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Local Authorities and the Economic Regeneration of Deprived Areas

INTRODUCTION

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This paper is the first in a series of publications, with submissions by leading figures across a number of Councils across the UK, aided by Localis, with the aim of creating a dialogue between Local Authorities and policy makers about some of the most important issues and experiences that Councils have encountered in their daily work.

This issue explores some of the experiences that Kent, Hammersmith and Fulham and Kensington and Chelsea have had with rejuvenating their most deprived neighbourhoods. They have each had very different experiences.

Being one of the largest and most dispersed Counties in the UK, **Kent's** approach to regeneration has been to use innovative and wide-ranging methods, from encouraging new businesses to developing empty properties, creating more jobs, improving transport and capitalising on the large tourist industry in the area.

In a 'Borough of contrasts', **Hammersmith and Fulham's** core vision for regeneration has been to create a 'Borough of Opportunity'. Their past experience has been that despite significant central government investment, there has been little return. With the reins firmly in the Councils hands, they have begun to find that with their vision for the future, and the willingness for change, fortunes are beginning to turn.

In the seemingly wealthy **Kensington and Chelsea**, the approach to regeneration has been targeted at the relatively unknown swathe of deprived land to the north. With hundreds of years of failed regeneration, the solution has required tackling the fundamental and entrenched problems in the area.

We hope you find this document stimulating, and of course, if you have any comments, please do get in touch.

KENT COUNTY COUNCIL

Cllr Paul Carter, Leader

As Kent's strategic authority, Kent County Council has led the way in shaping Kent's economic, social and environmental future. Improvements to transport links to London and mainland Europe, in particular the extension to CTRL domestic services next year, will enhance many of our towns – as places to live, to visit and to do business.

In Ashford and the Thames Gateway we have two major growth areas. Regeneration is already lifting the prospects of many of our seaside towns. Our aim to achieve successful communities in urban, rural and coastal areas through major master planning and town centre regeneration projects is well underway, alongside innovative schemes such as our Empty Properties Initiative, Kings Hill and Manston EuroKent.

Developing our economy and bringing new jobs, increased tourism and inward investment to Kent is achieved through our support for organisations such as Kent County Council's countywide inward investment agency Locate in Kent and Visit Kent. Here are some examples:

Locate in Kent was funded, supported and established in 1997 by Kent County Council. Locate in Kent is KCC's countywide inward investment agency. It offers free impartial and confidential advice to companies looking to relocate in Kent and Medway.

Over the last 10 years Locate in Kent has advised 468 companies in the UK and overseas to relocate or expand in the county. The agency has provided assistance to global names including Abbott Laboratories, Lloyd's of London, The Woolwich, Hochiki, Genzyme and The Telegraph Group. Its work has led to the take-up of 5million sq ft of commercial property space in the county and has created more than 20, 200 direct jobs.

Its services include advice and guidance on available



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property, access to its online commercial property database which covers the whole of Kent and Medway, plus ready-made business networks to tap into an aftercare service to assist businesses with their integration, development and growth in the county.

The agency also offers companies customised research including information on rent levels, demographics and salary costs.

The East Kent Empty Property Initiative. Within Kent there are an estimated 6,341 long-term empty properties. In a bid to get these properties back in the market as homes, KCC has developed the East Kent Empty Property Initiative, together with our district council partners.

Vacant commercial properties add to empty homes, discouraging investment in the immediate neighbourhood, and acting as a magnet for crime including arson and vandalism. The three year target for the East Kent Empty Property Initiative (EKEPI) to return to use 372 long-term vacant properties was reached several months early. The targets have been extended to target a further 650 homes.

The EKEPI involves close partnership working between the county and the districts. Much of the work to identify and negotiate with owners, and if necessary proceed with enforcement action, is undertaken at district level. The county provides financial support, including loans for owners and developers to renovate their properties, and in-kind support, for example legal expertise for the district if they are involved in enforcement action.

Kent County Council has also employed a communications company to raise the profile of the initiative with owners of empty homes.

Kings Hill is a former derelict, windswept WorldWar II West Malling Airfield acquired in 1976 by KCC. Working with property developer Liberty Property Trust, one of the largest property trusts in the United States, KCC is delivering Kent's most prestigious mixed-use development on the airfield site – now renamed Kings

Hill.

