

CHAPTER 3

URBAN REGENERATION: THE EXPERIENCE OF LONDON

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THE URBAN CONTEXT

The purpose of this chapter is to provide an overview of the regeneration activities and projects in the city of London. Specifically, the public-private partnership approach that evolved to facilitate the regeneration process will be evaluated for the Isle of Dogs, Canary Wharf, the Millennium Quarter, Butler's Wharf, the Royal Docks, and Paddington Basin. Regeneration objectives, initiatives and strategies utilised to bring the redevelopment schemes to fruition will be described. The roles of the various stakeholders will be outlined according to the social, physical, economic, institutional and environmental results of the urban regeneration process.

London

London is the capital of England and the United Kingdom (UK), a cosmopolitan city of great financial importance located along the river Thames. The metropolitan area of London, covers 1,580 square kilometres (610 sq. miles) and is composed of 32 Boroughs and the City of London proper (Hutchinson Encyclopaedia, 2000). London has a population of 7.2 million. A greenbelt regulates the urban development of London. Beyond the belt are numerous towns and villages composed of commuters. The city has been experiencing population decline since the end of World War II, due in part to the creation of New Towns on the outskirts of London and the

subsequent relocation of industry to those areas. Several Boroughs in the west section of the city have undergone gentrification, such as Nottinghill, Kensington, and Highbury. In contrast, large tracts of land in the East End have remained derelict or underused due in part by the relocation of industry to the periphery and the shift to the post-industrial period. London's financial and commercial centre is known as the 'Square Mile', which is also the financial capital of the UK.

Technological innovation and the decline of industrial production shifted the primary economic activities of London to that of finance, business and commerce. At present, London is one of the world's leading financial centres, with a reputation of the world's largest centre for foreign equity trading. The relocation of major employers to the outskirts in conjunction with the declining importance of the traditional economy had a significant impact upon the economy and the state of the inner communities. Subsequent closures of various industrial facilities in the Docklands due to changing technologies and the movement away from industry to the tertiary and service sectors further escalated the problem. The physical impact resulted in vast tracts of under-utilised and derelict land along the river Thames, declining neighbourhoods, social exclusion and increasing social problems in the heart of London. Overall, one quarter of the total developable land for the whole of the Southeast of England is located in the Thames Gateway, home to the London Docklands (The London Development Partnership, 2000, p. 6). Unfortunately, the perceived risk to develop and invest within the Docklands and the Thames Gateway has inhibited the development and regeneration of the area.

Socially, the inability of residents to obtain employment is further compounded by the scarce availability of affordable housing, thereby resulting in high incidences of social exclusion in the social housing estates. The extent of the problem is illustrated by the following facts:

- Over 90% of the poorest communities are located in London's social housing estates.
- 13 of the 20 most deprived Boroughs are located in London.
- 64% of the most deprived and over 90% of the poorest council estates are located in

London (The London Development Partnership, 2000, p.5).

These are but a few of the major challenges that London has faced over the last three decades and is continuing to address. While London's GDP has a growth rate of 5%, the unemployment rate is considerably high in certain sectors of the city, such as the Thames Gateway and Lee Valley Gateway, and particularly among ethnic groups, which raises concerns about ethnic discrimination in job hiring and job skills training.

The population of London is ethnically very diverse. Most of the ethnic clusters emerge in the Greater London Area, particularly the East End of London, which has acted as a gateway for immigrants for centuries. According to Eric Sorenson (2000) of the London Development Partnership (LDP), two aspects characterise the diverse ethnic mosaic of London:

- A very international city, with approximately 300 languages spoken;
- 25% of London's workforce are members of ethnic communities from old and new Commonwealth countries, and increasingly eastern Europeans.

A Shift in London's Economy

Over one million manufacturing jobs were lost in London between 1974 and 1994, far more than other industrial based regions in England, (The London Development Partnership, 2000, p.1). Further, the use of electronic commerce and Information and Communication Technologies (ICT) has subsequently revolutionised the way business is conducted and the structural facilities needed to house such companies. New commercial centres such as Canary Wharf, the Isle of Dogs, and the Royal Docks have the ability to provide the necessary office layout on a large scale, thereby enabling them to compete with London's historical financial district.¹ Presently, over one million people are employed in the finance and business services

¹ Presently, London does not have a large-scale international convention centre, however the completion of the ExCel Trade Exhibition Centre, located in the Royal Docks, will fulfil that need. In addition, it will become a major source of employment and subsequently stimulate associated businesses and hotel development at the western end of the Thames Gateway.

sectors, accounting for 40% of London's GDP, (The London Development Partnership, 2000, p.4). By 2006, Canary Wharf is projected to employ over 90,000 individuals directly involved in those sectors, making it the fastest growing major financial and business area in the country.

London is also the tourist and visitor gateway for the UK, making Heathrow airport the busiest international airport in the world. The capital is laden with world-class museums, galleries, concert halls, theatres, heritage, cultural venues, and historical architectural pieces, shopping centres and markets, all of which attract the visitor to the city. The tourism industry accounts for approximately 275,000 jobs and 8% of London's GDP. For 1999, visitor spending was estimated to be 18.1 billion pounds (The London Development Partnership, 2000, p.16).

Competing with the 'Square Mile'

For fifteen years the City of London and the London Docklands have been competing for business. The "Square Mile" was the City's premier financial district, whereas the Docklands Canary Wharf development has recently jumped into the financial scene offering lower rental rates than the City proper with similar amenities. "Prime space outside Canary Wharf is now leasing for £215 per sq. m, compared with about £325 per sq. m within Canary Wharf itself." Prime space within the City is about £525 per sq. m, a higher rent due to the convenience and stature of being located within the Square Mile, (English Partnerships, 2000, p.74).

Presently, the vacancy rate within Canary Wharf is at 6%, whereas the City is at 7%. Rates such as these have forced City planners to become more accommodating to modern office proposals for the area (English Partnerships, 2000, p.74). It was feared that there was an oversupply of office space, which could result in a serious problem for both areas. However corporate activity remains strong and the stock markets of the Western world are scaling new highs, as such there presently seems to be ample demand to accommodate both the City and the Docklands. Several groups remain loyal to the City, such as the insurance industry and professional lawyers and accountants.

