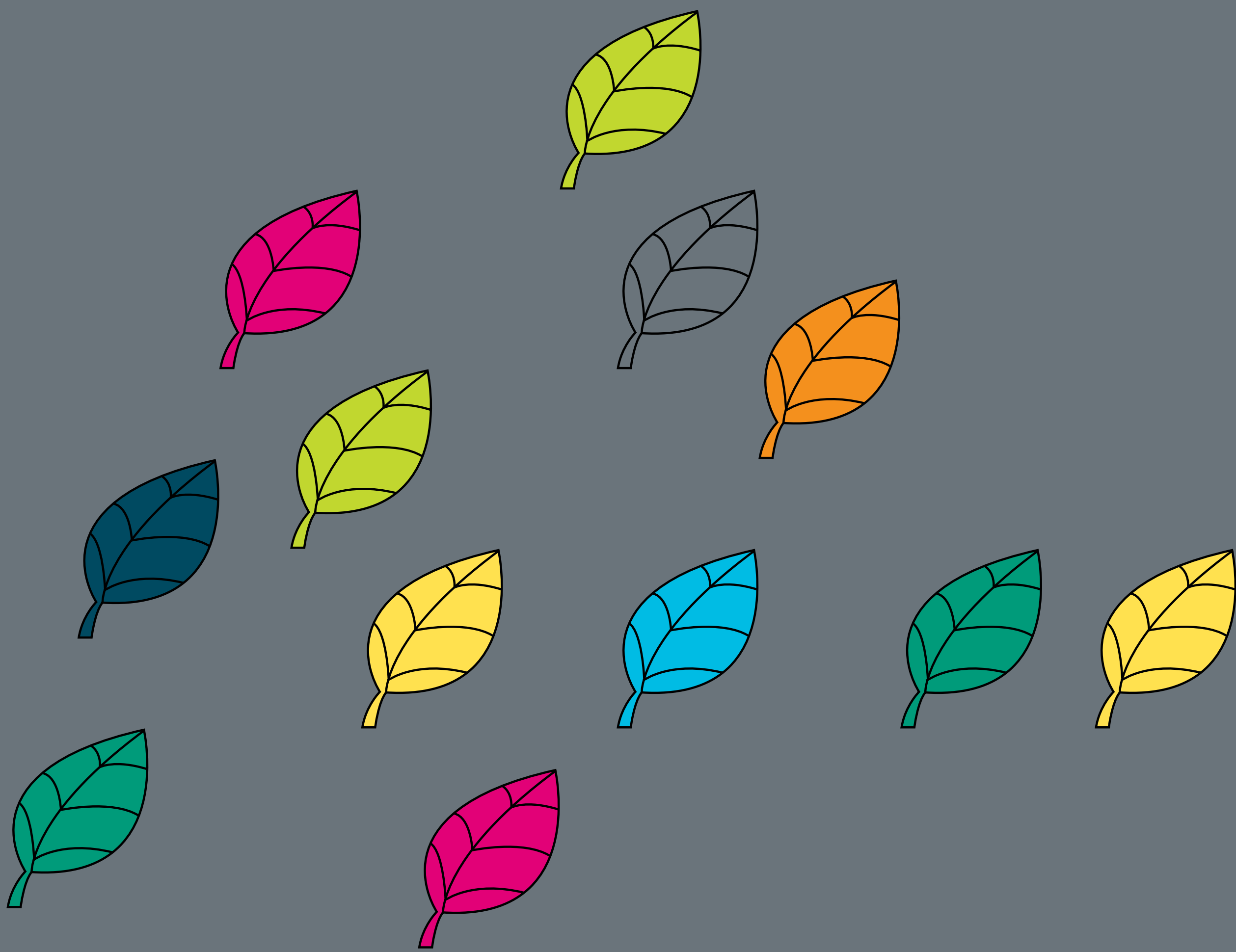
GROW YOUR OWN WAY

Taking a localist approach to regeneration

by Steven Howell, Research Fellow, Localis

with foreword by Councillor Peter Box CBE, Chairman, LGA Economy and Transport Board



Local Government Association

LOCALIS

About Localis

Our philosophy

We believe that power should be exercised as close as possible to the people it serves. We are therefore dedicated to promoting a localist agenda and challenging the existing centralisation of power and responsibility. We seek to develop new ways of delivering local services that deliver better results at lower cost, and involve local communities to a greater degree.

What we do

Localis aims to provide a link between local government and key figures in business, academia, the third sector, parliament and the media. We aim to influence the debate on localism, providing innovative and fresh thinking on all areas that local government is concerned with. We have a broad events programme, including roundtable discussions, publication launches and an extensive party conference programme.

We also offer membership to both councils and corporate partners. Our embers play a central role in contributing to our work, both by feeding directly into our research projects, and by attending and speaking at our public and private events. We also provide a bespoke consultancy and support service for local authorities and businesses alike.

Find out more

Please either email info@localis.org.uk or call 0207 340 2660 and we will be pleased to tell you more about the range of services which we offer. You can also sign up for updates or register your interest on our website.

About the Local Government Association Local Growth Campaign

The LGA' s Local Growth Campaign was launched in November 2011. The purpose of the campaign is to highlight what councils and their local partners are doing to support national economic recovery, and to help identify any new barriers to local action to ensure that there is strong and sustainable economic growth in our local economies.

Acknowledgements

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Foreword

This year the Local Government Association has been running a Local Growth campaign – we have held town hall debates up and down the country to talk about the economic challenges facing places and how councils, businesses and other local partners are facing up to them. We have also asked a number of organisations like Localis to contribute research, analysis and ideas to the debate. I am very grateful to Localis for this excellent report.

It shows that local government has a strong track record in transforming the economic performance and potential of places. Councils have made a difference before and are doing so again.

Places are just getting on with it – helping large and small businesses to invest. This year I have heard examples from up and down the country of local leadership which has helped business thrive – the case studies from Manchester, Leeds, Lambeth and Southwark, and Richmond in North Yorkshire in this report illustrate that.

The report also poses a question - do we need a more joined up, local community budget approach to the investment of public resources in places?

We will of course get a better outcome if we locate the decision making close to the economic and social reality. Critical mass will also make it easier to combine with private and philanthropic funding. The single investment pot argument is beginning to get traction in central government – in the City Deals for example – this report helps us make the case for taking it forward more widely.

Councillor Peter Box CBE
Chairman, LGA Economy and Transport Board, and Leader of Wakefield Council

Local Growth
campaign

Introduction

"We must get the strengths of the community pulling in the same direction; and free the spirit of enterprise which is latent. This will not happen on its own or without leadership".

Michael Heseltine, It Took a Riot, 13 August 1981 (on the regeneration of Liverpool, following riots a month earlier)

Localis has been commissioned by the Local Government Association (LGA) to research recent approaches to regeneration. This report provides an analysis of a number of successful regeneration programmes from across the country, with an additional international comparison. The report begins by summarising thirty years of regeneration efforts, sets the context of the current funding and policy environment, then examines in more detail five successful regeneration programmes that attempt to achieve a balance in terms of geography and size. From these case studies, the report will draw out critical success factors as well as examine a number of interdependencies inherent in regeneration programmes, before proposing tools and some recommendations for central government that we believe could help improve future regeneration efforts.