KCC entered into an equity sharing joint venture partnership with Liberty Property Trust to develop the site. The 800-acre development brings massive regeneration and boasts award-winning design and a top-quality working and living environment.

It has become an exemplar for sustainable living and features as one of the Commission for Architecture and the Built Environment (CABE) national housing best practice examples in 'Better Places to Live'.

Over the next decade, the ambitious masterplan aims to provide two million square feet of new business space, 2,750 new homes and a range of community and leisure facilities that will ensure the development of a truly vibrant and sustainable neighbourhood. To date 800,000 sq ft of new business space has been developed, with over 100 companies in residence employing around 5,000 people.

Kings Hill currently has a resident population of over 6,000 people living in 1,600 new homes. Current home builders represent some of the best known developers in the UK. Award winning designs such as the Lacuna development are an example of the commitment to quality expected of home builders selected.

Manston EuroKent is a unique joint venture aimed at creating jobs for local people and attracting companies to move into one of Kent's most deprived areas.

Kent County Council and Thanet District Council have established the first property related collaboration between a county and a district. This innovative joint venture partnership seeks to stimulate the regeneration of Thanet and the wider East Kent economy by creating an environment which will attract high quality companies and jobs.

Maximising the potential of the combined sites will create a strong economic development catalyst for this economically deprived part of the county.



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Manston Park, in a prime position alongside Manston International Airport and having been under-developed for a number of years until KCC's purchase in 2006, is a prime site for business use where a number of major companies already operate.

EuroKent is a strategic site between the retail and leisure hub to the north at Westwood Cross and the new Marlowe Academy School and deprived communities to the south where the most appropriate balance between commercial and residential uses is now being explored.

Initial work is already under way on site to prepare the ground for development. A vital new access road for EuroKent costing £5million plus is due for completion by the end of 2008. The initial masterplan work which promoted the need for co-ordinated planning and joint promotion of the two sites is complete, and a dedicated implementation team now in place.

KCC is working on a number of other projects in Thanet to boost the area. These include the major art gallery for Turner Contemporary, a £17.4million development on Margate seafront, and the East Kent Access Road (phase 2 costing around £65m) will be built to the south of Manston to ease congestion and encourage further investment.

Lower Thames Crossing. KCC considers that the primary need for a Lower Thames Crossing is two-fold. Firstly there is the need to improve the level of reliability and dependability of journey times on the M25 as delays on at the Dartford Crossing are excessive and providing another crossing downstream would remove traffic from this bottleneck and attract more traffic off the M20 on to the A2/M2, relieving traffic through Dover. Secondly, there is the need to regenerate areas of the Thames Gateway and an additional crossing would enable other development possibilities to be exploited.

The County Council, working in partnership with Essex County Council, has pressed Government to carry out a study into options for a Lower Thames Crossing and this, at last, is underway. The two councils have also commissioned a study to investigate options so that it

can influence the Department for Transport. It is expected that Government will announce that it will take forward a more detailed study of options for an additional crossing of the Thames later this year and the County Council will continue to work closely with Government to ensure that the best interests of Kent are met.

Rail Linkage to Kent International Airport. The County Council has consistently supported the building of the Channel Tunnel Rail Link (now called High Speed 1) from the parliamentary stages to the present day. The most tangible benefits for Kent include the stations at Ashford and Ebbsfleet which are catalysts for development in the surrounding areas and provide international rail services. Another is that the use of the new line for CTRL domestic services from North and East Kent mean dramatically reduced journey times between these parts of Kent and London from December 2009.

Kent International Airport has ambitious plans to attract some 6 million passengers per year by 2033 but to reach this level, the airport needs to be served by a good rail service to and from London. The County Council is developing proposals for a parkway station near to the airport on the Ashford – Thanet line which will be served by the CTRL domestic services from the end of next year. It has also commissioned consultants to look at the business case for such a station, the results of which will be known by the end of the year.

Visit Kent supported by Kent County Council is a Public/Private partnership with over 70 industry investors and 300 small business members. Visit Kent promotes Kent to visitors and supports tourism business through a whole range of research, development, training and marketing programmes.

