

The Thames Gateway: building a new city within an old one?

LSE London Development Workshops II
15 April 2008

Introductory Remarks

Christine Whitehead, Seminar Chair and Professor of Housing, Department of Economics, LSE

Christine Whitehead opened the seminar by emphasising the context in which the day's discussions should be grounded: while progress in the Gateway has been relatively slow, the overall Thames Gateway project is a massive undertaking. As such, will necessarily involve long timescales and encounter challenges ranging from the difficult economic environment to the number of formal bodies involved in executing the project. Whitehead also framed the session in terms of: what can be done to facilitate delivery of an improved Thames Gateway?

The Thames Gateway: progress and plans

Lorraine Baldry, Chairman, London Thames Gateway Development Corporation

Lorraine Baldry opened by describing the London Thames Gateway Development Corporation (LTGDC): it is an urban development corporation formed in June 2004 with a 10-year life funded by DCLG. It acts as a decision-making body for major planning applications and as a development body with powers for land assembly. She noted that the Thames Gateway area is eight times the size of the Isle of Dogs, half of which took 25 years to develop. Perhaps this indicates, Baldry suggested, just how 'long-term' the Thames Gateway development project will be. She also noted that the LTGDC area of jurisdiction includes the 2012 Olympic site, a conscious decision since the area would require regeneration regardless of the coming games, although the growth that will accompany the Olympics is an added bonus. Other major LTGDC projects include Canning Town, the Olympic Arc and Bromley-by-Bow in the Lower Lea Valley as well as Barking Town, South Dagenham and Rainham Village in London Riverside. In sum, Baldry stated that the primary objective of LTGDC is to create the conditions that will enable the delivery of 40,000 new homes and 28,000 new jobs by 2016. The agency aims to do this by targeting brown field sites; rejuvenating areas of severe deprivation; maximising the opportunities presented by the 2012 Olympics, Stratford City, and Canary Wharf; accelerating economic growth not only in London but throughout the United Kingdom; and using its planning power to create communities where people want to live and work.

In particular, Baldry emphasised this last point—that is, the LTGDC commitment to creating places where people actively wish to reside for both work and leisure purposes. However, she pointed to a current trend in regeneration by which present residents 'take the money and run' as their properties are purchased by various authorities for future conversion. The challenge here, she noted, is to convert places like the Lower Lea Valley into areas to which former residents will actually plan to return despite perceptions that regeneration is slow or unlikely to happen.

Baldry argued that residents can in fact be drawn back into regeneration areas but only if they are provided with ‘green space, true communities’. While she noted that it is currently desolate, Baldry referred to Barking Riverside as one area that offers tremendous opportunities. However, in keeping with her emphasis on creating communities that are in fact capable of attracting residents, she cautioned that development in such areas is not simply a matter of constructing new homes. Rather, regeneration objectives must be integrated, as they are at LTGDC. Thus housing development must be accompanied by investment in transport and accessibility, environmental improvement and sustainability, and town and neighbourhood centres.

Baldry also discussed the challenges and opportunities involved in regeneration of the Thames Gateway. Challenges include contaminated industrial land; flood risks; a complex web of power lines, gas holders, and sewage works; poor social infrastructure; low skills and educational attainment in the area; and complicated local governance issues. She balanced these quite substantial obstacles with the various opportunities specific to the Gateway, including its many historic buildings, good transport links, extensive waterways, and open space. Baldry argued that it is imprudent to overemphasise the current recession as an insurmountable challenge since the UK will undoubtedly experience many economic cycles between now and completion of the Gateway regeneration.

Baldry concluded by emphasizing that the LTGDC does not operate in isolation. Rather, it works closely with central government, the Housing Corporation and the coming Homes and Communities Agency, the Greater London Authority, the London Development Agency, and local authorities. Delivering an improved Thames Gateway would not be possible without such collaboration.

Housing, infrastructure and quality in the Gateway

Sir Bob Kerslake, Chief Executive, Homes and Communities Agency

Sir Bob Kerslake began with an overview of the Homes and Communities Agency (HCA)’s mission: to create opportunities for people to live in affordable homes that are situated in desirable locations and to enable local authorities and communities to realise the ambitions they hold for their own areas. The HCA intends to achieve these goals, he stated, by acting as a bridge between national targets and local ambitions; by utilising a process of ‘single conversations’ with local authorities, regional development agencies, and sub-regional partnerships; by working effectively with the market, house builders, and investors; and by understanding the needs and aspirations of real people and real communities. Specifically, then, the HCA objectives are to improve the supply and quality of available housing; to secure the regeneration of land and infrastructure; to support the creation, regeneration, and development of communities as well as the continued well-being of existing communities; and to contribute to the achievement of sustainable development. Kerslake emphasised the latter objective, arguing that sustainability does not refer to environmental issues alone but to social sustainability as well. Otherwise stated, ‘we cannot deliver homes without communities’.

