost bound to fail as the skills required for sustainable new jobs are usually very different.

- In Norra Älvstranden, attempts to replace shipbuilding with similar heavy industry (e.g. oil platform construction) could not be made to work, and all the yards had to be closed eventually.

In fact the original vulnerable groups were treated very differently in each case.

- In Norra Älvstranden, existing social and welfare programmes, supplemented by a huge collective effort to create new jobs and retrain people, cushioned the blow of the shipyard closures and redundancies were avoided.



- In Kop van Zuid, many workers were able to move out of central Rotterdam to new suburbs that were being created at that time and to find jobs (including in the port itself which moved a comparatively short distance downstream). Many immigrants moved into the area, creating a new set of vulnerable groups.
- In Roubaix, many immigrants – often from North Africa – were already working in the textile companies, and living close by, when the industry collapsed. They found it difficult to leave to find opportunities elsewhere and many have remained there ever since. One of the main focuses of the regeneration of Roubaix has been on bringing benefits to these original vulnerable groups – and their children – and on bringing them back into the new life of the town.

In each city there was a special emphasis on education and on training, partly because it was recognised that equipping the next generation with more skills would make them less vulnerable to future economic changes.

- In Gothenburg, education is seen as being a very high priority for the whole city. The first response of both the city council and the Swedish Government was to invest in new educational and research facilities on the site. Also opportunities were made available for those who left the shipyards to return to education so that they could start new careers.
- In Kop van Zuid, schools, particularly primary schools, were seen as playing an important role in bringing together different parts of the community – especially the older residents (from the surrounding areas) and the newcomers (from the stylish new housing in Kop van Zuid itself).
- In Roubaix, great emphasis has been put on targeted training, in combination with tax incentives to attract new firms into the town centre, to ensure that local people do obtain as many of the new jobs as possible.

Efficient public transport, which includes links between disadvantaged areas and areas of opportunity, also helps in spreading the benefits.

- In Metropolitan Lille, integrated public transport has played a key role in repositioning the city and in reaching the ‘metropolitan compromise’ which underlies Roubaix’s regeneration. However, in Roubaix it was emphasised that good public transport was a necessary, but not a sufficient, condition for spreading benefits and integrating disadvantaged communities into the success of the city.

Direct action is required as well, as is illustrated by the Kop van Zuid and Roubaix case studies.

- In Kop van Zuid, the Mutual Benefit programme engaged the neighbouring communities in the project, helped support local businesses and upgraded the local shopping centres. It also tried to match local people to new jobs in the area. This was successful in some instances (e.g. in finding staff for a major hotel and a large supermarket) but did not secure as many jobs in total as initially hoped. More widely, though, the project has opened up South Rotterdam through the new transport facilities, which in turn has led to an upsurge in investment in housing there (often by housing associations) and to widespread environmental improvements. People can now find better places to live without having to move out from their own districts. Thus the benefits of Kop van Zuid are spreading out to many communities over a wide area. The Opzoomeren programme, pioneered in the city, also helps to ensure that these gains are retained by negotiating neighbourhood management agreements, street by street, which reward positive social behaviour and respect for the environment.
- In Roubaix, almost every action to regenerate the town has provided some direct benefit for the vulnerable groups because they remain concentrated there. Apart from targeted training and preferential access to new jobs for local people, there are integrated programmes for improving the housing stock, creating a safe and attractive public realm, bringing back retailing to the town centre and developing a cultural programme that promotes social cohesion and attracts visitors. In fact people are starting to say that they are proud to be from Roubaix.

In Britain, much of the work in urban regeneration has concentrated on improving disadvantaged neighbourhoods, and local authorities like Southwark have used Section 106 agreements and other initiatives to spread the benefits of successful development to the surrounding areas. But there is a concern, especially in the old industrial North, that the urban renaissance which is so visible in the centres of the major cities is not spreading out to deprived areas in neighbouring authorities. Current governance arrangements do not help this to happen. Another hindrance is the lack of an integrated public transport system that links areas of need to areas of opportunity in most British conurbations. As the case studies show the situation is very different in the Continental cities.

## 9. Build permanent delivery organisations and skills

Urban regeneration takes a very long time, if indeed it ever has a clear end date. The regeneration schemes in the case studies have all been under way for around 20 years, and they are far from being complete. Furthermore, if regeneration is seen as being part of an overall city development process in an ever-changing world, then it will need to be a permanent activity, for the city (or city-region) will have to keep changing and improving to remain competitive. This is recognised in all three case studies where the regeneration scheme is managed by a permanent, local authority-owned development organisation.