Thames Valley Gateway

There are 4 major regeneration gateways -- Thames Gateway, Lee Valley, West London Approaches, and Wandle Valley -- each significant for the location of businesses and manufacturing jobs. They are located in the historic business and manufacturing areas of London, which faded away with changes in the international, national, and regional economies. A strong correlation exists between areas of economic change (loss of industrial and manufacturing employment), the location of social housing and areas of deprivation. Thames Gateway and Lee Valley Gateway exhibit the highest level of deprivation in the city. The areas receive support and funding from external agencies to create jobs and stabilise the economy of the area. The regeneration programmes vary but the focus is on the same overall themes: brownfield redevelopment, raising employment opportunities for residents, assisting and supporting local businesses, and improving the links within the regeneration corridors and with the rest of London. The Thames Gateway covers an area of 8,000 acres, half of it is brownfield developable land, and incorporates the London Docklands (The London Development Partnership, 2000, p. 42).

REGENERATION INITIATIVES AND STRATEGIES

The Case Studies

The London Docklands are composed of several docks located along the length of the river Thames, straddling both sides. The Port of London Authority, which was created in 1909, amalgamated all of the docking companies on the River Thames. Expanding trade and optimism was the driving force behind the Docks in the post World War II period.

Increasing competition from other British ports, changes in the patterns of world trade, the increasing size of vessels, relative distance from the sea, and, above all, the container revolution in cargo handling all contributed to the change in fortunes of London's up-river docks" (Cox, 1995, p. 7).

The closures of the docks began in 1967 with the East India Docks, followed by the St.

Katherine, London, and Surrey Docks in 1968-71, and finally the West India and Millwall Docks closed in 1980 (Cox, 1995, p.4). The analysis will focus on three case studies -- the Isle of Dogs, The Royal Docks, and Butler's Wharf (see Figure 3.1).

The Isle of Dogs encompasses several major developments including Canary Wharf and the Millennium Quarter.

Canary Wharf is located in the West India Docks situated in the North Western portion of the Isle of Dogs. Canary Wharf was the main "flagship" development in the Enterprise Zone, and assisted in stimulating further investment in the area.

The Royal Docks are located on the north side of the Thames, to the east of the Isle of Dogs and the Millennium Dome of the Greenwich Peninsula. They are Europe's largest redevelopment area.

Butler's Wharf lies on the south side of the Thames to the west of Canary Wharf and east of the Tower Bridge. It was one of the first mixed-use and residential developments conducted by the LDDC.

Paddington Basin is located in the West End of London. It is in the preliminary stages of regeneration and is similar to the Docklands in size, nature and strategic importance.

London Docklands Development Corporation

The serious and continual demise of the urban fabric of the Docklands resulted in problems that required a large amount of funding. The inability of the local authorities to address the severe deprivation occurring within the Dockland boroughs caused Central government to create an Urban Development Corporation for the area.² These government agencies were given substantial funding and powers to regenerate declining neighbourhoods.

² Efforts for the regeneration of the London Docklands can be traced back to the Greater London Council that formulated a Greater London Development Plan in 1969, prior to the closures of the docks. The Docklands Joint Committee was set up to implement the revitalisation of the area. The committee was also responsible for the planning of the area, but failed to mobilize private funds (Cox, 1995).

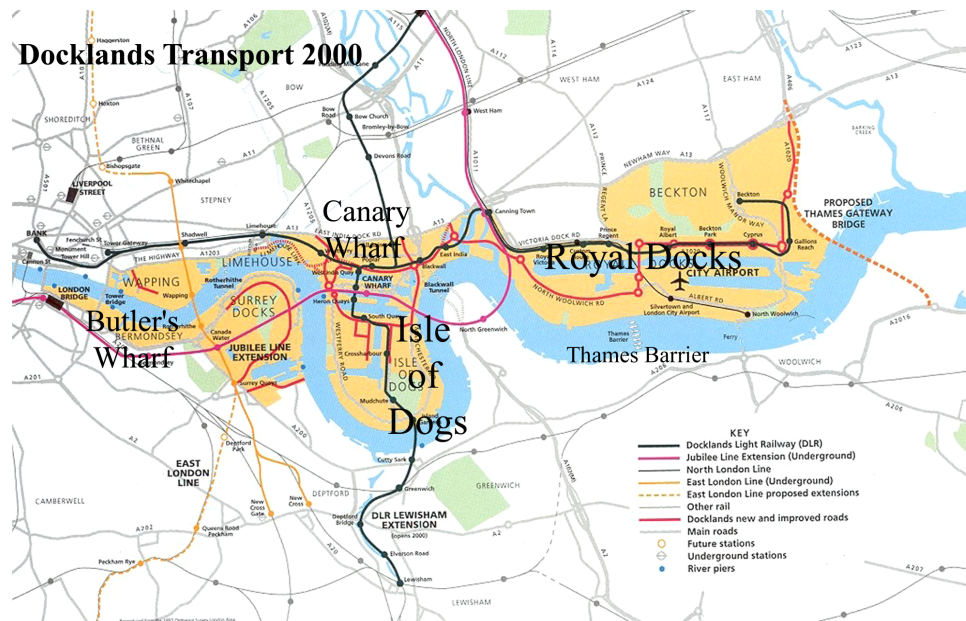


Figure 3.1 Area Map of the London Docklands *Source: The London Development Partnership, 2000.*

The London Docklands Development Corporation (LDDC) was created in the spring of 1981, and was given considerable powers to regenerate the 8.5 square miles of Docklands area. The corporation was "to secure...regeneration...by bringing land and building into effective use, encouraging the development of existing and new industry and commerce, creating an attractive environment, and ensuring that housing and social facilities are available to encourage people to live and work in the area" (Cox, 1995, p. 8). The LDDC was funded by grants from the government and the income generated by the disposal of land for housing, industrial, and commercial development. It had two immediate priorities, the first being to remediate the land and provide the basic services (gas, electricity, sewage, and roads) in order for the land to be saleable. The second was to change people's perceptions of the 'East End' by creating a unique and individual identity based upon the historical past, architectural significance, and location of the Docklands.