Visit Kent provides business support through its research and market intelligence service, quality programme and networking calendar to tourism businesses, start-ups and larger hotel and leisure investors

The first ever project to involve residents and local communities in tourism has been piloted in Thanet by



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Visit Kent. The Kent Greeters programme the first UK/European greeter project offers visitors the chance to get to know a local resident who will share their passion and love of their home town and welcome visitors to help them get to know the local area. Greeters are volunteers

In 2009 Visit Kent will be launching its Tourism Development Strategy, an overview of the wide-ranging and transformational developments happening in Kent. The strategy will capture current proposals and identify the type of products that Kent and Medway needs over the next 20 years in terms of new tourism, cultural, leisure and sports facilities to ensure that Kent remains a pre-eminent competitive tourism destination in the key regeneration areas of the coast, Thames Gateway and Ashford and the rural areas, towns and villages of Kent.

HAMMERSMITH AND FULHAM

Mark Loveday, Cabinet Member for Regeneration and Housing

Our ambition is for Hammersmith & Fulham to become the Borough of Opportunity. We have put opportunity at the core of our regeneration vision. The state's role can be no more than to pump prime investment into our most deprived areas and the councils role is not to deliver regeneration on the ground but to show both leadership and a clear vision that encompasses economic growth, jobs and skills as well as the physical regeneration of the built environment. This enables the market to act and to bring about the much needed physical, economic and social change over time.

Over the last two years the council has developed a strong regeneration vision for the borough. One could say we had it easy compared to some parts of the country

- Hammersmith & Fulham is well connected: 40 minutes to Heathrow, less than 30 to Paddington and Kings Cross and just over an hour to Gatwick as well as being served by major arterial routes into London.

- We are the home of the BBC as well as a number of global companies including Coca Cola, Disney and L'Oreal; the Westfield London £1.6bn shopping centre in White City is due to open imminently.
- We have the fourth highest property values in the country.

But having said all that, this is a borough of contrasts as it also features some of the most deprived areas in the country; we have some of the highest concentrations of social housing in London (34% compared to the average of 24%) and all the problems of deprivation and anti social behaviour that come with mono tenured, impermeable housing estates.

In White City, a massive 53% of households have an income of less than 20k and 23% less than 10k; 1 in 3 adults have no qualifications at all. It is a scandal that in the early years of the 21st century, thousands of households living between the main A4 and A40 roads from London to the western Thames Valley still have no access to good jobs and sound education.

Enormous wealth can be found cheek by jowl with extreme deprivation and with ordinary middle income families unable to buy homes in the borough or to access social housing there is an increased risk of further polarisation unless we can intervene to make a difference.

In the past the council had engaged in all the usual routes to 'regenerate', taking advantage of Government and European funding, benefitting from massive cash injections in the form of £40m NDC monies and £28m in SRB. However, there has been no discernable change on the ground in part due to ineffective monitoring and evaluation mechanisms, tick box exercises by funders and providers and a lack of real vision and imagination to innovate.

The question is often asked what we have got in return for hundreds of millions of pounds of public cash poured into these areas? The answer is, "not a lot".



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We know that housing policies over the past 20 years have focussed allocation on the most vulnerable in our society and fail to effectively engender a sense of responsibility, aspiration and promote social mobility.

The Housing Corporation have funded building based on numbers of units resulting in larger proportions of one bed social housing which fails to meet family needs and results in severe overcrowding. Many of our estates, although benefiting from decent homes initiative money are not fit for 21st century living, are not environmentally sound and are inward looking impermeable areas with high levels of unemployment and dependency.

Real regeneration that tackles deprivation starts with a strong vision that encompasses all three elements: physical, social and economic to bring meaningful change over time. Simply pouring in cash to economic programmes alone does not effect real change; on our estates we observe that while people may obtain work, they often simply leave the area to find a better place to live, being replaced with another 'vulnerable' family. Similarly, redevelopment without tackling social and economic factors will also fail to build successful, thriving communities. We have a responsibility to create a sense of place where people want to live and stay to bring up their families.