Background

In October 2011, the Communities and Local Government (CLG) Select Committee reviewed the Government's regeneration strategy in its report 'Regeneration to enable growth: What Government is doing in support of community-led regeneration'. The Committee criticised the Government over the lack of a clear national regeneration strategy, and for a failure to appreciate the "scale of the challenge" following the withdrawal of significant funding streams such as the Housing Market Renewal Fund (HMR).[1] In response, the Government pointed to its devolution of financial powers to local authorities, and to additional funding streams that would offset the removal of HMR. While much attention has to date fallen on both the role of central government and the programmes it delivers, this report explores how a locally driven approach is critical to successful regeneration.

1 http://www.publications.parliament.uk/pa/cm201012/cmselect/cmcomloc/1014/101402.htm

Before we outline how this approach may be best implemented, it is important to set out the context in which regeneration programmes must now operate. Regional Development Agencies (RDAs) have, outside of London, been abolished and their assets transferred to other agencies or are awaiting disposal. Regional infrastructure programmes have been replaced by the significantly smaller Regional Growth Fund. Capital spending at both the Department for Transport and Department for Communities and Local Government were both cut in the 2010 Spending Review (by 11% and 74% respectively) and initiatives such as the Housing Market Renewal Programme are no more. Fundamentally, the era of predominantly public finance investment in infrastructure is over and thus regeneration programmes will have to adapt to this new environment.

A history of modern regeneration in Britain

In recent decades, the Government has pursued various approaches to regeneration. Since the late 1970s, successive governments have placed significant emphasis on property-led regeneration. In the 1980s, the focus was on increasing the value of property in derelict or run down areas, which would hopefully lead to an improvement in the overall quality of life. Partnerships became more prevalent in the 1990s, with the public and private sectors working closer together on property-focused programmes.

In 1998 however the Government acknowledged fundamental flaws in the focus of past approaches. The Government's Social Exclusion Unit report, 'Bringing Britain Together', highlighted that no single organisation had responsibility for tackling the issues affecting deprived neighbourhoods. The follow up publication, the 'National Strategy for Neighbourhood Renewal', recognised the need for "a combination of public, private, voluntary and community sector effort" to tackle these issues.[2] Further, the then Department for Environment, Transport and the Regions (now DCLG) identified the importance of considering the social dimension to regeneration.[3] Since then, policy makers have gradually moved towards a more holistic approach in their attempts to achieve sustainable regeneration. However, before the recession, the central government has continued to issue significant sums of public money as the foundation on which projects and programmes were built. With capital funding no longer available as a panacea for all regeneration ills, the question is now who is able to drive regeneration at a local level.

With localism at the top of the Government's policy agenda; the combination of significantly reduced public funding for regeneration; and the recognition of the need to work across sectors with a strong local influence; we believe a locally-led solution is the clear answer. As the public organisations closest to local communities, local authorities must be able to harness the entrepreneurial spirit of their 19th century predecessors to become the fulcrum needed to drive regeneration programmes across the country. They must also make full use of existing and potential tools to do this. Local authorities will thus need to take their communities with them – in an age of austerity, maximising the potential of human capital may prove more effective, and certainly more effective than significant expenditure.

2 http://www.communities.gov.uk/documents/localgovernment/pdf/135457.pdf

3 The Impact of Urban Development Corporations in Leeds, Bristol and Central Manchester, 1998, DETR

Defining and measuring successful regeneration

Successful regeneration can be measured in any number of ways. However, we believe that to make a long term improvement, regeneration programmes must be informed and owned by the local community, meaning that regeneration is a process that involves much more than just new physical infrastructure. Our definition of a successful programme is one that looks beyond physical regeneration towards improving the economic and social well being of a given area.

The three strands of regeneration

Broadly, we argue that there are three separate, but interlinked, strands to regeneration. A brief overview of what we mean by these is as follows:

1. Physical regeneration

Physical regeneration is perhaps the most straightforward strand to attempt (and visibly identify). Indeed, Britain has experienced many decades of major programmes large and small that focused on bricks and mortar, glass and steel – though with less than universal success. But even if it was the answer to successful regeneration – which, we argue, it is not – then there is no longer the money to support such an approach.

2. Economic regeneration

Economic regeneration has attempted to create new employment prospects, often linked to physical regeneration. The Audit Commission defined this as "increasing employment, encouraging business growth and investment, and tackling economic disadvantage."[4] This has typically involved land regenerated specifically for potential employment use and including commitments from businesses to create new local jobs as part of any programme. Local Enterprise Partnerships (LEPs) are a new lead bodies for stimulating economic renewal and growth, replacing RDAs, through championing business needs, encouraging new jobs and managing the new Enterprise Zones. The Regional Growth Fund also finances £2.4bn of investment that aims to support sustainable job creation.

While economic regeneration is a vital strand in regenerating communities, the CLG Select Committee report into regeneration criticised the Government's 'Regeneration to enable growth' strategy for focusing "overwhelmingly" on economic growth.[5]

3. Social regeneration

Social regeneration involves retaining the best of community spirit and social bonds where such an ethos exists and stimulating it where it does not. In crude terms, this requires the engagement of existing communities and ensuring their buy-in to new infrastructure and development where possible, or even regenerating a community without the physical aspect. In practice, this can mean schemes to improve local skills to increase employability and focusing on how to put communities and community directives at the heart of the programme, with the aim of increasing resident satisfaction with the resulting regeneration.

Linking these strands

In an era where public funding is in short supply, public agencies will need to make the most of local human capital. Clearly economic regeneration will always be a key driver of any regeneration programme – the social consequences of poor job prospects haunt the national psyche. However, disconnected and large

4 Assessing economic regeneration, 2003, Audit Commission, p.3

5 http://www.publications.parliament.uk/pa/cm201012/cmselect/cmcomloc/1014/101403.htm

scale physical regeneration programmes that rebuild vast swathes of city landscapes are no longer viable. Indeed, many such cash injections have arguably failed to provide value for money. Organisations leading regeneration programmes must weave together all three strands.

We also acknowledge that a number of schemes experience significant tensions between these strands. London Docklands is an often-cited example of significantly improved physical and economic regeneration. However, it has been argued that it failed to improve the social well being of those communities who formerly inhabited the area, either through the failure to ensure that existing communities had access to the new jobs created or the decanting of such communities elsewhere for the greater good. While London Docklands can be seen as a special case, arguably meeting a national strategic need, it reflects inherent dangers that could easily be experienced on a smaller scale elsewhere.

Ultimately, regeneration is a vastly complex and locally subjective policy area. As such, we would argue that it requires local solutions which can take a holistic view of local need and, especially in the current climate, make the most of local social resources and community direction.

Measuring success

The complexities of facilitating successful regeneration will become clear through our findings, but by comparing successful qualities, methodologies and outcomes from across a variety of studies, this report attempts to show that all three strands are essential to successful regeneration. However, it is not simple to measure successes in absolute terms, particularly regarding the clear cause and effect of interventions, hence in some cases we have drawn upon qualitative evidence in reaching our conclusions.

