LHI Journal (2017) 8(2):33-53 http://dx.doi.org/10.5804/LHIJ.2017.8.2.033
http://lhi.lh.or.kr

UK Urban Regeneration Policy for Comprtitiveness : A Government Perspective

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(Received February 15, 2017 / Revised April 22, 2017 / Accepted April 27, 2017)

ABSTRACT

The UK Government's approach to how to deliver regeneration in its towns and cities has changed considerably in recent years. Traditionally, urban regeneration policy focused on reversing physical, economic and social decline in an area where market forces would not do this without intervention. Since 2010 urban regeneration has become a vital part of the Government's approach to increasing local growth and competitiveness and building a strong and balanced economy. The current emphasis is on a place-based approach to regeneration that builds on the particular strengths of different places to drive growth and addresses the factors that hold them back. This paper outlines the key features of current UK urban regeneration policy and how interventions to support regeneration and growth are being pursued at different spatial scales to ensure all parts of the country benefit. They include pan regional initiatives like the Northern Powerhouse and Midlands Way, to groups of local authorities operating at a sub regional level (combined authorities/ city regions), Local Enterprise Partnerships, and a variety of smaller scale programmes delivering regeneration in areas of economic and social decline. The paper explains some of the policy instruments and funding programmes available to support regeneration, and provides case studies of some major urban regeneration projects that illustrate the new approach including housing and infrastructure improvements like the planned High Speed Rail 2 line. These are supporting regeneration through the creation of strategic partnerships involving government, places and investors. The paper concludes with some lessons from past and future regeneration schemes to improve their effectiveness and impact on places and enhance local growth potential.

Key words : Urban Regeneration, Local Enterprise Partnerships, Local Growth Fund, Northern Powerhouse, Midlands Engine for Growth, Combined Authorities, City Deals, Growth Deals, Devolution Deals, Enterprise Zones, High Streets and Town Centres, Coastal Communities, Kings Cross, London Olympics 2012, Estate Regeneration, Housing Zones, High Speed Two Rail Line, Station Regeneration, Inclusive Growth

1. Introduction: What is Urban Regeneration Policy?

Urban regeneration policy in the United Kingdom (UK) today is about transforming places for the benefit of local communities and creating opportunities from which everyone can benefit now and in the future. Successful urban regeneration policy should foster joint working between and across the public, private and voluntary and community sectors to deliver outcomes that are more than the sum of their parts and support economic growth and prosperity. Regeneration should be part of an integrated strategy that tackles economic, social and environmental issues together and at an appropriate geographical scale: national, regional, city region / sub regional and local. Regeneration is a long term process and requires a long term commitment to deliver sustainable and lasting change.

Traditionally, urban regeneration policy referred to the broad process of reversing economic, social and physical decline in areas where market forces would not do this without public sector intervention and leadership. Previous government programmes pursued regeneration through programmes targeted at the most socially and economically deprived areas with support often involving high levels of Central Government grant funding.

Since 2010 the UK Government's approach to regeneration has been largely targeted at supporting local growth. A strong and competitive national economy depends on the strength, vitality and competitiveness of local economies across the country. Every part of the country needs to fulfil its potential in order to maximise national economic growth and rebalance the economy. For cities and regions this means making the UK

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less dominated by London and the South East and trying to strengthen the Midlands and Northern regions of the country.

2. Background to Regeneration and Growth Policy in the UK

Urban regeneration policy in the UK and central government's approach as to how to deliver it has undergone a significant change since the late 1960's when distinct urban regeneration initiatives were first launched. At this time, there was growing evidence of urban poverty, compounded by uneasiness about race relations following significant inward immigration to the UK from ex British colonies.

The response was to introduce a new programme targeted at the inner cities - the Urban Programme[1]. This was an attempt to tackle concentrations of poverty in British cities. It mirrored the American Anti-Poverty programmes which followed riots in US cities in the late 1960's. The Urban Programme was based on social pathology assumptions that the problems of inner cities were linked to a 'culture of poverty' with central government offering grants to tackle social problems by 'modernising' areas of deprivation.

By the mid 1970's with the continuing loss of population and jobs from inner city areas there was a major shift in policy. Central government increasingly looked at the need to address the economic as well as the social causes of decline and accepted the need to create wealth in cities. The Urban Programme was retained to deliver welfare services to those left outside the economic mainstream in cities but its funds were expanded and new institutions created in the largest cities - the Inner City Partnerships - to encourage a more collaborative approach between national and local government and community groups.

