

Regeneration in the UK – a continuing experiment

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Post war planning and regeneration

Rebuilding Britain

1. The early post war years were characterised by a desperate need for housing. The Luftwaffe had destroyed or damaged around 1m houses out of a stock of 11m. London had over a third of its housing stock destroyed or damaged.
2. Despite the country's desperate financial straits, the new Labour Government responded with a massive programme of building both within the cities and in the first generation New Towns. Much of this housing was built by local authorities – the council housing stock increased from 10% to 26% in the 15 years to 1961. As bombed homes were replaced, the priority became the clearance and replacement of slums.
3. The first flush of post war housing comprised a massive programme of repairs to damaged homes and the construction of standardised prefabricated temporary bungalows known as prefabs. Although only 300 or so remain out of 150,000 originally built, the population retains a soft spot for them. Much of the permanent new build was system built – but unlike the prefabs eventually proved unsound and unpopular.
4. Both New Towns development and inner city redevelopment led to the break up of old established communities,

The New Towns

5. New Towns were developed by New Town Development Corporations, executive bodies with compulsory purchase powers and planning controls – not at all democratic, but mightily effective in getting things done. The first wave of new towns was built in a ring around London, principally to house those displaced by bomb damage. Notwithstanding the highly successful Garden City model, new towns gave rise to the “New Town Blues” – a symptom of the alienation that residents felt in monotonous low density developments isolated from facilities and friends.
6. The second wave of new towns was built mainly to accommodate overspill from major provincial cities. The towns were altogether more urban – but they still suffered from many of the same social problems. The third generation New Town – for there has been only one proper one - has been on an altogether larger scale – a City rather than a town – Milton Keynes will have a population of 250,000.
7. Leaving aside MK, although the New Towns were remarkably successful at housing a large number of people quickly, they have not been so successful from the social perspective. They were and are mono-cultural - originally populated almost exclusively by blue collar workers. Most have now retired: of those who are not, many now find themselves out of work as the UK's industrial base has shrunk rapidly.

8. Nevertheless, the New Towns showed what could be achieved by way of rate of development through the public acquisition of development land and public provision of infrastructure with land either being built out by the public sector or sold off for development by the private sector in manageable sized parcels.

The rise of high rise

9. Architectural fashion and a perception of higher densities led to the development of high rise blocks from the 1950s onwards. These have been severely criticised in later years – and had become hard to let as early as the 1970s. In mitigation, most were built on the cheap in run down inner areas or remote low cost suburban sites. And the collapse of Ronan Point in 1968 did nothing to enhance the popularity of high rise in general and system-built, high rise development in particular.

Conservation

10. In the sixties we began to see a backlash against slum clearance. People began to protest against the demolition of what were really pretty attractive Victorian terraces and the break up of well established communities. The conservation movement took off, in part fired by the well publicised and many would say scandalous demolition of Euston Arch to make way for an awful office development incorporating a new station concourse. With General Improvement Areas and grants for housing repairs and putting in standard amenities, restoration and refurbishment assumed much greater importance.
11. Many in the property industry would say that we have gone overboard on the protection of old buildings, the natural environment and the environment generally. We have English Heritage's architectural historians wanting to preserve minute esoteric details of construction, no matter what the cost. We now have over 500,000 listed buildings and 10,000 conservation areas which enjoy extra planning protection. More recently we have acquired English Nature to protect the natural environment and the Environment Agency to protect everything else.
12. Between them, these single issue agencies have become a bureaucratic nightmare – and are often unable to see beyond their own particular briefs to view issues in the round. We have a real problem of power without responsibility.

The seventies – a policy vacuum

13. In the seventies we went into a sort of policy limbo as far as regeneration was concerned. Overall housebuilding in England fell from a peak of around 350,000 in 1968 to around 200,000 in 1980 with social housing making up around 40-45% of the total.