We have based our analysis on selected qualities relating to physical, economic and social regeneration, with successful programmes showing signs that they have achieved success in at least some of the following criteria:

- Physical success – making the area a more desirable place to live physically – which can be demonstrated through increases in house values or improved access to transport;
- Economic success – improving job prospects and growth potential – which can be demonstrated through an increase in the number and type of jobs; income per capita; rise in business rates; or a reduction in the amount of vacant land; and
- Social success – improving the wellbeing and happiness of the people who live there – which can be demonstrated through improved health indicators; an increase in community spirit, social bonds and volunteering; or improved political engagement.

Spatial geographies

Regeneration programmes are structured differently depending on the spatial area that they are focused on. For example:

- Neighbourhood level programmes are, by their nature, closer to the communities involved, and lead public bodies such as local authorities may find it easier to get engagement from local people. However, these programmes haven't necessarily been run or funded at neighbourhood level- many are likely to have been central government initiatives.
- City level programmes contain a wider variety of community interests and, potentially, cross a number of local authority boundaries. These have usually been funded by central agencies.

- Sub-regional regeneration efforts, such as the Thames Gateway, have traditionally been centrally-driven and financed.

Local Enterprise Partnerships (LEPs) based on functional economic areas represent a new alternative geographic and governance structure but will be discussed in more detail later.

To highlight a broad range of approaches, the case studies will be from a variety of spatial areas, but will mainly focus on neighbourhood- and city-level programmes.

A north-south divide?

Britain remains economically diverse and much of the country's regeneration efforts have been focused on the former industrial areas, such as the north and the midlands. Despite centrally driven attempts over many years to improve the economic outlook a significant gap between these areas and more prosperous localities remains. This imbalance is particularly prevalent in cities. For example, the vast majority of those cities least adversely affected by the recent recession (i.e. with less than a 2% increase in Job Seekers Allowance [JSA] claimants since February 2008) were in the greater south east.[6] Cities such as Hull and Grimsby have seen JSA claimants rise significantly above the national average, with a 3.5% increase and 3% increase respectively.[7] With the exception of London, cities in the north, midlands and Scotland make up the top ten cities with the highest levels of inequality.

However, the trend is not as simple as a mere north-south divide. Southern conurbations such as Hastings, Chatham and Southend have also suffered particularly badly in the current economic climate.[8] Given the distinct imbalance across the country; the complex pattern of inequality and employment; and the varying levels of success for past regeneration schemes, unique and local solutions will be required; each area will need to build on its own strengths and find a novel solution to their regeneration problems.

Our case studies will attempt to achieve a geographical balance, covering northern cities, a rural area and London, but naturally this report cannot reflect all geographical variants.

6 Mapped in Cities Outlook 2012, Centre for Cities, 2012, p.16

7 NOMIS 2011, as citied in Cities Outlook 2012, p.16

8 Cities Outlook 2012, p.57

Local regeneration works

In this report we argue that a locally-led approach to regeneration represents the most effective way of transforming and regenerating a given area in a time of austerity. There are significant advantages to a locally-led solution. Local involvement at an early stage can help avoid costly mistakes, such as the undesirable outcome of investing heavily in infrastructure that is not needed or wanted by a particular community.

Local authorities are existing and established organisations with a deep-rooted understanding of their communities. If local authorities fail to engage appropriately, communities have a known route in to raise their views and if all else fails can call individuals and administrations to account at the ballot box. Indeed, the perceived lack of democratic accountability is another critical factor in the failings of central interventions. Some of the Urban Development Corporations (UDCs) – a central government quango initiative set up to drive regeneration in various cities during the 1980s and 1990s – received criticism for their lack of engagement with local authorities.[9]

A key policy of the coalition government has been the localism agenda, partly captured within the provisions of the Localism Act itself. The Conservative Party argued before the 2010 general election that civic engagement and collaborative democracy was the best way to balance growing the economy with sustainable development of places that people wanted to live in. Communities should be given the opportunity to put forward their views and both central and local government should devolve power and responsibility down to the lowest possible level.[10] Indeed, it is difficult for civil servants in Whitehall to understand and engage with local communities across the country, then adequately turn such views into relevant policy. As these principles are now at the heart of the Government's agenda, regeneration programmes must adapt along with all other areas of public policy.

LEPs could, however, represent a redefinition of whether a programme is considered locally-led. While LEPs are led by businesses, most have strong local authority representation and were established with far broader objectives than just encouraging regeneration. Ostensibly, they have good local knowledge and are focused on the needs of the local area. Of course, such areas could range from small counties and city regions to major sub-regional groupings such as the South East LEP (Kent, Essex and East Sussex). Their involvement in major regeneration programmes is yet to be tested, leaving governance arrangements and the potential impact unclear. However, given the variety of sizes, responsibilities and funding of the various LEPs, the only sensible arrangement is for local areas to agree governance arrangements of any regeneration programmes in full and open consultation with local authorities.

9 For example, the Bristol UDC's lack of meaningful engagement with either local communities or the local authority (with Bristol City Council and the UDC "in conflict from the outset" – Urban Regeneration in the UK, 2009, Andrew Tallon, p.56) undoubtedly contributed to delays in a programme disrupted by many lengthy public enquiries. Ultimately, the Bristol, UDC "disappeared without managing to agree a development plan for its flagship city centre site, Quay Point."

10 Open Source Planning, Policy Green Paper 14, 2010, The Conservative Party,

Case studies and common success factors

Case studies

We have selected five case studies to illustrate some of the key elements of success and common factors in local regeneration programmes over the past few decades, as measured in physical, economic and social terms.

Manchester – The phoenix city

Manchester is often held up as a classic example of late 1990s/early 2000s regeneration. The IRA bombing on 15 June 1996 severely damaged much of the city centre, shocking the nation but also providing a major opportunity to transform the area into a modern, thriving civic hub. The National Audit Office praised Manchester City Council for their community vision 'City Pride' dating back to 1994. This vision, formulated "through wide consultation",[11] laid the groundwork for formation of a public-private development partnership, Manchester Millennium Ltd, to manage the development. This was a partnership set up between the City Council and private business to lead the design and development of the city centre, primarily through an international masterplan competition eventually won by the engineering and planning firm AECOM. The work of the partnership revitalised the retail heart of the city and transformed the pedestrian experience, including the development of the cultural Millennium Quarter.

The city has also benefitted from a massive rebranding exercise as part of the regeneration efforts, encouraging further private investment and growth. In an effort to 'remake' Manchester after the IRA bombings – as well as distinguishing it from its industrial past – Manchester has participated in large campaigns of city marketing. For example, local agencies such as CityCo and Marketing Manchester worked with public as well as private sector partners to promote a fresh, modern and internationally connected image of Manchester. Hosting the 2002 Commonwealth Games in Manchester also helped to contribute to this image.

Since 1986, the Association of Greater Manchester Authorities, encompassing the ten local authorities in the area, has worked on transport, economic growth and regeneration. Since April 2011, this arrangement has now become statutory, the first such 'combined authority', further cementing the strong partnership working across the region. This has helped to bring the region's governance structure and economic geography closer together, and has played a significant part in developing, getting buy-in to, and delivering on a single vision for regeneration in the city.