In the 1980's under the Margaret Thatcher government the institutional and policy framework for regeneration changed to encourage a new strategic response to urban decline - private sector-led entrepreneurialism. This entailed a shift from central government with the role of local authorities being reduced in favour of private sector enterprise. The term 'urban regeneration' was first coined in the early 1980's signalling the emergence of urban policy based on market-led strategies to lever in private property investment to the inner cities. The priorities of the Urban Programme changed to focus on direct economic rather than social outcomes.

This focus on economic outcomes continued in the early and mid 1990's through the Single Regeneration Budget[2], with local authorities devoting more resources to economic development and improving the competitiveness of urban areas with strong backing from central government.

By the late 1990's central government sought to promote both economic prosperity and social justice in urban areas. Following the launch of the Urban White Paper 'Our Towns and Cities: Towards an Urban Renaissance[3]' in 2000, policy no longer focused on 'inner cities' but on the wider urban area with a vision of towns, cities and suburbs offering a high quality of life and opportunity for all. The emphasis was on adopting long term policies that addressed economic, social and environmental needs together. Towns and cities were seen as assets not liabilities with a strong focus on involving local people in shaping the future of their community and making towns and cities attractive, vibrant and economically successful places.

During the 2000s there was an increasing recognition of the importance of good governance and strong local leadership with the encouragement of multi-agency partnership working through the mechanisms of Local Area Agreements (LAAs) and Multi Area Agreements (MAAs). MAAs were first proposed in the Local Government White Paper (Strong and Prosperous Communities[4]) 2006 as a way of helping local councils work with their neighbours to promote economic development at a city-region or sub regional level. Two cities - Leeds and Manchester - were encouraged to pioneer new governance arrangements - city-region pilots - to further drive growth and sustainable development in the city and surrounding authorities by granting them more powers and control over housing, regeneration, transport, innovation and skills and support to businesses.

These initiatives and others were underpinned by the government's Review of Sub National Economic Development

1) The Urban Programme: a report on some Programme Funded Projects - John Edwards, Richard Batley 1974 - https://academic.oup.com/bjsw/article-abstract/4/3/305/1658586/The-Urban-Programme-a-report-on-Some-Programme

2) The Single Regeneration Budget: final evaluation - Department for Communities and Local Government 2007 - Research Summary http://www.landecon.cam.ac.uk/pdf-files/cv/pete-tyler/SRB_RESEARCHSUMMARY_2007.pdf

3) Our Towns and Cities: Towards an Urban Renaissance - Urban White Paper - Department for the Environment, Transport and the Regions(DETR)2000-http://www.ribabookshops.com/item/our-towns-and-cities-the-future-delivering-an-urban-renaissance / 24089/

4) Strong and Prosperous Communities – Local Government White Paper 2006 - Department for Communities and Local Government – http://www.tedcantle.co.uk/publications/019%20Strong%20and%20prosperous%20communities%20White%20Paper%202006.pdf

and Regeneration (SNR)[5] in 2007 which aimed to deliver more effective decision making and planning in England at sub regional and local level to create stronger economic partnerships for growth.

Since 2010 urban regeneration has been seen as a vital part of the Government's approach to growth and to building a strong and balanced economy with every part of the country fulfilling its potential. There is growing emphasis on a place-based approach to regeneration that builds on the particular strengths of different places to drive growth and addresses the factors that hold them back. Central Government's role in this 'Whole Place' approach to regeneration[6] is to work in partnership with places and investors not only to promote jobs and growth but also to address a wider range of issues including housing, health, employment and skills.

3. Recent Urban Regeneration Policy History – Drivers for Change

There have been a number of drivers for change that lie behind the shift in thinking on UK urban regeneration.

The launch of the UK Government's White Paper 'Local Growth: Realising Every Place's Potential'[7] in 2010 set the tone for current local growth and regeneration policy with a focus, to quote the White Paper, on "shifting power away from central government to local communities, citizens and independent providers. This means recognising where drivers of growth are local, decisions should be made locally".

While the economic climate has changed since 2010, many of the White Paper's objectives still resonate including:"The Government is therefore determined that all parts of the country benefit from sustainable economic growth". The White Paper also set out set out how Government "will put businesses and local communities in charge of their own futures, give greater incentives for local growth and change the way central government supports and maintains growth".

The White Paper announced the creation of Local Enterprise Partnerships (LEPs)[8] , against the backdrop of the abolition of the 9 Regional Development Agencies (RDAs) established by the earlier Labour Government. LEPs, which are explained later in this paper, bring together business and civic leaders across a functional economic area to prioritise investment to where it will drive growth most effectively.