Kerslake pointed to the scale of HCA investment budget as unique to this agency. From 2008/09 to 2010/11, the HCA will be directly involved in spending a budget of £16.2 billion. Thus the interplay between the HCA’s expertise and the

HCA's resources will make the agency's contributions to the Thames Gateway both meaningful and distinct.

Kerslake noted the deprived character of the Thames Gateway area, including, for instance, that its population of 1.5 million faces a 1 in 5 chance of attending university, as compared to a 1 in 3 chance across the UK's southeast region. Further, roughly 50% of the children in the London region of the Gateway live in workless households, and the region as a whole has an estimated productivity gap of £12 billion. On the other hand, the Thames Gateway Development Plan projects employment growth in the region of 225,000 new jobs as well as a projected housing growth of 160,000 new homes by 2016. In short, Kerslake summarised the Thames Gateway project as exemplar of the challenges of growth and the benefits of renewal. The role of the HCA, in taking over the management of the Gateway from Central Government, will be to secure the critical public sector interventions that will unlock private sector investment in the Thames Gateway. Success, Kerslake stated, will depend on cooperation at the local level. Thus involving the London boroughs is crucial.

Kerslake concluded with some 'emerging thoughts' on certain outstanding issues related to the Gateway. He suggested that the vast majority of people share a common vision for a regenerated Thames Gateway but that there is far less convergence on the arrangements for delivery—that is, who is tasked with which objectives? Where has complacency taken over from real effort? What the project requires, he argued, are clear priorities and streamlined governance.

Challenges of planning and governance

Eric Sorensen, Chief Executive, London Thames Gateway Partnership

Eric Sorensen opened his presentation on the challenges of planning and governance with a brief overview of the current state of several areas in the Gateway. He noted that Lower Lea, for instance, illustrates the consequences of a traditional local economy that has almost evaporated, such as the decline in amenities and the casual use of sites. Sorensen also used Barking Riverside as an example, noting that despite the addition of 900 new homes, no further development has been accomplished in this area in the past twenty years. He emphasised that such sporadic development is the result of fitful and inconsistent planning that is driven by no real sense of what makes a solid market.

While Sorensen also noted the great housing potential in the Thames Gateway, he emphasised the distinction between housing capacity and actual housing output; data show that housing output in the Gateway has been undershooting as compared to targets. Moreover, Sorensen contrasted housing capacity with employment: industrial decline in the area has led to high rates of worklessness, which in turn produces an increased number of brownfield sites and, consequently further losses in areas suitable for housing development. Sorensen also discussed the current distribution of homes in the Greater London area. He argued that if one considers the current distribution of housing along the lines of price and tenure and then overlays this distribution with capacity, it will become evident how development projects may reinforce a particular pattern of social and housing behaviour by which the poor are segregated from the wealthy. That is, the Thames Gateway may be on track to

become a place where the poor live. Instead, Sorensen contended, the Thames Gateway should be developed as an area that is also attractive to the ‘aspiring middle classes’.

Sorensen also pointed to London’s narrow business base as an additional challenge for the Thames Gateway project. Today, London’s business activities are concentrated on financial and business services when, not long ago, London was the single largest manufacturing area in the country. This shift has brought with it massive social consequences—particularly in the Gateway—including the creation of a market for commercial office space that is thin in many areas because businesses have agglomerated together in fewer, distinct regions, namely the West End, the City of London and Canary Wharf. Consequently, new business parks appear outside these areas very selectively. If this reflects the current business settlement pattern, then what should be the accompanying residential settlement pattern? In other words, Sorensen queried, what is the planning structure for the wider Gateway in the face of such a powerful agglomeration force? Sorensen argued that it is currently ‘confused’, with no sense of strategy or priority. He suggested that the focus be on the redevelopment of town centres throughout the Gateway, given the difficulties in building new areas from scratch. Town centres, by contrast, already offer some sense of what the possibilities are for the growth of community and infrastructure.

Regarding challenges in governance, Sorensen noted significant levels of confusion between local authorities and central government: who has control of what? Instead of addressing such confusion with the invention of a new, massive organization tasked with local development in the Thames Gateway, Sorensen argued for a better interface between official bodies involved in delivering an improved Gateway. The key role for the Homes and Communities Agency, he suggested, should be in managing these interfaces. Further, Sorensen called for the various organizations to focus their attention on the Gateway in a more consistent manner.