Three key powers were delegated to the London Docklands Development Corporation. The first is the power of land assembly including compulsory purchase powers. The

LDDC had access to special vesting powers which enabled it to acquire quickly, without public inquiry, land from other public bodies – Greater London Council (GLC), boroughs, and Port of London Authority (PLA). Secondly, the LDDC was provided with development control powers within the 3 boroughs - Tower Hamlets, Southwark, and Newham. Thirdly, the Corporation had the power to spend government grants to prepare land for development and to bring about physical, social, and economic regeneration of the area. The LDDC lacked other powers. It was not a strategic plan making authority, which was the responsibility of the boroughs and the GLC. Further, the boroughs and the GLC, for example, were responsible for the provision of housing and education, in addition to addressing health issues of the local residents. (Royal Docks Trust, 1997).

Another strategy of the LDDC was to avoid the formulation of a master plan for the area, which they felt would take up precious time to prepare, time which should be devoted to taking advantage of market opportunities. Consequently, the LDDC relied solely upon

market driven redevelopment.³ Such tactics would reinforce and solidify the confidence of the private sector, the public and the Government. For instance the Isle of Dogs design guidelines that were produced in 1982, illustrate the flexible attitude the LDDC had towards developments.

Such a flexible approach was based on the thesis that conventional land-use planning was inhibiting the entrepreneurial flair and investment necessary to regenerate Britain's run-down industrial and inner-city areas (Cox, 1995, p.9).

The majority of the Docklands land was owned by the LDDC thereby giving them the capability to influence the quality and design of incoming buildings.

Enterprise Zones

In April of 1982 the Government designated much of the oldest Docklands area within the Isle of Dogs as an Enterprise Zone. Various incentives were offered in an attempt to attract developers and investors to the area, in essence to start the regeneration ball moving. Enterprise Zones originated as an experiment whereby an area is delineated as a planning free zone; as such the standard development control regulations are null which creates an atmosphere for aesthetic creativity. In addition, economic incentives are also offered, such as a 10-year relief period from local council land taxes, subsequently paid by the Treasury to the local authorities. Developers were given the right to offset 100% of the investment against future tax, with respect to commercial and industrial buildings, which proved to be a very attractive incentive (Lawless, 1989, p. 64).

A concept and format similar to the enterprise zone (EZ) was created for the Isle of Dogs by the LDDC in the early 1980's. The EZ acted as a catalyst for development by offering several incentives and tax breaks to developers and investors. Canary Wharf acts as the commercial heart of the EZ and is noted as

one of the largest commercial developments in Europe. In that respect, the EZ has become very popular with major international companies with large space requirements, which are unable to find accommodation within the historical core of the city and the West End.

Agencies and Institutions Involved

Central Government. Several agencies and institutions have been involved in the regeneration of the Docklands and London as a whole since the 1980's. Certain agencies have changed and merged over the years as the framework for the Public-Private Partnership has evolved and become more comprehensive. The Central Government has always played an important role in the regeneration of the Docklands. However, the ruling political party has changed and so have the approaches. For instance, during the 1980's to mid 1990's the Conservative government preferred an entrepreneurial market-based approach, whereas the present Labour government has reduced the emphasis on the market whilst retaining the goal of attracting private investment to public funds.

Local Authorities. *Local authorities* for the affected boroughs have changed their participation and influence in the regeneration process. Initially, their efforts were seen as inefficient and their planning powers were transferred to the LDDC. However, the evolution of the partnership approach led to the realisation that successful regeneration of an area requires the involvement of the local community and authority. Presently, local authorities and *community residents* are equally involved during the consultation, planning and implementation process, which is in some cases mandatory for the receipt of funding.

English Partnerships: are a new national force for regeneration and development. The organisation was formed through combining the roles of the Commission for the New Towns (CNT) with the national functions of the Urban Regeneration Agency (URA) known as English Partnerships. The regions of the URA were transferred to the Development Agencies (RDA's) in April 1999, with the exception of London (English Partnerships, 2000). Therefore, English Partnerships retains all of the powers that the two previous organisations

³ By leveraging public funding to attract private investment the programme was able to initiate innovative procedures to tackle urban decline. The leverage ratio of the LDDC during their years of operation may prove impressive considering the amount of public investment £1.859 billion versus that of the private investment £8.7 billion, to date.

held, such as the ability to make Compulsory Purchase Orders, rights of entry and survey and specific planning powers in the New Towns. The agency focuses upon co-ordination of national and cross-regional regeneration schemes, in conjunction with the Urban Renaissance. In addition, it facilitates and implements new public-private partnerships (English Partnerships, 2000). EP receives assets and cash to develop area, whereas the local authority retains planning power and political power throughout elections. (Halliday and Edwards, 2000).

London Development Partnership. New city wide players have come to forefront due to recent institutional changes, with respect to the adaptation of a Mayor in conjunction with the formulation of the London Development Agency, to which the previous activities of the London Development Partnership (LDP) were transferred. Membership in the partnership is voluntary; it represents private, public, voluntary, educational, trade unions, and training sectors in London. LDP's work, "Building London's Economy" will assist the Mayor in the development of London-wide strategic plans -- an economic development plan, a transportation plan, a cultural plan, an environmental plan, and a land use plan.

DELIVERING RESULTS

The Isle of Dogs

The Isle of Dogs is located on the main body of a peninsular on the north side of the River Thames, and east of Tower Bridge. The area includes the East India docks in the north, West India Quay, Canary Wharf, the Millwall Docks, and the Island Gardens, which lie opposite the Millennium Dome world Heritage site at Greenwich. The enormous task of land reclamation began in 1982 -- 482 acres of commercial development on land designated as an enterprise zone was delineated for regeneration.⁴ The Island has undergone very dramatic changes over the last 20 years and

has been transformed into a vibrant place through the growth of local communities and business. Despite all the changes, several areas will be undergoing redevelopment, and must eventually tie into the existing fabric as one cohesive unit. Linking and supporting the local economic and social activities to Canary Wharf, the commercial centre on the Isle of Dogs, will ensure the success of the development.

Canary Warf

Canada One Tower, designed by Cesar Pelli, is presently Europe's largest skyscraper, and has become a symbol of the Isle of Dogs and the London Docklands regeneration. Design guidelines maintained a high standard of architectural style and expression, thereby ensuring a cohesive process of development. The development was led by a Canadian -- Paul Reichmann -- who orchestrated international investors in the purchase and development of Canary Wharf. This new major financial and business district has an area of approximately 85 hectares, with 13.5 million square feet grade "A" office space. The area is presently managed by the Canary Wharf Group plc. (Canary Wharf Group plc, 2000).