A second driver was the publication of a report by Lord Michael Heseltine (a previous Conservative Deputy Prime Minister and Government Minister) entitled: "No Stone Unturned in the Pursuit of Growth"[9] 2012 - an independent report proposing further measures to unlock the potential of local economies and leaders and enable every part of the UK economy to raise its game. While he applauded the steps being taken to "re-empower[ing] local communities to unlock growth", he also noted that the approach was "piecemeal, and creates complexity". He therefore recommended that Central Government should "brigade the separate funding streams which support the building blocks of growth into a single funding pot for local areas". The Government's response was to create the Local Growth Fund in 2013 and to agree Growth Deals with each of the Local Enterprise Partnerships in 2014 and 2015 - see later for further details.

A third driver was the publication in January 2017 of a Green Paper - "Building Our Industrial Strategy[10]" which provides a framework to build on the particular strengths of different places and promote faster local growth. The Green Paper recognises that the economic and productivity performance of most places outside London and its surrounding area lags behind the national average and that "there is considerable potential for cities, towns and areas whose performance has been lagging to close the gap - to catch up". The strategy, therefore, has "recognition of the importance of place at its heart". It highlights a number of ways in which UK Government policy can influence the prospects of particular places through spending decisions to support regeneration and growth not only on strategic infrastructure, transport, housing and so on but also spending on education at all levels from schools to universities. Government is also a

5) Review of Sub National Economic Development and Regeneration (SNR) - Department for Business, Enterprise and Regulatory Reform - 2007 - http://webarchive.nationalarchives.gov.uk/20081105144805/berr.gov.uk/whatwedo/regional/sub-national-review/page40430.html

6) Total place: a whole area approach to public services - HM Treasury, Department for Communities and Local Government 2010 – http://webarchive.nationalarchives.gov.uk/20130129110402/http:/www.hm-treasury.gov.uk/d/total_place_report.pdf

7) 'Local Growth: Realising Every Place's Potential' - Department for Business, Innovation and Skills - October 2010 – https://www.gov.uk/government/publications/local-growth-realising-every-places-potential-hc-7961

8) Local Enterprise Partnerships - 2010-2015 Government Policy - Local Enterprise Partnerships and Enterprise Zones - https://www.gov.uk/government/publications/2010-to-2015-government-policy-local-enterprise-partnerships-leps-and-enterprise-zones/2010-to-2015-government-policy-local-enterprise-partnerships-leps-and-enterprise-zones

9) No Stone Unturned in the Pursuit of Growth - Lord Heseltine Review - October 2012 – https://www.gov.uk/government/publications/no-stone-unturned-in-pursuit-of-growth

10) Building Our Industrial Strategy Green Paper - Department for Business, Energy and Industrial Strategy (BEIS) January 2017 – https://www.gov.uk/government/consultations/building-our-industrial-strategy

significant investor in research and innovation and can help to "maximise the particular strengths of different areas by working to create or strengthen local institutions that support their particular economic strengths and specialisms".

Most recently, the UK Prime Minister Theresa May has signalled a new approach in a speech in October 2016[11] when to quote: "The state exists to provide what individual people, communities and markets cannot … to rebalance the economy across sectors and areas in order to spread wealth and prosperity around the country… We will identify the places that have the potential to contribute to economic growth and become the homes to millions of new jobs…. Making the market work for working people…. My mission …is to build a country that truly works for everyone, not just the privileged few."

The new Housing White Paper - "Fixing our broken housing market"[12]launched in February 2017 has added a further driver with its recognition that housing is inextricably linked to place making and economic growth and development. It also seeks to encourage higher density housing on inner city sites close in transport hubs such as around railway stations. It is proposed to amend the Government's National Planning Policy Framework (NPPF)[13]to support this.

4. Current UK Urban Regeneration Policy – Key Features

Since 2010, the UK Government's approach to urban regeneration has largely been targeted at supporting local growth. The main features of this approach include:

- Agreeing place-based approaches to driving economic growth, regeneration and housing development - including pan-regional models such as the Northern Powerhouse and Midlands Engine designed to boost economic growth and competitiveness in areas outside London and South East England;
- Creating the conditions for local growth through a competitive, deal-making approach which offers incentives such as the Local Growth Fund that supports successful growth projects and the creation of Enterprise Zones that provide tax breaks and Government support in designated areas;
- Empowering strong and accountable local decision-making and giving a voice to the private sector through Local Enterprise Partnerships (partnerships between local authorities and businesses), elected Mayors for Combined Authorities/ city regions. The latter provide a formal structure for collaboration between local authorities on joint regeneration and transport projects;
- Devolving and decentralising powers and functions to local areas, for example through Devolution Deals which devolve powers and spending from central government to consortiums of local authorities.