Post industrial dereliction and decline

14. The early eighties saw Margaret Thatcher's new government trying to cope with a collapse in British industry. With the charismatic Michael Heseltine in charge of the Department of the Environment we had a series of property-based policy measures to deal with runaway unemployment and massive post-industrial dereliction. These comprised:
 - Enterprise Zones (EZs) which offered 100% tax write-offs on capital expenditure, freedom from planning restrictions and a ten year rates (local tax) holiday.
 - Urban Development Corporations (UDCs) - which were modelled on the New Town Development Corporations – to reclaim and service large scale industrial sites (docks, steel, chemicals, shipbuilding etc).
 - 100% capital allowances on small industrial units to encourage the development of premises for small businesses.
 - Urban Development Grants (UDGs) which provided a top up to make private sector development viable in deprived areas.
15. EZs for the most part, after a slow start, proved hugely successful in attracting development, principally because of the tax allowances and the freedom from planning controls. Such freedom was all very well, but in many cases it allowed the development of massive out of town retail schemes (which had not been foreseen by the policy makers and which wrecked the local town centres).
16. UDCs also worked well after a slow start, but the few with any residential population fell foul of local opinion. Almost all came in for concerted criticism from local government because corporations provided their own planning authority, outside the normal local control, and were given very substantial budgets that the authorities would have loved to have got their hands on.
17. Small workshop tax allowances were almost too successful – and led to a runaway supply of small units. Investors' greed and stupidity know no bounds when they see the words "tax free". But notwithstanding their great success – or perhaps because of it - Treasury put a stop to tax allowances saying they went to schemes that did not need them and they did not know how much they were going to cost the taxpayer.
18. UDGs and their various successors were slow to get going, appraisal was a time-consuming and uncertain business. But just when they really started work, government put the brakes on and then the European Competition Directorate, aided and abetted by Whitehall, finally put paid to it.
19. I believe there are a number of lessons we can learned from these eighties measures, particularly as regards public control over development land to which I shall return later.
20. However, under the Conservative administration, compulsory purchase for regeneration was virtually abandoned and many schemes thereby frustrated by greedy landowners – often former nationalised industries, sitting on large swathes of derelict land.

Social housing – the big sell off

21. Perhaps the biggest policy shift of the Thatcher Government was giving tenants of social housing the right to buy at substantial discounts. As a result most of the best stock was sold off – lost to the social housing sector forever. We found ourselves left with a rump of hard to let, unpopular stock inhabited by a stubborn underclass. We now have real problems with social mobility.
22. As the decade progressed, various schemes of estate renewal were introduced, mainly predicated on substantial private sector development to help pay for social housing refurbishment or redevelopment. Such schemes were pretty successful. All were carried out in consultation with the tenants. But from what I saw, these exercises merely produced a wish list when tenants should have been given real choices. Nevertheless, the programme of renewal and refurbishment continues to this day under the Estate Renewal Fund administered by the Homes and Communities Agency.

The nineties – a holistic approach

23. When we arrived in the nineties we had a change in management and style at the Department of the Environment. There were no further UDCs, new EZ designations dried up, tax allowances were brought to an end and UDGs and their various successors were abolished.
24. The new words were “holistic”, “targeted” and “outputs”. It started with City Challenge whereby designated deprived areas competed for £7.5m a year over five years to address socio-economic as well as physical problems. The rigid spending target/limit of £7.5m a year proved to be challenging, wasteful and just plain daft. You could not carry over spending from one year to the next. It was “use it or lose it.” So we then had the slightly more flexible Single Regeneration Budget where invited areas allegedly competed for a pot of money over a period of up to seven years. In practice, the competition was predecided. Like City Challenge there were still problems with annual budgets and inflexibility. And it also suffered from the tyranny and myth of outputs – a measure driven by the Whitehall bean-counters that led to fiddles everywhere.
25. The old English Estates – a government backed provider of workspace in the Assisted Areas was turned into English Partnerships and given a much wider regeneration brief as the National Regeneration Agency..

The beginning of the end for council housing

26. Throughout the nineties, the volume of housebuilding continued to decline. Local authority building was virtually abandoned. Such new social housing development as there was came by way of housing associations and amounted to only 20,000 a year as against 120,000 - 130,000 new private homes for sale. Notwithstanding a huge increase in household numbers, we were only building 35% of the total number of houses we had managed in 1968. As far as social housing was concerned, government had come to rely heavily on provision through planning gain. Pussyfooting policies left such provision open to negotiation – and invariably the planners and the public lost out.

27. Moreover, government's priority for affordable housing was to provide accommodation for the very poorest and economically inactive, even in prosperous and expensive areas. As a result, we saw fewer affordable units built, and in many areas, key workers such as teachers, nurses and police, found themselves unable to afford the private sector market and not poor enough to qualify for such affordable housing as was being provided. In London, you have to be pretty rich to be able to buy a home or desperately poor to qualify for social housing. The people in the middle are being squeezed badly.
28. Local authorities were encouraged to transfer their stock to housing associations – registered social landlords (RSLs). Free of political diversions and conflicting priorities and with their focussed approach, RSLs have generally done a much better job of housing management than their local authority predecessors.