The Thames Gateway: government policy and progress so far
Paul Hudson, Director of Delivery, Thames Gateway Executive

Paul Hudson began by noting that, while it is tempting to think of the Thames Gateway as a ‘London development project’, it includes a diverse range of areas running from central London to the Estuary and the North Sea, making this a dynamic and complex project. He stated that this realisation—that, indeed, the Thames Gateway project can be arguably described as ‘Europe’s largest regeneration programme’—is central to understanding progress so far. As Hudson pointed up, the Gateway effort includes three different administrative regions; is intended to produce major housing and economic developments; involves potentially the UK’s largest port and logistics location; and must interface with the 2012 Olympics. In short, the Thames Gateway effort is distinctive in size, scale, organisational complexity, and its relation to the economy. One could argue that the project is basically a single cohesive entity or, alternatively, that it is more accurately conceived of as a collection of different projects/programmes responding to relatively self-contained labour markets. Either way, Hudson emphasised that attention must be paid to the economic drivers in the Gateway.

Hudson also stated that, while this massive undertaking has yet to achieve many of its objectives, progress has been made in identifying priorities. For further information on the strategic approaches guiding the Thames Gateway development, Hudson directed his audience to the Sustainable Communities Plan of 2003; the Interim Plan of 2006; the Delivery Plan of 2007; and the Implementation Plan of 2008.

Further, Hudson commented on the regional aspects of the Thames Gateway, noting that one challenge is securing a consistently high level of commitment from all the three regions involved. What we wish to avoid, Hudson argued, is having three regions that simply do not give the Gateway the priority required especially as benefits may often fall outside their region. Hudson therefore contended that these regional efforts should be directed by a single planning strategy that 'has bite' across the entire Gateway.

Hudson noted that the Thames Gateway housing regeneration programme will soon fall under the jurisdiction of the Housing and Communities Agency (HCA), directed by Sir Bob Kerslake. As such, most housing decisions will be taken by the HCA although the Thames Gateway Executive will set the pattern for housing investment over the next three years and continue to be responsible for maintaining relationships with other governmental departments.

Discussion

The discussion centred round three main issues: the meaning of community in areas of massive regeneration; the feasibility of current targets; and the complexity of governance within the Gateway.

Two major issues with respect to community were raised. First how can the established community be supported while the regeneration takes place? A useful example was given of support for a school which would otherwise have had to close because of the numbers being decanted but which will be well filled once the regeneration is complete. A rather more negative concern related to whether established communities can be expected directly to benefit from the new employment and services or whether the 'new communities' would be islands of affluence within traditional deprived areas. The second issue is what is meant by the community after regeneration – everyone in the social sector has a right to return – but private sector households will mainly have moved on and many social sector tenants will have settled elsewhere. A 'vision' of a highly mobile population which rubs shoulders comfortably with one another maybe more realistic than a stable long term community where people may live their whole lifetimes. Together these issues are likely to imply continuing tensions between different groups which must be positively addressed to ensure opportunities for all.

The second major issue, that of the feasibility of targets, involved considerable discussion about the potential trade-offs between meeting short term numerical objectives and longer term sustainability. There are real concerns about not only the quality and size of the current housing output but also about the location of some of this housing in relation to transport, local services and employment. The fear must be that forcing housing targets to be met in this way can once again generate the slums of the future. These problems are exacerbated by the predicted slowdown in the

economy which could reduce private sector development and directly impact social sector output and tenure mix through S106 agreements.

The employment context is seen as if anything more complex and problematic with considerable support for Sorensen's concerns about the thinness of demand. Some of the more positive initiatives, notably the port at the old Shell Haven site, are still at a very early stage. Moreover while the outcome could be extremely productive the jobs created are likely to be quite limited both directly and indirectly. To a great extent jobs must grow organically and respond to changes in demand – 'overplanning' can be destructive. The general view was although progress has been made and the baseline is there even the optimal timescale let alone the feasible timescale is probably significantly longer than is currently envisaged by government.

The third issue is the one most often discussed – the wide range of governmental and non-governmental organisations with often overlapping responsibilities, powers and stakeholder roles in the Gateway project. This is one outcome of treating it as a single project – although even in this context there are clear gaps and tensions – e.g. the TGDC is not a single coherent area – there is a large gap between Stratford/Canning Town on one side and Barking/East Beckton on the other while the Olympic Development Agency has powers only until the last day of the Olympics while the three local authorities maintain borough powers throughout. Yet many of the discussants did not regard this complexity as particularly unusual for a large project and though that with goodwill and a clear vision the major stakeholders could cope effectively. In general they were far more concerned by the strengths and weaknesses of the local, regional and national economy as well as the financial constraints involved in developing the massive infrastructure required in a period of declining expectations and lower levels of planning gain.

Closing Remarks

Christine Whitehead, Seminar Chair and Professor of Housing, Department of Economics, LSE

Whitehead closed the seminar by noting that it has taken years to develop a concept of what the Thames Gateway project consists of, and that many more years can be expected to pass before the project's various components will be self-sustaining. What is clear, she concluded, is that people living and working in the Gateway must at all stages be supported by an adequate level of social infrastructure, and that transparency is necessary in both setting priorities and ensuring appropriate governance structures.

Whitehead thanked the speakers and the participants for their contributions.