Approximately 27,000 people come to Canary Wharf to work on a daily basis and the number is expected to increase to 50,000 by the year 2002, and then up to 100,000 within 5 to 7 years when the estate is fully completed, (Canary Wharf Group plc, 2000). Most employees were relocated from a businesses previous location however numerous locals also gained employment from the redevelopment. As the process of regeneration is still underway, the effects on employment patterns are yet to be discovered. The first phase of development comprises 13 office buildings, retail and conference centre, the Docklands light railway and 17.1 acres of open spaces. Some of the world's leading architects and designers have been involved in the creation of Canary Wharf, such as Cesar Pelli, Skidmore, Owings & Merrill, Troughton McAslan, Foster & Partners. This involvement has increased the quality of the design, the value of the premises, and the stature of the development, all of which has propelled Canary Wharf into the international arena as a desirable place to be located (see Figure 3.2).

⁴ The docks on the Isle of Dogs handled a wide variety of cargoes. The East India Company brought in exotic Indian spices and silks through its East India Docks. Canary Wharf next door took its name from the Canary Island produce unloaded here. To the south, Millwall Docks were used for grain and other food materials (Royal Docks Trust, 1997, p.2).

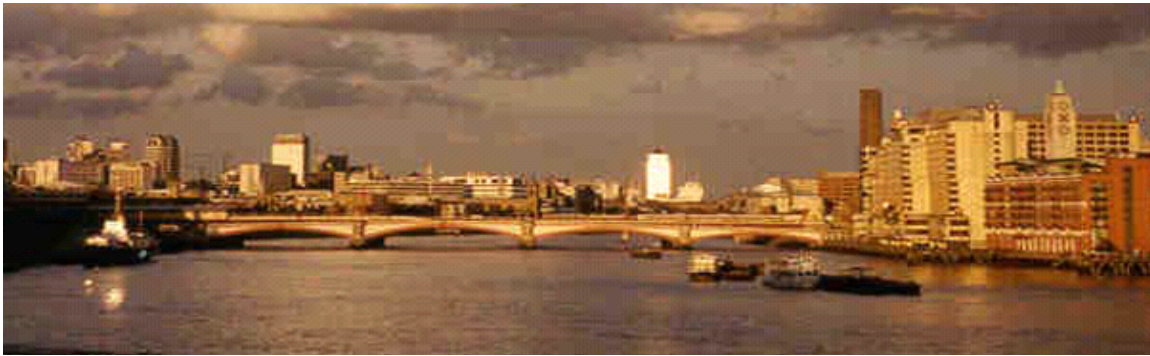


Figure 3.2 Canary Wharf, London: *Source: Beswick, 2001*

Since December of 1995 the occupancy of the company's exiting properties at Canary Wharf have also increased from 72% to 100% and rental rates have increased substantially. The tower at Canary Wharf (one Canada square) has 50 floors and is 180 feet (244meters) high, making it the tallest building in Britain. The Canada One tower is fully let, housing approximately 7000 employees.

Access to Canary Wharf

Seven buses service the area, operating intensively during the peak periods, similar to those of the London City Airport. In addition, two river ferries operate during peak periods, between London Bridge and Canary Wharf, with a journey time of 8-minutes. Pedestrian footpaths and bridges are located throughout the Island linking both the north and south sides of Canary Wharf. Further, the layout of the pedestrian system is such that it links to all other forms of transport to and from the Island and with the City's transport network.

Investment into new road networks within and to the Island has succeeded in directly linking the area to the country's motorway network and major thoroughfares. The extension of the Jubilee line (see Figure 3.3) that links east and west London will further the connectedness of Canary Wharf to the rest of London. The extension of the Docklands Light Railway (see Figure 3.8) to the surrounding communities and boroughs, including Greenwich across the River Thames will increase the accessibility to and within Canary Wharf. A direct link from Canary Wharf to London City Airport in the Royal Docks has been approved for completion by 2003.

Working with the Community

Canary Wharf Group plc works closely with local boroughs and other agencies on a wide range of community activities and educational initiatives such as, literacy programmes, homework clubs, the establishment of an educational trust. The Group aims to improve the employment opportunities for local residents by working jointly with the London borough of Tower Hamlets.

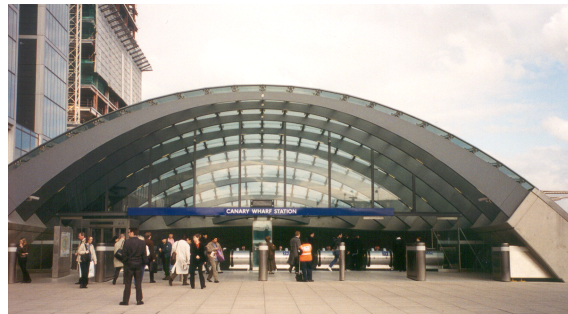


Figure 3.3 & 3.4 Jubilee Line



Source: Beswick, 2001

The Canary Wharf group works with local businesses through the Local Business Liaison

Office (LBLO), which was set up in 1997 to forge relationships between developers, contractors, procurement managers and local businesses. The aim of the LBLO is to act as a facilitator in the placement of contracts with local companies. This programme has placed over £133 million pounds of contracts with local companies in the past two years (Canary Wharf Group plc, 2000).

The Isle of Dogs and Canary Wharf have become very popular with major international companies choosing to locate there due to the physical layout of office spaces, which cater to different space requirements (Figure 3.5). Characteristic feature of the area are riverside warehouse style apartments, pedestrian walkways, leisure, art, and retail activities (Tower Hamlets, 1999). The availability of housing, employment and services has become a major advantage.



Figure 3.5 Live Work Housing at Canary Wharf: *Source: Beswick, 2001*

Housing Strategies

A diverse range of residential communities surround the Isle of Dogs, many of which are established residential communities that grew during the thriving years of the London Docklands, such as Millwall, Cubitt Town, South Poplar and Blackwall. The island has total residential population of 23 414, of which an estimated 9 146 are households of varying types as opposed to the traditional family unit (Tower Hamlets 1999, p. 13). Previous housing initiatives developed by the LDDC began in the 1990's. Funding was provided for the refurbishment of existing housing and for the development of new housing for various income levels. However, the prevailing strategy was to increase the percentage of

owner occupation to a level similar to that of London. Table 3.1 illustrates the changes that occurred before and after the initiation of the LDDC's housing strategy:

Table 3.1 LDDC Housing Initiatives: *Source: Royal Docks Trust, 1997*

LDDC HOUSING INITIATIVES 1981 - 1996	
PRE-DEVELOPMENT	POST-DEVELOPMENT
9.1% of homes were overcrowded	17,000 homes were owner occupied
20% were seen as poor or uninhabitable	5,000 new homes were built for the housing associations
95% of housing was rented – 83% through the local authorities	2,000 new social housing units were built
5% owner occupation	45% owner occupation
1981 there were only 15,000 dwellings	1998 there were over 24,000 dwellings

Local authority ownership of housing remains high at 60%, and the affordability of new housing has become a growing problem. While health and social services need further development, transportation improvements and accessibility to employment have improved.