Today, Manchester has developed into a vibrant and attractive city where people want to both live and work:

- The residential population in the city centre increased from under 1,000 in 1991 to almost 20,000 ten years after regeneration efforts began in earnest.[12] Indeed, the population growth for Manchester is three times the average rate of growth in England and Wales, suggesting the city will continue to expand.[13]

From 2002-2007, the average workplace wage in Manchester rose by over 20%,[14] and it now has the highest workplace wage of any of England's 'core cities'.[15] The financial and professional services sector alone grew by 48% from 1998 to

11 EU Cities Renaissance, 2007, National Audit Office, p39

12 Ibid p39

13 State of the City, Manchester, 2010/11, p17

14 State of the City, Manchester, 2010/11, p29

15 Ibid p28

2008,[16] demonstrating the growth in knowledge-based industries in particular.

A 2010/11 survey showed that 75% of residents are satisfied with their local area as a place to live, representing roughly a 15 percentage point increase from the same measure of resident satisfaction in 2000/1.[17]

Key elements

Through sub-regional cooperation between local authorities in particular, as well as the public and private sectors more generally, alongside a shared vision and a rebranding effort based on local knowledge, Manchester has been able to transform itself from an urban area with a 'dysfunctional' city centre[18] and large amounts of vacant property to a thriving metropolis with high levels of resident satisfaction and an ever-growing population. It is these locally-specific and collaborative elements of Manchester's regeneration efforts that have proved most successful.

16 Ibid p36

17 2010/11 figures from States of the City, Manchester, 2010/11, p15; 2000/01 figures from Manchester's 2nd State of the Wards Report 2007/2008.

18 EU Cities Renaissance, p38

Leeds – The success of England's largest city region

An ancient market town and former industrial hub, Leeds has seen significant growth over the past two decades after a sustained period of post-industrial decline. In 2008, Leeds had a GVA of £17.8bn, illustrating a growth of almost two-thirds in the last decade. Employment in Leeds is no longer dependent on one sector or service, and is second most diverse city in terms of employment structure in Great Britain. This diversity has also helped create the second highest number of employee jobs (outside of London), with a net increase of 52,000 over the past ten years.

The growth and success of the Leeds labour market – a key driver to its economic success – should not go without particular mention. Leeds itself accounted for 40% of the jobs created in Yorkshire and the Humber between 2003 and 2008, and, in comparison with the other seven core cities, created the greatest number of jobs (40,450). Despite the growth of the city region as a whole, Leeds remains the economic centre, serving as a hub for transport, innovation and culture. It is this sustained prominence of the City of Leeds that suggests it will remain the sub-regional hub well into the next decade.

A large portion of Leeds' success has been driven by local coordination at the city region level. The most recent City Region Development Programme (CRDP) highlights transport as the most important element to local success.[19] By connecting all neighbouring areas the city region as a whole has experienced growth, and those areas with lower initial growth have benefited most. The CRDP appeared to be working, showing improvement on two thirds of key indicators, for example on education and skills.[20] Continuing this approach to economic growth, the Leeds City Regional Local Enterprise Partnership (LEP) boasts itself as representing the largest city region outside of London.[21]

In addition, the four universities within Leeds play a large part in the continued success of the city. For example, the universities provide steady opportunities for employment. Also, local businesses have aimed to cater to the student population, providing a niche of the local commercial economy that has – given Leeds' strong overall economic performance – proven effective.

Key elements

Leeds' regeneration has involved high levels of cooperation – not only at the city region level but also between the public and private sector, including significant transport improvements – resulting in vastly improving outcomes for the city. Looking forward, the city-region is considering establishing a combined transport authority as part of its potential City Deal, as well as outlining its vision to create a 'NEET' free area. The coordination and cooperation of eleven local authorities of the city region as well as the presence of universities (and students) has also been essential to Leeds' advances.

19 City Region Development Programme, 2006

20 Ibid

21 Cities Outlook 2010

London Boroughs of Lambeth and Southwark – Cooperation, community and resilience

Despite their central location, the London Boroughs of Lambeth and Southwark have not always been the centre of attention. A large portion of the two boroughs suffered significant damage in the Blitz, and the industrial nature of many of the buildings became outdated, rendering structures derelict. While the London Docklands Development Corporation (LDDC) might have jump-started the South Bank's regeneration back in the 1980s, the continuation of a wide-range of regeneration projects has been locally led – be it through the two councils, private sector partners or community members – and the result has been the creation of an improved urban fabric built to last.

A significant portion of the borough of Southwark is included in either a current or future regeneration project, with its developments valued at £4bn. House prices alone within the past year have seen a 7% increase, among the largest positive house price trend in London. There are important locally-led regeneration projects in Southwark that have been completed in recent years. For instance, the More London development – just to the west of Tower Bridge and now home to the Greater London Authority's headquarters – which, as a mixed-used development, provided significant office (185,000m^2) and public space to the community through the creation of open plazas. More London has also benefitted from the London Bridge Business Improvement District (BID), allowing local businesses to contribute to a fund used for general services, projects and events within the district. The refurbishment of London Bridge Station (and the transport accessibility it will bring) and the building of the iconic skyscraper The Shard are two projects that are likely to have a further impact on the area in the coming years.

More London is a significant element of the regeneration of London›s South Bank (of the Thames), but it is not the only successful multi-use regeneration project in the area. Situated between Blackfriars and Waterloo Bridges, the Oxo Tower and the Coin Street neighbourhood have transformed once derelict land, with efforts led primarily by the community social enterprise the Coin Street Community Builders (CSCB). The group formed in opposition to the planned large-scale development of office buildings on thirteen acres of derelict land in 1984; the community banded together and purchased the land. Since their initial founding, the CSCB have contributed to the mixed-use development of Oxo Tower (an old power station now made up of shops, affordable housing and restaurants), as well as the pedestrianisation of the river walkway and the development of the South Bank.

The social-enterprise works in partnership with Southwark and Lambeth Councils as well as a number of local businesses, aiming to improve the quality of life and community involvement. Among other improvements, the area has seen significant gains in education levels; between 2006/7 and 2009/10 alone, the percentage of all pupils achieving 5+ A*-C on their GCSE results rose from 49 to 74%. Obviously, there will be other factors involved, but without a doubt the projects of the CSCB and its associated charities have played a part in dramatically improving local education outcomes.

Key elements

The CSCB have been able to combine multiple elements of successful regeneration projects. They have illustrated the power local residents can have in transforming their own neighbourhood. Southwark and Lambeth demonstrates that the impact of residents' efforts can be multiplied by working with local authorities to help improve the lives of residents.

Through the involvement of the private sector as well as community groups, the South Bank has not only transformed its image and architectural footprint but also serves as an example to well-integrated regeneration efforts carried out at the local level.

Both the More London and Shard development schemes represent the impact the private sector via BIDs can play in an area's development intended to regenerate, and they also emphasise the current trend for urban space devoted to multiple uses. Gone are the days when a neighbourhood would simply build housing to aid its regeneration. Now, places of work, commerce and access to public space are all equally considered in urban renewal efforts.