- In Norra Älvstranden, the project is run by a city council-owned development agency, Norra Älvstranden Utveckling AB (NUAB), which up until now has only been concerned with this single site. However, it has now been asked to prepare plans for the development of a completely different area and is changing its name to reflect this wider role. It would seem to be on its way to becoming the city's permanent development agency.
- In Kop van Zuid, the regeneration scheme is run by the city's wholly owned Development Corporation.
- In Lille and Roubaix, LMCU is a permanent body which both develops and implements Metropolitan Lille's development strategy.

One of the advantages of having a permanent body is that it becomes a reservoir of development knowledge and skills, and of local knowledge and relationships – and it does not have to spend so much of its time recruiting staff and board members. In Britain the usual practice has been to use single-purpose, short-life bodies to carry out regeneration (Urban Development Corporations, Urban Regeneration Companies etc.) – although English Partnerships is perhaps an exception. However, national bodies and special-purpose organisations work to their own externally set agendas. These may not be entirely in line with the strategy that the city wishes to pursue over time. While a regeneration body will no doubt wish to work with external development partners it needs to be clear to whom it is ultimately responsible. If a city council is to be responsible to its electorate for its regeneration and future development strategy, it needs to have control over the main agency for implementing that strategy – and that agency too needs to be controlled in such a way that its actions tie in with other aspects of the city strategy (such as housing, employment, transport, and social and cultural policies).

Urban regeneration also requires a wide range of knowledge and skills which cut across many traditional areas of expertise, including urban design, economic development, transport economics, housing policy, property development, marketing, finance, community engagement, project management etc.

- In Rotterdam it was recognised that there was a need to train ‘city managers’, people who could understand and engage with the full range of activities that go towards making a successful city, and could act as ‘spiders in the web’ in co-ordinating and driving forward the actual projects through which a strategy is implemented.

In Britain, the Egan Review (Egan, 2004) concluded that there was a shortage of people with cross-disciplinary skills – such as those required by ‘city managers’ or ‘urban managers’. Much of the learning required will come through practical experience, but there is a danger that the skills that are built up in individuals can be lost if they move on to different jobs. In short-life organisations there is a tendency to focus on recruiting people with skills, while in permanent organisations there is more of an incentive to carry out training, to build up internal capacity and to make sure that knowledge and skills are passed on from one person to the next, and so are not lost. There are already examples of such organisations being set up by local authorities in Britain, such as Creative Sheffield, for example. The case studies suggest that this is the right approach to take. The Academy for Sustainable Communities is well placed to encourage the development and recognition of the cross-disciplinary skills required, and has already commissioned research into what is currently being done on the Continent, which emphasises the importance of leadership skills. The challenge is not just in raising aspirations but also in brokering deals.

- In Rotterdam, Erasmus University has started an international course for ‘city managers’ (which is taught in English, but has not so far been attended by anyone from Britain).

### **10. Value the role of culture in regeneration**

Although the case studies show that the three cities are taking a strategic view of regeneration, they are also concerned to make sure that the areas that are being regenerated become ‘liveable places’ in their own right, and, in Kop van Zuid and Roubaix in particular, projects which promote cultural activities (such as those relating to the arts, heritage, sport or local community interests) are seen to have a central part to play in regeneration. In Norra Älvstranden there has been less emphasis on cultural projects – apart from some major events and the adaptation

and reuse of much of the industrial heritage – but they are likely to become more important as the scheme continues.

Culture is important at two levels. First, major cultural facilities and events can play a significant part in transforming the image of an area, or of a whole city, which is vital if potential investors', employers' and residents' attitudes are to be changed.

- In Norra Älvstranden, the tradition of holding prestigious events continues, including, for example, the finish of the Volvo Ocean Race (once a British-based event known as the Whitbread Round the World Race).
- In Kop van Zuid, a series of stunning buildings by world-famous architects, which are works of art in themselves, as is the Erasmus Bridge, have changed the image of both the area and Rotterdam itself. In addition the Luxor theatre is a new cultural landmark.
- In Roubaix, flagship cultural projects like La Piscine and La Condition Publique have played a key role in changing attitudes to what was once thought of as 'the worst town in France', precisely because they were so unexpected. They have also brought new jobs and large numbers of visitors to the town, and have given potential investors – as well as current residents – confidence in it.