Community services were essential to developing this area as such policies dictate that each residential development must provide 25% of the total as affordable dwellings. Developers have found it difficult to sell private housing mixed with council housing, so they separate the two types into sections on the site. As a result, Council can easily monitor all of the dwellings at once, as opposed to visiting individual pockets scattered throughout a development. The policies in-place reinforce the effort to provide adequate supply of affordable housing.

The Millennium Quarter

The main premise behind the Millennium

Quarter is to establish a showcase for sustainable urban development on this large area in the centre of London -- 50 acres (20 hectares). Certain developments are favoured for the area, such as cultural, arts, and leisure amenities, business facilities, hotels, cinemas, water attractions, administrative and residential development.

The Planning and Regeneration Framework for the Millennium Quarter has the following objectives:

- To create a strategy that will ensure the creation of long-term sustainable regeneration for the advantage of all members of the community;
- To highlight the potential for communal, economic, and environmental development on the island;
- To assist in the determination of planning applications;
- To continue to promote the island as a prime London and European location for new high quality development;
- To co-ordinate development among partners.

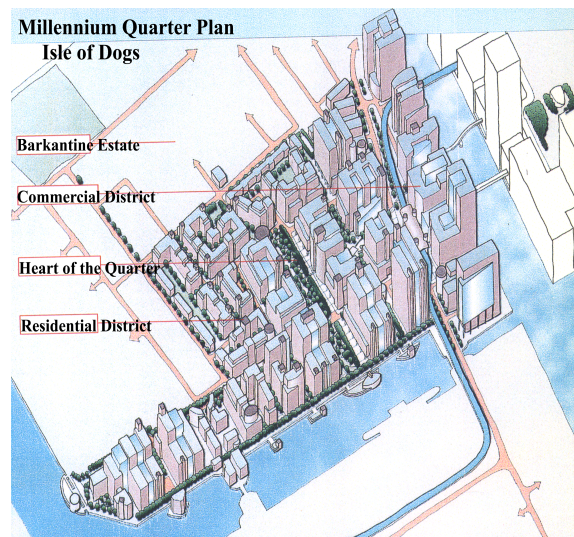
The framework assists the development control authorities in granting planning permission for applications that comply with the master plan, action plan and local plan for the borough (Black, 2000). Public exhibits and a consultation program with the 26 private landowners, Council members, residents, and various associations assisted in the formulation of a Master Plan for the Millennium Quarter site (Figure 3.6). Seminars were conducted pertaining to transport, housing, jobs, and landscaping. This involvement by both the local residents and the landowners assisted them in outlining what they wanted to achieve in the area. Services deemed important by residents were employment services, computer services, job skills training and light industrial firms. In addition, residents also requested amenities such as a church, medical surgeries, entertainment, and recreation facilities, which would be negotiated with the developers, although the market will ultimately dictate whether those developments occur (Black, 2000).

The Master Plan illustrates the building envelope and form, streetscapes, and set

backs for the public realm. The design briefs will work in conjunction with the master plan for all new developments. Proposals for buildings vary between 18 to 25 stories high, which is in compliance with the area's redevelopment plans and design guidelines. Although, the borough has received applications for 80 storey buildings, this is considered extreme density and building height (Black, 2000).

The North part of the master plan, which is closer to Canary Wharf, acts as key transportation infrastructure node focused on mixed-use development. Whereas the South area is predominantly residential, thereby tying into the existing grid pattern with accompanying ground floor mixed-use entities. Approximately 2,000 new residential units are proposed for this area (Black, 2000). The central area promotes mixed-use, leisure, entertainment and commercial activities, creating a more vibrant 24-hour cluster with its own high street. It acts as a link and central point of movement within and throughout the island, supported by an extensive pedestrian footpath network and public spaces. Approximately 150 new businesses are to locate in the Isle of Dogs, creating employment for over 2,500 people.

Figure 3.6 The Millennium Quarter



Source: Tower Hamlets, 1999

The area is experiencing a building boom, which has decreased uncertainty and led to a flood of development proposals, eagerly assessed by the planning authorities.

The Royal Docks

The Royal Docks took longer to regenerate than the other docks due to the size, which covers approximately one quarter of the whole Urban Development Area. The Royal Docks are located in the borough of Newham, which has been perceived as being too far east of London to warrant similar development to that of the Isle of Dogs. The docks have 230 acres (94 hectares) of water and 540 acres (220 ha) of land. This area had reached the greatest level of dereliction all the docks, due to poor transportation infrastructure that physical isolation (Royal Docks Trust 1997, p.1).

The entire area is developed privately, with English Partnerships (EP) acting as a facilitator to the process. The agency provides each developer with a remediation statement, which outlines the environmental costs. These costs are then incorporated into the bidding process. Developers are granted a 200-year lease on the land owned by EP. The leasehold arrangement allows developers to use the land in accordance with the overall plan and design guidelines set out by the authorities. Traditionally, leasehold arrangements last for 99-years, increasing the period to 200 years allows greater flexibility and incentive for developers (Halliday, 2000).

Physical Regeneration Strategies



Figure 3. 7 Silver Town, Royal Docks: *Source: Beswick, 2001*

All residential developments are required to provide affordable housing of up to 25% of the total housing development¹. The housing

supply addresses the needs of the local community, whilst encouraging a social mix through the provision of up-scale housing and

¹ The social and community *Memorandum Agreement*, outlined a percentage of affordable and social housing, employment opportunities, job training, and social and

community benefits that would be delivered to the residents of Newham through the redevelopment of the Docks (Royal Docks Trust, 1997, p.1).

apartments, such as the Millennium Mill. The social mix increases the sustainability of an area, as it reduces the clustering of low income groups, which has been known to induce a progressive cycle of deprivation and isolation and eventual decline of the urban fabric. West Silver Town Urban Village (see Figure 3.7) located on the south side of the Royal Victoria Dock, provides 1,100 homes, 235 of which are secured for social housing (Royal Docks Trust, 1997).