New Labour – new policies

29. In 1997 New Labour and Tony Blair came into power. Out went all the old measures, in came shiny new ones – thick and fast.
30. We had New Deal for Communities to tackle multiple deprivation in the most disadvantaged neighbourhoods in the country. The idea was to give some of our poorest communities the resources to tackle their problems of: poor job prospects; high levels of crime; educational under-achievement; poor health; and problems with housing and the physical environment. NDC companies were largely controlled by local residents. Many have experienced problems with board members falling out and alleging corruption or mismanagement by their executive or fellow directors. Since NDC we have had the Neighbourhood Renewal Fund that seeks to help and regenerate run down areas - mainly of social housing - by grant aiding local authorities.
31. Government set up Regional Development Agencies with wide ranging briefs which included housing, environment, regeneration and trade and industry and which overlapped with those of English Partnerships.
32. Lord Rogers and his Urban Task Force produced “Towards an Urban Renaissance”. This sought to “identify causes of urban decline and establish a vision for our cities, founded on the principles of design excellence, social wellbeing and environmental responsibility within appropriate delivery, fiscal and legal frameworks.” It is an excellent report – and I commend it to you along with the progress review six years later, but - and it is a big but – it is very heavily (some say too heavily) design led.
33. Government took many of the recommendations on board (principally the cheap ones which did not involve primary legislation) but generally fought shy of full implementation (as with Urban Action Areas), or commissioned yet another report (as with CPOs).

New delivery vehicles

34. Government rolled out the Urban Regeneration Company model – a partnership between English Partnerships, the local authority and the RDA, with a mainly private sector board, to focus on tackling the regeneration of comparatively small areas. These were modelled on the arrangements that rebuilt the centre of Manchester so successfully after the IRA did the demolition. The idea was that they prepared a master plan and brought a focussed approach

prioritising their powers and resources on the regeneration of the designated area. The earlier ones which received substantial financial backing have generally worked well. Some on the more recently designated URCs have suffered from a lack of resources and rather lost their way. Nevertheless the model is being developed and refined to cover economic regeneration with a remit over entire cities and surrounding areas.

35. In the early part of the decade, prices of older properties in run down areas had collapsed to the extent that many small terraced houses could be bought for as little as £1,000. So government set up Housing Market Renewal Pathfinders to buy up low value stock and undertake selective demolitions and improvements. No sooner had it announced what it was doing than housing values picked up, pushing values of hitherto hard to sell units to the sort of level where refurbishment became a sensible option. Nevertheless, government persevered with its scheme, wasting money and alienating residents in the process. I think there is a lesson here about being light on your feet.

The move away from regeneration to housing delivery

36. With total annual housebuilding numbers falling to around 150,000, the thrust of government policy has changed from one of regeneration to housing growth, with the designation of greenfield growth areas and growth points. Notwithstanding demanding targets of 250,000 a year, with the recession, housebuilding for private sale has virtually been stopped in its tracks and such targets now appear hopelessly unattainable.
37. English Partnerships became very much a housing-led regeneration agency. It has recently been amalgamated with the Housing Corporation (which hitherto administered social housing grants and regulated social landlords) to form the Homes and Communities Agency (HCA).

Sustainability and the move to brownfield development

38. Over the last decade, sustainability has become a really big issue. Government is seeking to have all new homes meeting a zero carbon standard by 2016. Many in the industry do not think this is achievable at reasonable cost – and in any event zero carbon homes may not be as attractive to the market as government thinks.
39. One interesting phenomenon that we have seen is a sea change in housing types and densities as government set brownfield development targets, developers found planning consent on greenfield sites harder to secure and a market developed amongst young singles and childless couples for inner city apartments. Between 2001 and 2005, housing densities across England increased from 25 per hectare to 40 per hectare. Over the ten years from 1997 the proportion of flats amongst new homes completed rose from 15% to 48%. But after a short period of very high take up, supply has now outstripped demand and we have the unhappy sight of many new city centre blocks, in provincial cities, unsold and unfinished. There has now been a backlash against the cramped accommodation that characterised such development. Many now advocate a return to traditional terraced housing – which can still achieve pretty high densities.
40. Allied to this change we did see inner city developers taking mixed use more seriously. But it usually only ran to little more than ground floor retail or restaurant uses with residential or offices over.

Simplified planning?