Richmond (North Yorkshire) – Incorporating history into a regenerative solution

It is not just urban and suburban areas that face challenges for their regeneration. Rural or small town regeneration can be even harder, especially given that the increasing flow of population towards major cities means there are fewer people to help revitalise a once booming – and often historic – community. Richmond, an ancient market town in North Yorkshire, serves as a good example of locally-driven regeneration efforts of less populated and more rural areas. Maintaining and regenerating these areas is vital to reducing pressure on transport and other infrastructure through lengthy commutes, and combating rural isolation through depopulation of England's market towns.

At 509 square miles and just 51,400 residents, Richmondshire District is one of the most sparsely populated districts in England, and the town of Richmond contains just 8,750 people. Closed in 1969 and occupied until 2001, 'The Station' – the focal point of Richmond's regeneration project – was previously a railway terminus, and has been classified as a Grade II Listed Building. While respecting the building's heritage and retaining the best of it, The Station has been redeveloped and is now home to a café/restaurant, cinemas, art gallery, heritage centre, and bakery; it also offers business services such as offices, meeting rooms, and flexible work spaces. The Station, as in Southwark and Lambeth, has embraced the idea that space can – and in some ways must – serve multiple functions. In addition, The Station has provided 40 jobs, a significant number for a small community.[22]

Promoting community cohesion and collaboration – and thereby further demonstrating the power local communities have in shaping their local area – the Richmondshire Building Preservation Trust, a locally based entity, grew from an unregulated group called Friends of Richmond Station group and ultimately took the lead on the project. Interestingly enough, the Building Preservation Trust saw well beyond The Station; in setting up a non-project specific building trust, it facilitated the legal process for future projects, serving as an umbrella organisation under which future projects could be pursued and easily coordinated.

Community consultations also greatly contributed to the localist nature of the project. The Friends of Richmond Station group – set up to help with surveying the local population – asked for input from all local households, receiving over 300 responses. Given the size of the community, this is a good response rate. In fact, the building of The Station had previously been zoned for leisure use, and it was only after the local consultation that it took on its multi-use scheme. Local residents thus had a hand in designating the future uses of the space, and their input has shaped the project's success.

Key elements

Through creating a multi-use development – thus providing cultural and business services while retaining the character of the building – and relying heavily on the local population's input, The Station has helped retain and stimulate local heritage; in the same ways that the train station once served as a transport hub and buzzing public space, The Station has become a focal point for the local community. As such, the project has provided continued regeneration and growth for the greater Richmond area.

22 As of August 2006, for example, there were only 35 people claiming Job Seekers allowance in the Richmond Central ward and 350 in the district (NOMIS)

Pittsburgh, Pennsylvania, USA – Turning a weak market city into a revived urban centre

Pittsburgh serves as a prime example of what Anne Power describes as a weak market city, or a '[city] that [has] experienced acute loss of purpose over the last generation'.[23] Weak market cities are a phenomenon found as much in the UK as in the US, and relate more specifically to former industrial centres that – with the shift in global economies, from a market favouring industrial growth to a service-based economy – no longer have any functional (or, here, economic) power.

Pittsburgh has a long history of urban regeneration strategies, but it was not until the 1970s and 1980s that the successful regeneration of Pittsburgh truly began to take shape. The strategy was to identify those areas of the city that had potential or were ideally placed for new development, shifting the focus from trying to 'save' the poorest areas.[24] In something of a parallel to how the Coin Street Community Builders and Friends of Richmond Station group have integrated local visions and needs into their respective regeneration projects, Pittsburgh has relied on local knowledge to identify those areas with the greatest potential for growth.

Pittsburgh has seen its population decrease by approximately 50% since 1950. The city has been able to transform once derelict industrial land, illustrating that the repurposing and rebranding of a city does not require a growing population. 1000 acres of former industrial land have been repurposed and now provide a combination of commercial, retail, residential and public space. This serves as one example of how reusing previously developed vacant land (brownfield development) not only has environmental benefits, but also helps to create a more vibrant urban fabric (as vacant land often connotes a certain abandonment and lack of population). Also, higher quality public space can make a city more attractive for residents and businesses alike.

The social and economic characteristics of Pittsburgh's population illustrate its revival. The 2000 Census showed that 81% of Pittsburgh residents had at least a high school diploma, with 26% obtaining at least a Bachelor's degree. The American Community Survey (ACS) of 2005-2009 shows a significant improvement from these statistics, with 88% of Pittsburgh's population having at least a high school degree and 33% with a bachelor's degree or higher. Also, the 2005-2009 ACS noted that 61% of Pittsburgh residents aged 16 years and over were in the labour force, an increase from the 2000 figure of 59%.

Pittsburgh also benefits from community engagement, strong leadership, and cultural attractions. For example, Pittsburgh is home to two large philanthropic organisations – Heinz and Mellon – which have given the city extra capital to renew itself. Also, Pittsburgh is home to two prestigious universities – the University of Pittsburgh and Carnegie Mellon – both of which have allowed the city to attract young and dynamic residents, a positive element of urban life that we have previously mentioned in our discussion of Leeds. These universities also bring a cultural added value to the city, allowing Pittsburgh to score highly on select Quality of Life indices[25].

23 Phoenix Cities, 2010, Anne Power, p. 3

24 Ibid

25 Ibid

Key elements

Pittsburgh has highlighted the importance of local knowledge and assets, used here to bring life and economic meaning back to a weak market city. Much of the successes above have been made possible through the strong local leadership provided by the mayor and his office. Pittsburgh is one of a number of American examples that perhaps form part of the inspiration behind the recent campaigns for a new wave of directly elected mayors in English cities. Again this leadership was fundamental to the drive for rebranding and making use of the mayoral profile to draw in funding from organisations such as Heinz, and bringing together the opportunities provided by other local partners such as the universities.

Common success factors

Following our analysis of these five case studies, we can draw out a number of key factors that have contributed to the success of these regeneration programmes. Individual areas assessed in the case studies did not always demonstrate all of these factors, nor were they necessarily applicable, but the list represents some of the desirable ingredients that local areas should seek to aspire to when planning and delivering regeneration programmes.

1. Local leadership

Decision-makers must have a strong sense of the locality's character, and be able to spot opportunities in order to capitalise on them. If areas desire, or are forced by market conditions, to change (such as failing former industrial cities) the local leadership must be strong enough to set a new direction. New opportunities such as growth industries or potential for investment must be acted on. Local authorities, with their local knowledge, are well placed to identify these opportunities but they will need help in capitalising on them. New freedoms, such as the General Power of Competence may help break down barriers. However, it remains to be seen whether LEPs and other local structures are successful in promoting this agenda or not.

2. Clear vision

Setting a clear image and objective that all parties can buy into and work towards proved key in many of the aforementioned schemes. Through gaining agreement from partners on the way forward and focusing clear objectives, areas such as Leeds and Manchester were ultimately successful in their regeneration efforts.

3. Local authorities working together

For schemes at a larger than neighbourhood level and particularly where functional economic areas cross local authority boundaries, cooperation and productive joint working between local authorities is essential to success. Leeds, Manchester, and the Southwark/Lambeth programmes all demonstrate this approach.