Social and Economic Regeneration Strategies

The London city Airport, which opened in 1987, is located in the space between Royal Albert and King George V docks. Passengers will be able to change their mode of transport by

square meters, upon completion in 2004/5 the Excel Centre will cover 250,000 square meters (Halliday and Edwards, 2000). In close proximity to the exhibition/conference centre are six hotel developments, which will total 1500 units. It is expected that both developments will generate numerous jobs within the local area, during the construction stages and during operation.

The London Docklands Campus of the University of East London when completed will enlist 7,500 students and 1,000 staff. The campus will also house the Thames Gateway Technology Centre, which offers training, consultancy and other services to new businesses (Royal Docks Trust 1997). Phase one has already been completed and proving to be a successful venture.



Figure 3.8 Royal Docks Excel Centre: *Source: Rendek, 2001*

taking the shuttle services to and from the airport to the DLR, Jubilee, British rail and local buses (Royal Docks Trust, 1997). This international airport lies in the East-End of the Royal Docks, only three miles from Canary Wharf. Check-in time remains at 10 minutes, with planes arriving and departing every few minutes during the day. The airport employs over 700 local residents, thereby addressing both the economic and social regeneration of the area.

The Excel exhibition and conference centre is estimated to generate 14 thousand jobs, some of which are for local residents (see Figure 3.8). Phase one of the development is 66,000

The Future of the Royal Docks

The Partnership process currently underway in the Royal Docks is far more democratic than the one controlled by LDDC. EP facilitates Public Private Partnerships through negotiation with developers to obtain investment for public facilities and environmental reclamation. The 1987 Memorandum Agreement negotiated and signed by the LDDC and the borough of Newham will continue to be adhered to.

Butlers Wharf

Butlers Wharf is located on the south side of the river Thames, in the borough of Southwark. This was one of the first areas to experience urban regeneration with the LDDC in the early 1980's, the reason being the proximity to the City of London. It was thought that developers and investors would be more apt to invest an area close to the Square Mile as opposed to the Royal Docks.



On the south bank of the River Thames, east of the Tower Bridge lies the Butler's Wharf building (see Figure 3.9), that also lends its name to the 25-acre site upon which it is located. The building is named after a Mr. Butler who rented warehouses from the Thomas family in 1794 to trade grain (Royal Docks Trust, 1997, p. 6). The area, known as the Pool of London, has accounted for much of its growth, wealth and prominence since the Roman times. Nevertheless, the surrounding area did not benefit from the revenue generated by shipping and it remained desperately poor. The poverty-stricken slum area gained notoriety in numerous novels by Charles Dickens, such as *Oliver Twist*, and *Our Mutual Friend* (Royal Docks Trust, 1997). The Butlers Wharf building and surrounding warehouses combine to form the largest group of Victorian buildings left in London.

The activities of London Development Corporation were market driven as reflected in the aggressive advertising techniques to attract initial investors to the area. The historic nature

and architectural appeal of Butler's Wharf, the panoramic views, proximity to Tower Bridge

Figure 3.9 Butlers Wharf Historical Character:
Source: Ness, 2001



were impetus for the rapid redevelopment of the area (Figure 3.10).

Further, the approval process for planning applications was expedient and open in terms of the design and concept proposed. Conversion schemes approved by the LDDC enhanced the unique character of the area, such as Brewhouse, Butlers Wharf, New Concordia Wharf and the redevelopment of the former Brewery (now known as Tower Bridge Piazza). The reuse of old riverside warehouse buildings encouraged additional developments

within the area of similar quality and sensitivity to the historical character of the place.

Figure 3.10 Butler's Wharf Redevelopment

Source: Ness, 2001



Physical Amenities

Developers recognised the need to incorporate street art into the area, to increase the value of the properties and to beautify the physical design of the Wharf (see Figure 3.11). The mixed-use nature of Butler's Wharf adds 24-hour life to the community, also numerous activities and services for residents. It is serviced by both the London underground and the bus network and is also laden with footpaths and bridges interlinking old warehouses. Automobile access is moderate due to the narrow streets and high cost of land. Initially developers requested one car park per dwelling unit, but revoked the request due to the high expense of incorporating parking into old historic buildings. Car-parking towers were developed to house cars for residents and employees, which assisted the implementation of sustainable transport principles.



Figure 3.11 Butler's Wharf Plaza Fountain:

Source: Beswick, 2001

The Success

The favourable planning regime set up by the LDDC facilitated the exciting mixture of office, commercial, studio and residential spaces in Butlers Wharf. Cycles in the property market caused fluctuations in the progress of development and investment, producing some failures (Shostak, 2000). Nevertheless, some developers have benefited from the LDDC's planning process and investment incentives, as has the area and residents. A few warehouse buildings are still empty 20 years after the process started. Such evidence points to the notion that complex regeneration does not happen over night. Restoring the vernacular is very popular and successful, particularly in a location such as Butlers Wharf that also has a spectacular view of the Tower Bridge. Unfortunately, recreating the highly desirable historical feel is very expensive and time consuming. However, the numerous walkways and Bridges that link the buildings symbolised the Wharf and created a sense of identity and place for past and present residents (Shostak, 2000). Since the beginning of the Docklands regeneration one of the main questions posed by the LDDC was how to proceed in redeveloping the area due to its historic nature. It was deemed that the future success resided in the preservation of its unique character. Although at one point Butler's Wharf was in receivership, it now flourishes with café's, restaurants, galleries, offices and residences of various kinds.

Paddington Basin

A wave of commercial development is occurring in London, and the UK in general. The regeneration of brownfield sites, such as railways and industrial areas, is proving to be very successful in responding to that pressure.