41. Throughout the noughties, government has sought to make planning, and plan making in particular, more simple. In practice, it has only served to complicate things. Many local authorities are way behind on preparing their Local Development Frameworks (LDFs) as we call them. Some LDFs have fallen foul of procedures and been rejected and others have been withdrawn.
42. Quite apart from a confusing array of agencies with overlapping remits, as government flounders, we are getting more and more new initiatives and policy statements on planning and regeneration than ever before. We are all suffering from policy fatigue. On the ground this has translated into muddled and contradictory planning objectives.

The lessons

43. I should now like to move on to the lessons we have learned or could and should have learned.

Evolution not revolution

44. The overwhelming message is to have a light touch - do not lurch from policy to policy or from initiative to initiative. We have seen eminently workable schemes thrown away, because they were “not invented here”. Where schemes like tax allowances or gap funding grants were thought to have shortcomings, instead of fine-tuning them, we ditched them altogether, rather than adapt them to get round problems. So, “If it ain't broke don't fix it – and if it can be easily made to work better, don't get a new one.”
45. But if something is not working and cannot be fixed, don't be afraid to admit that it is not working or the world has changed – and move on. In the UK, we have found ourselves paying well over £100,000 for houses, only to demolish them because they had been regarded as unsaleable. Well once upon a time they were virtually unsaleable – but by the time we got round to doing anything, the market had picked up to the extent that refurbishment and repair were both viable and attractive.

Keep it simple

46. Over the last twenty years or so, planning policy has become ridiculously complicated with conflicting objectives, often paralysing development. We now have so many regeneration delivery agencies, we scarcely know if we are coming or going. Their remits overlap and many schemes require multiple funding arrangements. Beware hidden agencies, operating within silos within what might appear to be a single agency. I urge you to keep your policies and your delivery agency models as simple as possible.

Land ownership and development procurement

47. My next big point is that planning control is no substitute for control through land ownership. The only way the public sector can get what it wants, where it wants it, when it wants it is through ownership of the site. Developers will try to maximise profit – no bad thing – but their objectives will conflict with those of the wider public. In the UK at least, the planning system has not produced the quality of development or the social benefits we need. The development industry has always been pretty risk averse – and it is now a lot more risk averse than it was.
48. It will want huge returns to cover risks on major projects where substantial up-front expenditure is needed. So the public sector needs to masterplan larger developments, put in major infrastructure (on and off site) and sell off parcels in manageable bite sized lumps under tight development agreements – leaving developers the minimum of wriggle room.
49. Use the market to get best value - be it best price for a profitable development site, or minimum subsidy for one that needs gap funding.
50. I believe you have a rule in Hong Kong whereby, if a property is compulsorily purchased, you have to assume it is only seven years old. I am all in favour of giving people a modest premium when their properties are compulsorily acquired, but the rule you have here seems quite disproportionate – and has and will lead to speculation. It may well make your strategy unaffordable.

Beware the preservationists and the eco-police

51. Most will agree with a policy of restoration and refurbishment where it secures the preservation of an attractive old building. Most people will agree with a policy of reducing your carbon footprint. But be sensible, be proportionate. There comes a point when restoration is simply unaffordable or the detailing required is unrealistic. As things stand, zero carbon/ low resource use developments are not/will not be attractive to the market and extra capital costs overwhelmingly outweigh discounted revenue savings
52. Whilst at present you may not suffer from the myopic architectural historian conservationists or politically correct eco-lobby that we have in the UK, mark my words, they will come.

The local community

53. The hard-edged property initiatives of the eighties worked well on barren derelict industrial sites but ran in to trouble when they took in residential areas. They tended to run roughshod over local opinion and generated much bad feeling. So by the time the nineties came, community consultation was all the rage. Survey after survey in the most deprived areas led to complaints of consultation fatigue. Often the exercises were pretty meaningless, because they offered no real choices. I was involved in evaluating an estate renewal scheme where developers' proposals were evaluated against the tenants' wish list. "We want bigger, better quality – and cheaper. We want more units – at lower density." How you evaluate developers bids against 32 contradictory criteria is completely beyond me,
54. Those commissioning the work must take the lead giving the residents real costed choices – balancing benefits against costs. And once they have made their choices, these need to be

incorporated into a clear and tight development brief – to be put out to the market competitively.