These different approaches are all described in more detail in the following sections.

5. Regeneration and Local Growth Interventions Operate at Different Spatial Scales

The current range of local regeneration and growth interventions exist at a range of spatial scales - from the pan-regional, to the hyper local. While this risks some of these interventions becoming fragmented, it also brings great strength, by targeting a policy intervention at the right spatial scale, and enabling strong local leadership of the intervention itself. These local interventions also respond to the drive to "shift power away from central government" and ensure "all parts of the country benefit from sustainable economic growth." Central government is pursuing discussions - including deals - with places at all these different scales.

The different spatial scales at which these interventions operate can be described as follows:

- Pan-Regional - for example, the Northern Powerhouse[14], the Midlands Engine for Growth[15] and the Thames Estuary 2050 Growth Commission[16] - the latter is tasked with developing an ambitious vision and regeneration and growth delivery plan for areas to the east and south east of London.
- Combined Authorities/City Regions - There are currently 6 Combined Authorities in England[17]largely covering city

11) Prime Minister Theresa May's Speech to the Conservative Party Conference 5 October 2016 – https://blogs.spectator.co.uk/2016/10/full-text-theresa-mays-conference-speech/

12) "Fixing Our Broken Housing Market" White Paper - Department for Communities and Local Government - February 2017 - https://www.gov.uk/government/publications/fixing-our-broken-housing-market

13) National Planning Policy Framework (NPPF) - Department for Communities and Local Government - March 2012 - https://www.gov.uk/guidance/national-planning-policy-framework

14) The Northern Powerhouse - UK Government Website - 2017 - http://northernpowerhouse.gov.uk/

15) The Midlands Engine Strategy - UK Government website 2017 - https://www.gov.uk/government/publications/midlands-engine-strategy

16) Thames Estuary 2050 Growth Commission - Department for Communities and Local Government July 2016 - https://www.gov.uk/government/consultations/thames-estuary-2050-growth-commission-call-for-ideas

17) Combined Authorities - Local Government Association Guide 2017 - http://www.local.gov.uk/devolution/combined-authorities

regions. They are created voluntarily to allow a group of local authorities to pool responsibility and receive certain delegated functions from central government to deliver economic and transport policy more effectively over a wider area. These Combined Authorities have all benefitted from the City Deals, Growth Deals and Devolution Deals described later in the paper.

- Local Enterprise Partnerships (LEPs)[18]- LEPs are voluntary partnerships between local authorities and businesses across a functional economic area to prioritise investment where it will drive growth most effectively
- Smaller Spatial Scales - for example, Enterprise Zones, High Streets initiatives, Coastal Communities and railway station regeneration programmes. Programmes at these more local levels allow more targeted approaches to support urban regeneration and tackle market failure.

These different interventions are described below:

5.1 The Pan Regional Scale – The Northern Powerhouse and Midlands Engine

The development and delivery of wider cross-government regional growth programmes reflect a growing recognition that there is no one size fits all approach to urban regeneration or unlocking the economic potential of different places. The focus has to be on encouraging bottom up approaches that involve getting local areas to work together with central government to rebalance growth across the regions and the nations of the UK. Two government departments - the Department for Communities and Local Government (DCLG) and the Department for Business, Energy and Industrial Strategy (DBEIS) - operate a joint Cities and Local Growth Unit which supports delivery of these regional growth programmes.

5.1.1 Northern Powerhouse

The Northern Powerhouse[19] is part of the Government's long term economic plan to build a stronger North, linking its cities and regions to become more than the sum of their parts particularly in the "Core Cities" of Manchester, Liverpool, Leeds, Sheffield and Newcastle(see map in Figure 1). Its aim is to enable the North to become a driver of UK economic growth and reposition the English economy away from London and the South East.

18) About Local Enterprise Partnerships - LEP Network - 2017 - https://www.lepnetwork.net/about-leps/

19) The Northern Powerhouse - House of Commons Library Briefing November 2016 - http://researchbriefings. parliament.uk/ ResearchBriefing/Summary/ CBP-7676