4. Community buy-in

A place is only as strong as its community, and a community's input into future regeneration of an area cannot be underestimated. Pittsburgh, Richmond (North Yorkshire) and the London Boroughs of Southwark and Lambeth were particularly good at using local knowledge of the area to successfully regenerate. For example, Southwark's community developers are a strong example of localism in action, shaping and developing their area through working with their local authority. The Station in Richmond – the centre point of a small community – is the result of a vision of thorough community surveys; the demand of the residents helped to define the need and community centre's focus. Also, communities may be critical of regeneration projects they feel hinder their area's local character. Community involvement – as well as consideration of a locality's heritage and legacy – is thus essential.

The Government hopes that neighbourhood planning, as per the Localism Act, could provide an opportunity to allow communities to take control of development and thus aid in regeneration initiatives. While local authorities have a democratic mandate to lead on local schemes, in a truly localist world they must work with communities towards delivering improvement.

5. Repurposing, rebranding and redefining

As a number of the case studies have shown, it is important to redefine the (economic) purpose of the area to be regenerated, whether at the regional, city or neighbourhood level. In almost all of the schemes above, already developed land – often derelict from decline – was refurbished to create new purpose and function. While city marketing strategies can be criticised for their campaigns to attract additional capital and their emphasis on the financial/economic aspects of urban regeneration, a strong sense of local identity and culture is needed for effective marketing campaigns; one cannot promote an idea that one knows nothing about. Manchester's reputation in particular has transformed from a failing industrial city into the buzzing, innovative and thriving capital of the north, while Pittsburgh has equally shaken off its former 'rustbelt' status. Universities can also play a vital part in this revitalisation, providing an opportunity for employment, permanent inward migration of skilled labour, growth and vibrancy – particularly evident in Leeds.

6. Attracting private sector and philanthropic investment and funding mechanisms

This will clearly be fundamental to the future success of regeneration programmes in the next decade. Localis has just published a report on the future of infrastructure funding, Credit Where Credit's Due, which looks in particular at the possibilities offered by pension funds, bonds, Tax Incremental Financing (TIF) and local asset backed vehicles. The successful implementation of these methods may well determine the success of future regeneration programmes.

In some areas philanthropy and responsible capitalism, more prominent in the US at present, could be form part of the solution. With the recent promotion of city mayors and the enhanced devolution of powers, a return to the great philanthropic developments of the 19th century would be welcomed by many.

7. Mixed-use schemes

Many – from government officials to academics – have long discussed the benefits of living in a demographically mixed community. In this vein, there is no reason why the function of space should be segregated. Mixed-use areas are not only beneficial to the residents (as services and jobs are in closer proximity) but it helps to form a complete and vibrant urban fabric. There is also an environmental argument here; if work, home and leisure are close together, levels of car travel – and the associated negative impacts – are generally lower. The majority of the case studies presented have promoted mixed use developments.

The rationale behind this stems from the fact that in such a complex and localised challenge as regeneration, there is not a single problem that can be addressed by a single 'magic-bullet' solution. Even if there were, it can take a long time to discover whether you have got the correct solution. Putting all your eggs into one basket is often not the best idea.

And finally, while we believe all of these are important to the success of locally-led regeneration strategies, none of them will be able to succeed without good programme management over a sustained period of time. Again, the Manchester development in particular was praised by the National Audit Office for their project management, monitoring and assessment.[26]

26 EU Cities Renaissance, p.41-2

What are the interdependencies that support regeneration?

Beyond these critical success factors, there are a number of inherent interdependencies and tensions that have become clear from our research. The combination of factors required for success and the inherent tensions present within them, make regeneration an incredibly complex issue to tackle. Indeed, just how prevalent these different issues are in a given area varies considerably across the country. We are therefore content that a locally-driven solution must be the best approach.

People and place

As we set out in our introduction, it has taken a long time for successive governments to give greater credence to the connection between people and place; the connection between how local perception and community spirit interacts with physical infrastructure like libraries, transport and superfast broadband access; the connection between getting involved and making a difference, and standing back and having it done to you. There is something along the 'pride of place' theme that local regeneration programmes will need to tap into and make the most of. Whether such initiatives are called the Big Society, community spirit and social bonds, or take place under a 'co-operative' umbrella, it all amounts to helping people to feel connected to their community and give them the opportunity to improve their quality of life.

Given that it is easier to design a successful building than it is to design a successful community, leaders of regeneration programmes will be grappling with this for some time to come. Certainly community buy-in is essential for a sustainable solution and further devolution of power, whether this takes the form of community empowerment or service delivery, is vital in moving towards a stronger connection between people and place. The Government's Big Society theme, neighbourhood planning and broader devolution agenda (including, for example, community budgets) all aim to encourage these links. Where local authorities are driving forward the localism agenda, they are choosing to push more power down to the local level – and this should apply equally to regeneration programmes.

Many communities elsewhere in the world are already taking charge of the 'quality of place' agenda. For example, residents of Detroit have introduced urban farming, giving them the opportunity to care for a part of their city while ultimately increasing levels of responsibility and ownership that residents feel for their urban environment. Studies have shown that this scheme is bringing additional benefits such as:

- Alleviating public health concerns;
- Providing locally sourced, healthy and inexpensive food for many low-income residents; and
- Helping to lower levels of air pollution, hopefully reducing levels of asthma, which are high for Detroit residents.

Finally, quality of place also reflects environmental sustainability. Abandoning green measures as a result of financial pressure may become the status quo in the short term. However, the Government's Green Deal and international exemplar schemes,[27] combined with an ever increasing pressure on global energy resources (and thus consumer prices), sustainable design and energy efficiency will return as an essential

27 Such as the HafenCity development in Hamburg. This large port development has been praised for its use of sustainable and energy efficient technology, with the city itself awarded the European Commission's Green Capital 2011 award. Highlights include: hydrogen-powered buses; thermal energy through a mixture of solar energy, fuel cells, bio-methane-fuel cells, wood combustion and heat pumps; gold-level Ecolabel buildings; and maximising the use of public transport and reducing need for car-based travel.

future consideration in regeneration programmes and will affect how people view their community. There will inevitably be tensions between the environmental, social and economic aspects of sustainability, and it is almost impossible to fulfil all three sustainability requirements simultaneously. Ultimately, it should be up to the community/local residents to help determine the priorities.

Infrastructure: old and new

While much of this paper has concentrated on traditional infrastructure, successful areas will also need access to Britain's future infrastructure: i.e. superfast broadband and digital connectivity. Britain's cities and large towns already have decent access to such facilities, with places such as Blackpool and Scarborough even facilitating free WiFi as part of their regeneration programmes, and the Chancellor of the Exchequer announced £150m as part of the 2012 Budget to improve ultrafast broadband and WiFi connectivity in twenty of Britain's cities. Despite the positive outlook for many cities, digital exclusion remains a significant issue nationwide with almost three million households having little to no access to even basic broadband services.[28]

In response, the Government has committed to all communities having access to superfast broadband by 2015, increasing the possibilities for home working and small business development based in villages and market towns. For example, the Cornish village of St Agnes is the trial location for an ultrafast fibre connection of up to 300 Mbps, allowing new business start ups in fields such as web design and property management, enabling high definition services from broadcast media and meaning that home workers can often get better connection speeds than in their own offices.[29] With such technology available in ever more remote locations, new business start-ups can be based in remote villages, hamlets and even isolated cottages, rather than requiring an office in a large urban settlement. A revolution in small/home business start-ups could become a catalyst for regeneration in market towns and villages, especially when combined with heritage renewal such as in Richmond (North Yorkshire).