55. Community-led neighbourhood programmes bringing in social and economic initiatives as well as environmental improvements have exposed big cracks in the social fabric of our poorest estates. Many have got themselves into acrimonious internal squabbles. Local residents, who have few qualifications and little training with no idea how to manage a business, have been put in charge of quite substantial budgets. My advice would be to avoid the possibility of such problems – get in professional management.
56. I believe it pays to give the community “ownership” of communal assets. They will be better run and cared for. Let local residents control and have the benefit of communal meeting halls, and perhaps laundrettes, cafeterias etc. Let them be responsible for communal open space and common parts and pay for their upkeep. If mum and dad have to cough up \$500 to remove the graffiti that their offspring has decorated the lift lobby with and suffer the opprobrium of other residents, the little lad will have his PlayStation confiscated and will be less minded to repeat his misdeeds. The private sector will not put the necessary structures to ensure community ownership and involvement in place unless forced by a condition in the development agreement.
57. When the UK went in for large scale rehousing in the fifties and sixties it broke up long-established communities, scattering them far and wide. Old social structures and mutual support disappeared overnight. The new developments lacked any sense of community and rapidly became socially dysfunctional. As far as you can, you should seek to preserve existing communities.

Masterplans

58. Masterplans have assumed increased importance since Richard Rogers wrote “Towards an Urban Renaissance”. We need them to raise people’s sights and to secure buy-in from all parties involved. They must be visionary – to capture people’s imagination. But they must also be realistic – they must have an economic rationale and say how much it will cost and who has to do what and when to deliver. They must set out real actions - not just provide a vehicle for commissioning yet more studies.
59. Unfortunately some masterplans have been hijacked by architects and designers to the exclusion of anyone who knows how to get things done. At the extremes they fall into four categories.
 - *Community consultation* – as pioneered by Pontius Pilate. These absolve those who commissioned it from any responsibility for delivering it.
 - *Best practice* – you can take best practice from anywhere (say Alaska) and apply it to anywhere else – no matter how inappropriate (say Manchester). You can always find a body daft enough to endorse it – there are plenty around. It also enables your consultant to produce a regeneration strategy off a word processor.
 - *Design-led approach*. The idea is you get plan commissioned from signature architect – preferably one who can’t draw rectangles. This has the great advantage of producing instant and substantial publicity – mainly for the architect. It will probably be impossible to implement – and just as well if you don’t try.

- *Field of dreams* – this works on the hypothesis that if we build it they will flock here in droves. “It” normally involves a centre of excellence and some form of ubiquitous “unique” IT offer for knowledge-based industry.
60. When you commission a masterplan, the architect or designer, will tell you “This is not a blueprint, it is a guide.” But you try and change anything after the plan is finished. What was merely indicative has suddenly become immutable, an absolute truth to be defended by the faithful against any heretic who tries to change it.
 61. I would have no truck with these design fundamentalists. Even the best masterplans need regularly checking and, if needs be, updating to accommodate changing market conditions, new challenges and take advantage of fresh opportunities.

Delivery Agencies and Delivery Professionals

62. In the UK, delivery agencies have worked best when they have had planning and compulsory purchase powers and have been properly funded, like the New Town and Urban Development Corporations.
63. Those such as Urban Regeneration Companies, having to rely on the powers and resources of their partners have worked well in spite of their shortcomings. They have provided a focus and priorities for their partners and have brought in external development expertise and private sector board representation – and therefore been partly isolated from the whims and expediencies of local party politics.
64. As such, some people have claimed that URCs are undemocratic. Well yes and no. They are democratic to the extent that they consult extensively on their masterplan. But once everyone has signed up to it, the company is charged with delivery – an executive process that cannot be subject to second guessing by the public or elected representatives at every twist and turn. The company will work alongside local authority officers and have member representation on its board, but if you want to see things happen, you cannot be doing with referring everything to committee or being subject to the labyrinthine red tape of local government.
65. Even so, much if not most of the URCs’ effort has been spent on overcoming the stifling bureaucracy of the planning system and other statutory obstacles.
66. Some of our delivery agencies have suffered because those in charge do not understand property development. One big problem with real estate development is that everyone thinks they know how to do it. They do not. Just because they have pioneered the use of laser guided weapons or run a chemical plant in Philadelphia does not mean that they know what questions to ask of their masterplanners or how to select a developer.
67. You can hire people in for all or any of the technical aspects of planning and development, but you need a property professional to choose the right people, ask the right questions and to make sure that you are getting the right advice. In two of the three URCs I ran, we had to tear up the masterplan and start again. The proposals looked convincing enough and the designs were elegant, but no-one had given any thought to cost and implementation.
68. You need to make sure that those charged with the delivery of your strategy have the right skills and understand property development and procurement. And I cannot stress strongly enough that they should be left to get on with delivering an action plan without day to day

political interference. Once the powers that be have decided what needs to be done and what the budget is, by all means monitor progress, but leave those on the ground to get on with it.