Figure 3.12 Paddington Basin Redevelopment Proposal: *Source: Cheesborough, (2000)*



The Paddington Basin is a diverse community, in terms of income levels, job skills, employment patterns and standard of living. In 1988, Westminster City Council created the Paddington Special Policy Area (PSPA) in recognition of the unique nature of this area, which encompasses Paddington Station, the canal basin, and several partly used or large vacant sites, (Paddington Basin, 2000). The area is approximately 120 acres in size and is of extreme strategic importance for London due to its connectedness to the country's transport network. In November of 1998, the nine leading developers involved in the

regeneration of the area joined together to form the Paddington Regeneration Partnership (PRP), which has worked closely with the Westminster Council, existing agencies, voluntary organisations and the local community to develop a Unitary Development Plan (UDP). Adopted by City Council in July of 1997, the plan is going to provide the framework for future regeneration of the area. The New Life for Paddington SRB bid began in 1999 and runs until 2006" (Sadek, 2000).

Several well known architects such as Skidmore Owings and Merrill, Terry Farrell and Richard Rogers, are involved in the urban design of the area (see Figure 3.12). A mixed-use scheme composed of hotels, offices, restaurants, health clubs, cafes and retail are planned for the 50 plus hectare (10-acre) waterside site located along the Grand Union Canal (Finch, 2000, p.3). Presently, phase 1 is under construction – containing 210 residential units and 1 million square feet of office space. The total regeneration projects proposed for the Basin amount to a combined cost of £200 million pounds (Paddington Basin, 2000).

The Community Plan

Westminster is traditionally known as the most expensive area of London, composed of politicians, public people, actors, and very high profile people. In contrast, a second group of residents from a lower income group are plagued by language, drug and prostitution problems. The proposed redevelopment is about long-term sustainable community planning, addressing the issues and concerns of all residents, particularly those that are disadvantaged (Sadek, 2000). Community members have been consulted throughout the process to ensure that their needs and concerns were heard. Affordable housing, employment, job-skills training, and various amenities are a few of the key issues to be addressed by the regeneration strategies.



Figure 3.13 Paddington Basin Canal:
Source: Rendek, 2001

Almost all schemes are to provide affordable housing amounting to 25% of the total housing stock developed, with the exception of the Rialto scheme, which will contribute financially to the overall provision of affordable housing for the area. An estimated 17,00 new jobs and 3,000 new homes are expected to be created from this development (Cheesborough, 2000): an outline of the approach to development and management of impacts). The partnership has worked hard to identify and outline a management strategy for the area during the construction process, in order to address environmental issues such as noise, dust, hours of working and the movement of construction traffic. All developers involved are to abide by the City Council's 'Code of Construction Practice'. In addition, developers will contribute financially to an Environmental Inspectorate that will police their activities.

A Central Government Grant is presently being applied for, the funding of which will further the quality and quantity of amenities and infrastructure. The Regional Authority has put

pressure on the local authority to receive planning consent. If a planning application is rejected it could then go to appeal, if the planning project is considered very strategic it must be approved by the Secretary of the State for the Environment. The process for approval is two (2) years. Article 14 supports the actions and decisions of the Regional Authority who has planning power over the local authority, thereby extending the planning process and consequently losing sight with the press. (Sadek, 2000).

Sustainable Transportation Strategies

Our mental map of London is now informed not by distance but by time – the time it takes to travel by the fastest means available (Finch, 2000, p.3).

The most outstanding attribute of Paddington Station is its proximity to Heathrow, whereby journey time only takes 15 minutes to reach the airport, and trains arrive every fifteen minutes at Paddington Station. Paddington is also accessible by three lines from the London Underground, and seven over-ground stations, such as Victoria and Waterloo. Road access to Paddington Station is also very efficient, as it lies adjacent to the M40, which connects directly to England's extensive motorway network (Finch, 2000, p.3). Further, since June of 1998 the Heathrow Express Railway has been operating as a direct link to Heathrow airport from Paddington Station.

Applying the Approach

The main developers behind Paddington Basin, Chelsfield plc and European Land & Property Developments, have joined forces to create Paddington Basin Developments Limited, who now leads the regeneration of the area. In conjunction, the Paddington Regeneration Partnership will ensure that investments and developments in the area are harmonious and economically sustainable, whereby the whole community shares in the benefits of the scheme (Paddington Basin, 2000, p. 24). Presently, they are building the site speculatively in small units of 1,000 to 2,000 square feet of office space, thereby ensuring the completion of each individual project.

Paddington development trust has a Single Regeneration Budget Grant (SRBG) to do the

community end of the regeneration, whereby £13.5 million for improvements in the provision of social services. The SRBG is a matching grant for the contributions given by the developers. The local authority passed on the powers of development to the PB Development Ltd, who works upon the economic regeneration of the community and Basin at large, and also creates jobs. They represent the developers and business owners and act as mediators with the community, the hospital, and educational system (Sadek, 2000). Therefore, the public-private partnership described above is one that was initiated by the developer.

THE IMPACTS: SUMMARY OF KEY FINDINGS

Public-Private Partnerships

Public-Private Partnerships utilised in urban regeneration have moved through various phases and eventually progressed to a more holistic approach. Regeneration efforts in the 1960's and 1970's were government led and tended to focus on property development. A market led approach was adopted during the 1980's and 1990's, whereby the role of the private sector surpassed that of the public sector. Allowing market forces and developers to determine the characteristics of regeneration schemes received significant criticism due to the fluctuating nature of the market, ensuing investment and impacts incurred by the regeneration process during market downturns. In addition, prevailing criticism also noted the lack of public consultation and local authority participation. Towards the end of the 1990's it became apparent that in order for a regeneration project to succeed and sustain itself over time, community residents and local authorities had to be involved on an equal level during the planning, consultation, and implementation phases.

Throughout regeneration efforts most business owners were profit seeking and had very little concern for the community. Over the last decade, there has been a genuine attempt with the creation of special public-private partnership regeneration programs that renders developers and incoming businesses with a responsibility to the community within which they are located or desire to locate. Government funding released according to the

amount of private investment has also reinforced and fostered the sense of responsibility that regeneration investors should have towards the community. In addition, in order to receive certain funds for regeneration projects, such as City Challenge, it is mandatory that a public-private partnership be formed and led by the local authorities in consultation with community residents.

Further, the formation of local partnership boards, which are given resources as a result of a bidding program overseen by Central Government, has improved the regeneration process. The local partnership boards are responsible for subdividing the funding according to the needs of the community and also available for consultation by both residents and stakeholders. Certain projects qualify for funding, such as business development, programs for physical remediation, improving housing and transportation facilities, and increasing access to businesses.