In addition, transport and other large infrastructure projects (such as broadband) can help to alleviate a rural-urban, or even regional, divide as there is increased mobility and greater connection between places. Geographic location thus becomes less of an issue.

Of course there are other disincentives to such a revolution, such as tax and planning issues identified in the Taylor report.[30] Indeed, the government is supporting five rural growth network pilots in order to test how local authorities (and LEPs) can support economic growth in rural areas. However, superfast broadband could be the popular catalyst in today's digitally connected society.

The growth potential touched on above highlights an inherent tension in the growth and regeneration agenda: has Britain got the balance between urban and rural working and living right anyway? Were a countryside renaissance of home working and village regeneration to be propagated across the country, this might go some way towards mitigating the population growth in cities, alleviating further pressure on strained transport and other infrastructure.

It is the latter point that may give policy makers pause for thought: investment in rail infrastructure in London alone includes some £21bn on the new Crossrail route and the

28 Digital Britain, 2009, DCMS/DBIS, p.54,

29 The Financial Times, 3 February 2012 (print edition), p.3

30 Living Working Countryside: The Taylor Review of Rural Economy and Affordable Housing, 2008, Matthew Taylor

Thameslink programme alone, plus ongoing London Underground, London Overground and Network Rail upgrade programmes, is entirely necessary but symptomatic of the costs of transport infrastructure. At the same time, transport-led development, as is planned in places like Barnet and Chester, has the potential to stimulate private sector financial investment in schemes and anchor key developments.

Undoubtedly there is major growth potential in Britain's cities, many of which will need to make the most of regeneration programmes to unlock. But there may be a natural limit to how far cities can grow, or at least how far the Government is willing to subsidise infrastructure development to support them. As the examples from Pittsburgh and Detroit show, cities do not necessarily have to grow in size to rejuvenate and enhance their productivity. A new digital frontier, for example, could connect the countryside, changing the way we live and work.

Balancing risk and reward

Given that the overall policy message consists of: devolution, independent solutions, working with the private sector and being innovative, it's entirely likely that not all local regeneration initiatives will bring about lasting change and improvement. However, if we are not careful, the prospect of partial failure will be used to stymie a localist approach to regeneration. But, the freedom to 'let a thousand flowers bloom' is at the very heart of localism and remains infinitely preferable to a centralist solution. We would argue that it is utterly implausible to assert that there exists a single solution applicable to every single locality with its individual challenges and circumstances, which can be successfully determined in Whitehall and then rolled out across the country. The result would inevitably be that this 'solution' does not work in the majority of areas, leading to the waste of a significant amount of public money and, worse still, yet more shattered dreams of a better life. So while some local solutions will doubtless not succeed as they might, many will succeed triumphantly and the more successful approaches are likely to spread rapidly, increasing the chances of success elsewhere. Lessons, in other words, may be learned.

Tools for regeneration

Despite the difficult financial climate, local authorities are in a strong position to argue for devolution of power to regenerate their local areas. The Government has shown that it is willing to grant local government more freedom and it is attempting to encourage and support innovation. Particularly in cities, additional tools are already forthcoming. In this section, we consider the biggest asks of central government that will test its appetite for localism in regard to regeneration.

Whole place community budgets

Given the scarcity of dedicated funding, the diverse range of services that can have an impact on regenerating a given area and our argument for a locally-driven agenda, perhaps the biggest place-shaping tool available to a local area could be a shared community budget that cuts across local bodies, Government departments and arms-length agencies.

The Government's recent announcement of four whole place community budget pilots is a significant step in the right direction. If successful regeneration looks beyond physical and economic regeneration to include social regeneration, efforts will cut across a large number of departmental spending areas (local spending in Cumbria for example comprised of well over a dozen different Government departments).[31] At present, budgets are not aligned to shared outcomes and this can lead to a situation where

31 Counting Cumbria, 2008, Leadership Centre for Local Government, p.20

one agency or department can invest in a given locality to meet a specific objective, but this is focused wholely on their own remit and may not necessarily have a positive impact on the wider policy agenda. Clearly a more joined-up approach to intervention would have a greater chance of success, hence community budgets should be seen as an effective way of drawing together key levers, departments, agencies and sectors (including LEPs and the private sector).

A community budget could contain within it a dedicated regeneration workstream placed under local direction, aligning service objectives and providing much needed leverage for additional (private sector) investment. Were this budget to be directly accountable to local people through their local authorities, regeneration programmes funded by it would have a much better chance of gaining community buy-in. A significant branding exercise would be required to demonstrate the value, potential and local influence to be had over this budget.

Individual themes would fall within this workstream. For example, skills and worklessness interventions could be aligned and targeted, including: training opportunities, apprenticeships and vocational educational placements, Jobcentre Plus programmes and local authority interventions. This would include revenue funding from both the Department for Work and Pensions and the Department for Business, Innovation and Skills. An even more ambitious programme might look towards localised components of welfare, based around the specifics needs of the regeneration area.

Early intervention around youth activity is another key area for regeneration that would be far more effective within a community budget; bringing together youth work; diversionary activity; extended schools activities; and police community programmes to name but a few from Department for Education and Ministry of Justice budgets.

The government has committed to rolling out the community budget model across the country, but local authorities and their local partners will need to demonstrate the vision to think about how the possibilities and the ability to work in a radically different way. They will need to be bold and challenge the Government and individual departments to involve as much funding as is feasible in discussions at the local level.

Private sector engagement

There are further benefits to be gained by including the private sector in community budget approaches to tackling regeneration. For example, a more integrated approach would enable developments by both public and private sectors to be targeted and coordinated in a much more formal way than have been attempted previously. Not only should this increase the efficiency and effectiveness of schemes, but it should also help developments achieve enough critical mass to inspire confidence in external investors.

Finally, given the (often) broader scale of LEPs, such organisations could be a vehicle for cross local authority pooling of budgets in some areas.

Shared assets

A further extension of the community budget approach could, and should, be a shared asset model. The public sector is increasingly looking to rationalise its asset base through shared occupancy and disposal where possible, Cambridgeshire County Council for example have mapped out the assets of the whole public sector in the county on a single map. A strategy for joint management of the assets has been developed, with the expectation that the estate will be reduced with a 20% revenue saving.[32] It is only natural that these opportunities are explored as a key component of future regeneration programmes. The development of shared: council offices, a one-stop council shop, community hospital and cultural/community facilities could anchor a regeneration programme that would otherwise be unviable in the current economic climate.