In our borough, regeneration is about increasing aspiration and opportunity for all residents and about spreading wealth to those who need it most. Our programme touches all parts of our business; driven by regeneration and planning professionals we ensure education and housing play a key role in a major corporate programme led from the top of the organisation. Our objectives are simple. We want to see:

Economically Active Areas ~ reducing levels of unemployment and dependency

Streets Not Estates ~ tackling the inward looking nature of estates and returning to traditional permeable street patterns

A Broader Housing Mix ~ increasing the intermediate housing offer from just 1% to offer affordable housing for families who want to stay in the borough and creating genuinely mixed communities.

We are starting to make our vision a reality and have demonstrated our commitment to change:

Last year we invited 90 developers into the borough to talk to us about regeneration opportunities, we pledged to be open for business to developers by introducing new and flexible planning policies, offering early supportive conversations with elected members and officers on development proposals; we have worked alongside key land owning interests to produce planning and regeneration frameworks to guide development and have used our influence to knock together heads of major public sector landowners like Transport for London and Network Rail in order to galvanise efforts to realise significant regeneration opportunities, to release land for regeneration purposes and to start to identify major infrastructure improvements in the borough.

We recognise that regeneration programmes take time in gestation, way beyond any political cycle. Our three spatial regeneration areas include fantastic opportunities over the next 20 years including a new creative hub in partnership with the BBC and the potential to turn Earls Court into a global destination through the location of an International Conference Centre utilising 70 acres of land in joint ownership of the borough, TfL and the owners of Earls Court itself.

We have made the right connections between educators in schools, local colleges and universities and are bringing them together with our businesses to promote local employment and skills. In spring next year we will launch a new apprenticeship programme in partnership with significant employers in the borough including the BBC and Westfield with whom we are on the way to securing 1000 jobs for local people. We have demonstrated innovation in training and employment launching 'Slivers of Time' to encourage part time workers to enter the flexible job market and identifying a site for development of a new Hoxton Apprenticeship model along the lines of Jamie Oliver's '15' restaurant.



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Our new Academy due to be built under Wave 6 of the Building Schools for the Future programme will focus on IT and complement the evolving Creative Hub promoted by the BBC emerging on brownfield land from the catalyst that is Westfield London.

We are determined to use our influence with private sector developers to bring about change in our own housing estates. Many key development sites are lying adjacent to large monolithic housing estates with high levels of deprivation. Whilst promoting development we have been careful to ensure this is on our terms, encouraging partnerships and collaboration in order to ensure that local residents benefit from private sector input through estate renewal and the promotion of mixed and balanced local communities.

We are pushing the boundaries and have pledged to produce 6500 new homes over a 10 year development period, exceeding our London plan targets by 30%. Our new housing products are innovative promoting new shared ownership models and offering slivers of equity for social housing tenants to get a foot on the property ladder and benefit from wealth through property.

We are working alongside the LDA, LSC and the DWP to encourage and support a new framework for funding economic regeneration from a single pot, eliminating duplication across different providers; this will help focus efforts on the most needy so that social and economic change can be facilitated alongside physical redevelopment to maximise potential and aspiration for local people.

The key, however, is not inputs but outcomes. Almost all measures of regeneration "success" have tended to concentrate on the number of training places created, homes improved or advice sessions made available. These are, however, nothing more than statistics which mean virtually nothing to anyone other than housing professionals and civil servants. The only targets which mean anything to real families are whether the public sector activity will mean they can get a decent income or a proper education. We are therefore moving to outcome based targets which mean something to people on the ground. The only tests which really matter

are whether the communities we represent are in work, properly housed and their children in school.

Hammersmith & Fulham is on a journey and like many local authorities is still learning the secrets of successful regeneration which has proved itself so rare across many parts of the country. We think we have the right vision and the determination to succeed, our approach has brought significant developer interest which continues to gain momentum and is holding strong through recent difficult times.

KENSINGTON AND CHELSEA

Cllr Merrick Cockell, Leader

Some readers may wonder whether economic regeneration is needed or possible in Kensington and Chelsea. Visitors – sometimes even residents – see the many fine streets and well-kept homes, mostly in conservation areas and assume there is little need or land available for renewal. What they miss is the swathe of land north and south of Westway, dominated by the iconic Trellick Tower, seen only fleetingly from their car as they head in or out of London.