Partnerships presently in action are more democratic in process and framework than those regeneration schemes undertaken by Urban Development Corporation's. English Partnerships presently acts as the main facilitator of the Public-Private Partnership formed for most urban regeneration schemes in the UK. They treat the partnership as a negotiation process between the communities, businesses and developers, with respect to investments and Government funding that is utilised towards public facilities and environmental reclamation (Halliday and Edwards, 2000).

The Partnership Approach Applied

The framework is applied differently to each city due to the unique social, economic, physical and environmental context. The London Docklands was a very large-scale redevelopment whereby the market was ripe enough in addition to a critical mass necessary for such a large regeneration scheme. Regeneration schemes underway presently are of a smaller scale and as such, are phased in terms of funding allocations and development to reduce the risk of abandoned projects due to market fluctuations and ensuing property crashes (Halliday and Edwards, 2000).

In order for regeneration to be successful for all

stakeholders involved it is necessary to create a critical mass able to support the development and also devise a development phasing system that will accommodate market deviations. Generally, developers are confident that the site will change over time through the process of regeneration. Adjacent landowners traditionally benefit more than the initial developer, who takes the greatest risk by being the pioneer investor in an uncertain dilapidated area (Shostak, 2000). The planning process will also determine the success of the development scheme in terms of expediency through the planning approval process, as will the stability of the market in conjunction to the security of the investors and the market value post redevelopment. Developers appreciated the expediency and effectiveness of the LDDC, which had certain powers and financial support enabling it to assist the developers in away unavailable to the local planning authorities, who were tied to the bureaucratic process and annual funding allocations of meagre status.

It was suggested by Lee Shostak (2000) that planning authorities and policy makers refer to the early years of urban renewal in the USA, whereby an urban renewal authority was set up to work with landowners in the effort to create value in an urban renewal area. An arrangement, which could greatly improve present planning processes and partnerships in urban regeneration by instilling a vested interest in all developers and investors involved. Further, the ability of the urban renewal authority to assemble land by way of compulsory purchase powers, remediate the land and then sell it back to the developers, whereby all profits would go towards the urban renewal would also further the timing and success of the process.

The implementation of the Enterprise Zone (EZ) also assisted in the initial attraction of investors and developers to a declining area, who would otherwise not consider attempting a scheme void of profit or incentives. The tax breaks and ability to offset the cost of development, in addition to the planning free regime outlining applications for the EZ created an attractive and potentially stable environment for investors. Further, the rapid planning approval process for the EZ, and Docklands as a whole, adapted by the London Docklands Development Corporation reduced the perceived and actual risk experienced by

shareholders, by 'getting the ball rolling' and solidifying the area.

Integrating innovative and creative architectural design within a city that emanates the Victorian period can be quite challenging as is establishing the quality of design necessary to maintain the sense of place and caricature of an area. Good architecture is vital to the social and economic process of a redeveloping area as it instills a level of design that would be continued and can also infuse appreciation into its users, who are attracted to the design of the urban environment. Businesses looking to relocate generally base their decision upon the quality, style, and attributes of the potential urban environment. The LDDC has always appreciated and sought regeneration schemes that are attached to well-known architects and designers, such as Lord Richard Rogers, Cesar Pelli, and I M Pei for example. Utilising famous architects not only ensures an interesting and inventive design but also has the added spin-off of attracting the cultural tourist to view the new built environment.

An Urban Development Corporation, such as the LDDC, in conjunction with a Regional Development Agency has the ability to support the local authority, who are generally unambitious in terms of the level and types of redevelopment necessary for the complete conversion of a deprived area (Shostak, 2000). Supporting the local authority financially, strategically and technically would propel the regeneration process and ensure that all levels and sectors of the area and community are addressed. The Tower Hamlets borough is a state-of-the-art example of a joint venture, whereby the private developers and landowners assist the local authorities by placing money into a reserve fund that allows the local authorities to practice their statutory policies. Unfortunately, local authorities do not have access to the amount of resources necessary to change a redevelopment scheme into a high profile development or possibly complete or address all of the necessary issues of the area. Therefore it is essential that they receive the support from both Central Government bodies and private stakeholders, not to mention the community residents who are also responsible for the continued success and maintenance of the project undertaken.

The Challenges of Partnerships

One of the greatest challenges is the negotiation for affordable housing, with regards to what it means, where it is located on the site, and if money will be given in lieu, (Sorenson, 2000). As requested by most partnerships, developers must provide social housing units amounting to 25% of the total housing development. Developers note that the market value of the development decreases with the incorporation of social housing and that sales in the area are lower when compared to areas void of social housing. However, it should be noted that most developers group the social housing into one section of the residential projects and also continue the design style so as not to differentiate the two types of housing, as mentioned previously in the case of Silver Town, located in the Royal Docks. This strategy has not affected the property value of standard housing units. Nevertheless, it is noted that the sustainability of a community is greater when there is a diversity in the residential demographics, thereby reducing the possibility of income clustering and segregation, which has been known to lead to social problems.

In conjunction with the introduction of affordable housing into the housing development schemes forwarded by developers is the maintenance of those dwelling units for the income group initially outlined. Unfortunately, the growing popularity of the Docklands as "the place to be and live" and increasing in land values has the ability to displace the lower income groups unable to afford accommodation. Preserving the demographic mix of the community is considered paramount to the sustainability and unique diversity of the area, a uniqueness that defines its present attractiveness. The potential for yuppie gentrification is imminent if land values continue to rise, forcing out the bohemian groups and thus resulting in a homogenous community.

In Conclusion

Public private regeneration schemes of old industrial sites initiated during the last century represent hundreds of millions of pounds of investment value. They revive civic values and pride, which may have been lost over the last

few decades. Further, they provide places of employment, housing, and leisure on a more sustainable scale, with respect to accessibility, affordability, availability and sense of community.

Partnership programs are significant in the overall process of regeneration but the key drivers of city change are the major businesses continuing in the traditional pattern of the last 100 years. This pattern is associated with the fundamental goal of businesses that seek markets and profits, something that is presently readily available in London (Sorenson, 2000).

The regeneration of declining inner city areas is very important to the success and prosperity of the city, the region, and the nation. One can no longer turn a blind eye to disadvantaged neighbourhoods. The stress experienced in those areas travels outwards from the core to the surrounding regions, and in terms of the performance of urban centres has compounding effects.