Financing regeneration

Given that new sources of private investment will be vital in funding a locally-led vision. Localis' recent report, 'Credit Where Credit's Due', sets out the possibilities in more detail but in summary:

- *Local asset backed vehicles* – appear to offer more potential than more traditional public-private financial models in the current policy and funding climate. Local authorities will need to ensure that they remain in control of any such vehicle and ensure that it continues to operate in the interest of local communities, but ultimately they can be a good way of sharing risk and making the most of skills and assets held in the private and public sector.
- *Pension funds* – in the 2011 Autumn Statement, George Osborne suggested that Pension Funds should be investing in Britain's future infrastructure in order to leverage in £20bn of investment. Pension funds could represent the next big institutional investors in future infrastructure development and collaborations should certainly be explored, with the Government announcing a new investment platform as part of the 2012 budget.
- *Tax Incremental Financing (TIF)* – will allow an alternative borrowing mechanism for local authorities, providing additional options for financing growth. Indeed, the Chancellor of the Exchequer recently announced Government support for £150m of TIF from 2013-14. This will give local areas greater freedom to be innovative in financing growth and regeneration, but there are certain limitations, such as being able to prove that without TIF development would not occur, while ensuring that business rate revenues will rise. Despite this potentially tricky balancing act, an increased number of options for local financing will strengthen the capacity of local authorities to lead local growth.
- *Municipal bonds* – have been commonly used elsewhere in the world to help fund major infrastructure projects and now may be the time to introduce them in Britain. Recent research by Localis has suggested that the majority of local authorities would need to combine together with other organisations to cover the risk of default and achieve a high enough credit rating, but this is a possibility. Indeed, the LGA are currently investigating the feasibility of a collective bond agency for local government that would assist such authorities and mitigate the need for local arrangements. In any case, this method of funding infrastructure is well proven in Sweden and Germany in particular and the taking of manageable risks in order to raise appropriate funding should be welcomed by central Government and a large number of local authorities alike.

32 LGC, 2 February 2012 (print edition), p.18

Recommendations

Based on the arguments made in this report, there are four key recommendations to central government:

1. To empower local authorities to lead local regeneration – both individually and collectively through LEPs, they are taking the lead in this area and the Government should be helping enable them to do this more effectively. Local authorities are ideally placed to act as local brokers and think innovatively about how such regeneration can be delivered in a challenging financial climate.
2. To include the private sector in community budget approaches to regeneration – improving efficiency for both public and private organisations, and generating critical mass to draw in additional investment.
3. To rollout community budgets across the country – we would argue that following the conclusion of the pilot programmes, with implementation planned for December 2012, Government should role them out across the country. We would argue that these budgets should have a broad remit and cover locally relevant departmental budgets, for example skills and training, economic stimuli, crime and justice, and early intervention funding.
4. To support bolder funding mechanisms and approaches – while local areas can build upon the social regeneration themes highlighted in this report, new infrastructure will ultimately be required at some stage and Government should support programmes such as the increased use of municipal bonds, removing barriers to local areas making best use of these.

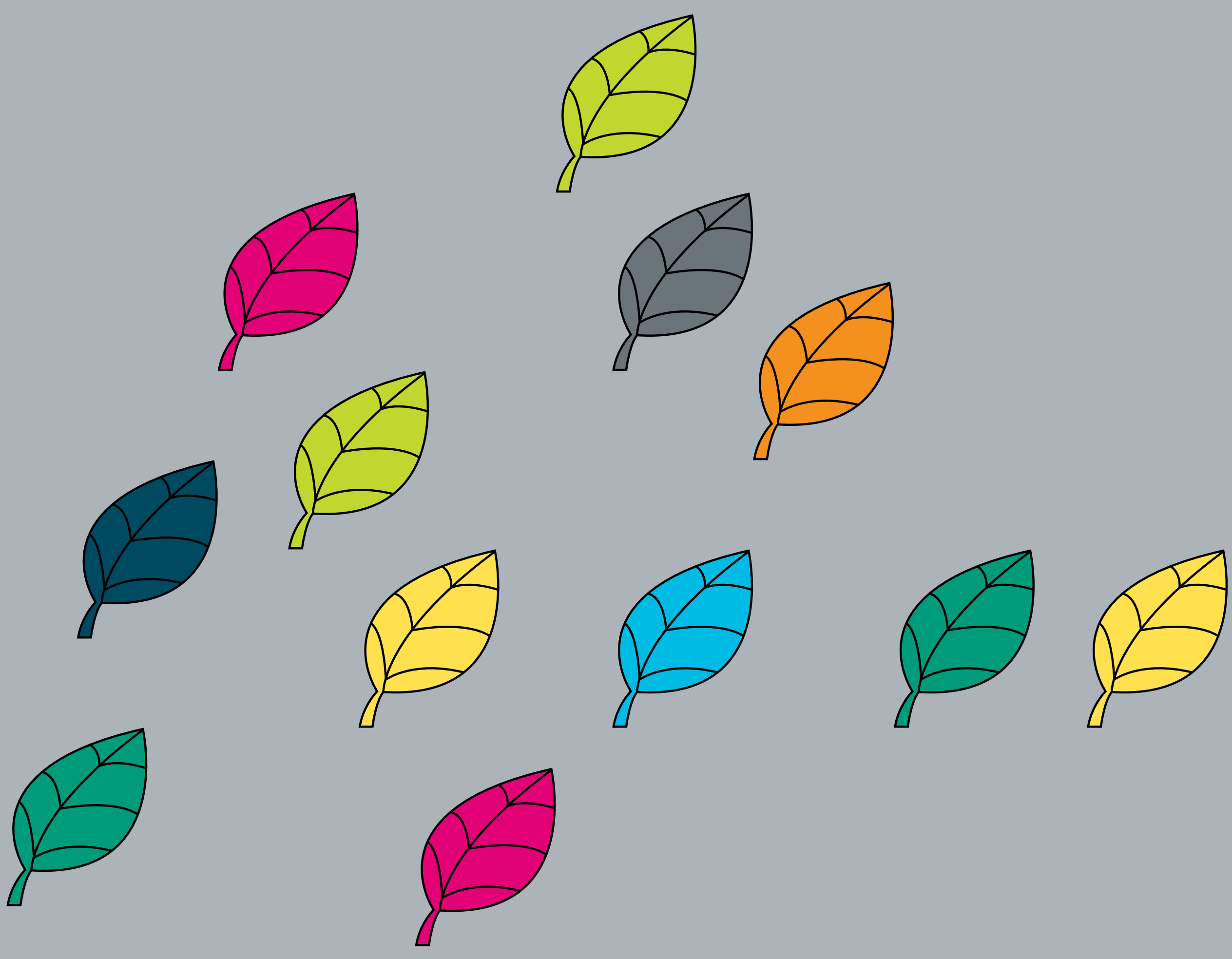
Conclusion

Regeneration is an incredibly complex issue and any successful approach needs to consider more than just physical and economic issues. Given the complexity and the variety of needs that each individual place will have, we would argue that regeneration programmes need to be locally led. Centralist interventions backed by large scale capital investment are only able to achieve certain objectives and should be consigned to the past, particularly given the decreasing amount of funding available. Local leadership was perhaps the most common and consistent theme throughout the case studies examined and the role should be embraced across the county.

Community budgets could be the mechanism through which locally-led regeneration is brought together. The engagement of the private sector generally and the involvement of private sector finance is a key part of this.

However, there is the need for further debate on the optimal way in which funding and governance are organised to encourage the maximum level of investor confidence. Mechanisms such as community budgets and new models of financing are still in the early stages and it is possible that not all will succeed. However, whatever the result of the various pilots and innovative projects taking place, we anticipate that there will be a variety of local variants of any implementation with the critical point being that it is led locally.

Finally, while many of these conclusions principally concern cities and large conurbations, regeneration in England and Wales goes far beyond major urban localities.



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