In Britain new cultural facilities have also helped to change the image of some former industrial towns, and none more so than Gateshead (a UK partner for this project), which is now widely known for its Angel of the North statue, the BALTIC gallery, the Sage Gateshead music centre and the Gateshead Millennium Bridge. These all form part of a culture-led regeneration strategy.

Second, culture can have other important impacts too, especially if it is used to engage local people, increase their self-esteem and provide access to wider opportunities, including jobs.

- In Roubaix, the cultural venues are also used for local performances and educational projects which celebrate the ethnic and cultural diversity of the town. For example, La Condition Publique theatre and concert hall also contains recording and artists' studios, exhibition space and workspace for small firms. Fifteen per cent of new jobs in Roubaix are in the cultural industries, providing opportunities for people with different talents and interests.

Thus culture is seen as making an important contribution to building both social cohesion and confidence. It is not just an optional extra.

### Implications for the UK

This research shows that, in the three different countries studied, highly successful regeneration schemes are being carried out by powerful local authorities under a much more decentralised system of governance than currently operates in Britain. In each case the local authority is clearly responsible for, and in charge of, the economic development of its city and has wider powers, including the power to raise a substantial amount of its revenue from local taxes. This does not, of course, prove that the success of the schemes is due to the city authority's enhanced role. However, Continental cities are in competition with British cities, and so their approach – which, from the case studies, appears both logical and effective – cannot be ignored. If this is a pattern towards which successful cities should be moving, there are implications for the different levels of government in the UK, and these need to be carefully thought through.

### Implications for central government

While the Government is planning to devolve more responsibilities to the regional and local levels, its proposals (even for major cities outside London) do not go as far as those indicated in the case studies. It proposes that in England the Regional Development Agencies should be the strategic leaders of economic development, which is a fundamentally different approach. The fact that city-regions (and not large regions) are in competition, and so need a clear and distinct strategy, appears to have been overlooked in the Government's Sub-national Review. If city-regions are to compete effectively, responsibility for economic development and control over its long-term funding needs to be devolved to the local authorities involved, on condition that they work constructively together towards agreed objectives. Multi-Area Agreements (between central government and local authorities) need to be framed in such a way as to achieve this, and the European contract systems would provide a good starting point for them. Central government also needs to develop a mechanism through which local authorities can be given powers incrementally (starting perhaps with the largest and best-performing authorities) to raise a substantial part of their revenue independently through local taxation, and so be able to finance more of the infrastructure that they need for their future development.



### **Implications for local government**

Local authorities, again starting with the largest, will need to take full responsibility for their economic development, working in partnership with neighbouring authorities within their city-region. They need to agree a realistic vision (which goes beyond bland aspirations) for how their city-region should develop and how it will set about attracting and retaining the businesses and people that it needs. Key allies need to be identified and involved in the process, and the resulting strategy needs to be explained and justified to all stakeholders, including the electorate. Leadership and commitment may be required to overcome old enmities. All this will take time, effort and patient negotiation, and in the end local authorities must accept that they will be held accountable for the performance of the city-region. The essential role of the local authority is to orchestrate the actions required to:

- create and maintain attractive and user-friendly environments within the city-region;
- make sure that businesses, relevant support agencies (including educational establishments) and people are attracted to it;
- see that all residents, especially those from poorer neighbourhoods, have access to the new opportunities that are created.

Thus local authorities need to be proactive in the economic development field, and they need to ensure that they have staff with the necessary skills to carry out their enhanced tasks, including the skills needed to initiate and oversee the range of projects that their strategy requires.

### **Implications for Regional Development Agencies**

If subnational economic development is to be a city-regional/subregional – as opposed to a regional – responsibility, Regional Development Agencies will need to play an advisory and supporting role, rather than one of strategic leadership. They will have a crucial part to play in building the subregional alliances and partnerships that are needed. In essence regional economic strategies will become the summation of the individual city-regional/subregional strategies, rather than vice versa. Resources will flow directly from central government to local authorities through Multi-Area Agreements, in which RDAs would have only an advisory, and perhaps supervisory, role.

Moving to this type of system would require an important shift of power away from central government and its regional agencies, but as this research makes clear it can be done incrementally. It would also require, as the case studies demonstrate, more trust and closer working between different levels of government and all the agencies involved in the economic development and regeneration of a city-region. Nevertheless this is an approach that is already working successfully in the northern European countries studied. Learning from Europe can certainly contribute to narrowing the gaps between places and people in the UK and to making better connections between all those who can contribute to urban regeneration and the success of cities.

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