Regeneration in my borough has been going on for hundreds of years. From clearance of the piggeries and potteries of Notting Hill to the slum clearances of the post-Rachman 1960's, much of my borough has changed beyond recognition and into the desirable residential and retail areas of today.

But still and despite some successful and less successful Government-backed regeneration schemes over the last 50 years, North Kensington remains an area of real deprivation. Poor health, housing overcrowding and high benefit dependency all stand out in a population of 38,000 in a community where 53% are BME and 50% of primary school children have English only as a second language.

After a succession of schemes and initiatives, we decided it was time to step back and review how the area works and the interconnected needs of individuals,



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families and communities. The Local Development Framework was an ideal opportunity and, earlier this year we launched the North Kensington Area Action Plan. This consultation document lays out how we got to where we are today with plenty of mapped evidence and sets out the central themes of regeneration:

- Transport
- The Westway
- Education
- Estate Renewal
- Economic Activity and Employment

For each of these we identify the core problems and suggest options for substantial improvement. Most areas requiring regeneration are not newly thought-up. They are areas of economic and social failure that have had a raft of initiatives and often substantial funding pumped in with often limited impact. In North Kensington the remaining problems come from continuing failure and do not need more sticking plastic approaches. The problems are fundamental and entrenched and need major and drastic proposals to solve them. So the options included attracting a Crossrail station to improve transport links, a new secondary school to improve educational, training and employment opportunities, and the future of time-expired Council and Housing Association owned housing built in the 1960's with major structural and social problems.

Even an area as small as the 290 hectares this action plan covers is not one homogeneous entity. So we have taken three distinct neighbourhoods and given ideas of modest, medium and significant change.

One of these, Kensal, offers the potential of 19 hectares of redevelopment land, an existing large post-war estate, a vibrant local shopping centre but the whole area carved in two by the Paddington main line and the Grand Union canal. Options range from rebuilding one housing estate through to a possible high-density "eco town" centred on a new Crossrail station with the potential to kick-start and ultimately cure multi-faceted deprivation over an area beyond North Kensington and into three neighbouring boroughs.

Such proposals are a pretty tough call for the local community. To solve the physical environment side of ingrained deprivation they have to be long-term. Many would never see the benefits and have to endure years of disruption and inconvenience and maybe having to move home as part of it. But a grand master plan developed in the Town Hall will never work. That is why our Area Action Plan is for consultation and why we have had seven workshops, not just in the immediate area but also taking the views of our whole community.

An example of best practice, you might say. A stable, ambitious council working with its community to finish a job started long ago and capable of lifting many out of economic and social deprivation. But the world has changed in the few months since we launched the document and held those workshops. Now there is no public and private money around to fund such long-term initiatives. In inner city areas like mine, regeneration involves private sector partners providing funding and the public sector providing re-developable land with the resulting new private housing and retail and commercial opportunities determining the economic viability. Currently, all are shot to pieces.

Even if relative stability returns, some existing financially highly geared PFIs and regeneration projects will unravel, particularly any with Icelandic or weak institutions providing the finance. Local government will become risk averse and major schemes made viable on the back of property values may well return to the proverbial 'bottom drawers' where they gathered dust following past down-turns. We are set for a period when only modest regeneration will be possible funded far more from our own limited resources or small-scale schemes but that "eco-towns" and town centre redevelopments will be for another generation of local government leaders to dream about.

There is, however, a potential positive outcome from all this. It should force us to shift from seeing regeneration as all being about buildings and physical changes – grand projects – to being about changing the lives and aspirations of the people living in a deprived area. And in this economic downturn we must be focussing on this with renewed vigour and determination.



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FOR MORE INFORMATION

Localis is an independent think-tank dedicated to issues of local government and localism more generally. For more information on the work of Localis, please visit www.localis.org.uk, or phone 0207 340 2660. For more information on the individual submissions, please follow these links:

Kensington and Chelsea—
<http://www.rbkc.gov.uk/Planning/general/northken-actionplan.asp>

Hammersmith and Fulham—<http://www.lbhf.gov.uk/>

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