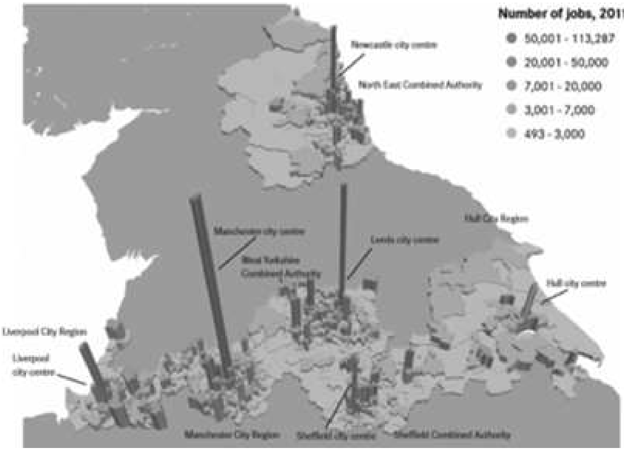

Fig. 1. Map of the Northern Powerhouse Area, Showing Number of Jobs in the Main Cities and Urban Areas

The Northern Powerhouse strategy[20]explains how the government will work with local stakeholders to address key barriers to productivity in the region. The government will invest in transport infrastructure to improve connections between and within the North's towns, cities and counties; work with local areas to raise education and skills levels across the North; ensure the North is an excellent place to start and grow a business; and ensure the Northern Powerhouse is recognised worldwide as an excellent opportunity for trade and investment.

As part of this initiative, central government is:

- building on the City Deals[21] it entered into with the largest urban areas in the North, in 2012, to give cities the powers that fit their own economic strengths, and subsequent Devolution Deals with four Combined Authorities/ city regions: Greater Manchester, Liverpool City Region, Tees Valley, and Sheffield City Region. Devolution Deals involve the further transfer of powers and spending on public services from central government to local areas represented by consortiums of local authorities.
- investing £13 billion in transport in the North up to 2020 to improve transport links between the major cities and has established Transport for the North (TfN)[22]. The latter strategic body is tasked with developing a world class integrated transport system for the North that will connect the region with fast, frequent and reliable transport links to drive economic growth.

20) The Northern Powerhouse Strategy - HM Government - November 2016 - https://www.gov.uk/government/ uploads/system/uploads/attachment_data/ file/571562/NPH_strategy_web.pdf

21) City Deals - House of Commons Library Briefing - November 2016 - http://researchbriefings.parliament.uk /ResearchBriefing /Summary/SN07158

22) Transport for the North - Spring 2017 Update Report – http://www.transportforthenorth. com/

- creating a Northern Powerhouse trade and investment portfolio[23]highlighting £24 billion worth of potential foreign direct investments in the North. In October 2015 during Chinese President Xi Jinping's visit to the UK, Prime Minister David Cameron announced that the Northern Powerhouse proposal has "Chinese backing".
- launching a Northern Powerhouse Investment Fund[24] of over £400 million to support the growth of small and medium size enterprises (SMEs).
- supporting 17 Enterprise Zones[25]in the North which have helped to attract nearly 9,000 jobs since 2012.
- supporting the £235 million Sir Henry Royce Institute for Advanced Materials[26]at the University of Manchester to allow the UK to continue to grow its world leading research and innovation base in advanced materials, including graphene.

In June 2016, a report by the Northern Powerhouse Economic Review[27] provided evidence that a higher performing and more unified Northern economy could add more than £97 billion to the UK economy and generate 850,000 jobs by 2050. This underlines the reasoning behind devolving power to give the North a powerful new voice so it can reach its potential as a driver of UK economic growth.

5.1.2 The Midlands Engine for Growth

The 'Midlands Engine for Growth[28]' is a long term economic plan designed to support and sustain regeneration and growth in the Midlands of England. The Midlands of England is home to 11.5 million people, has an economy worth £222 billion each year and covers 11 Local Enterprise Partnerships. They have come together with the aim of boosting productivity, attracting inward investment, increasing connectivity and building a regional tourism offer. The region has played a strong role in the recovery of the UK economy since the recession and is important to the UK economy as the heartland of the UK's manufacturing sector. During 2015, private sector employment in the Midlands grew more than three times faster than London and the South East.

Central government is supporting the Midlands Engine in a number of ways:

- through a West Midlands Devolution Deal[29] - covering all or part of three Local Enterprise Partnerships -and Greater Lincolnshire Deal. This Deal represents a first step in a progressive process of devolution of funding, powers and responsibilities to the West Midlands Combined Authority to tackle the economic and social challenges that the region faces. The agreement includes powers to tackle such challenges as skills shortages, poor transport links and high unemployment.
- £5 million has been awarded to Midlands Connect[30]to develop a long term transport strategy and investment plan and work towards establishing a Sub-national Transport Body to develop a region-wide transport strategy to drive the economy.
- a £5 million trade and investment package has been made available to help promote the regions strengths and opportunities overseas, reach new global markets and boost exports and attract foreign investment.
- announcing the creation of a £250 million Midlands Engine Investment Fund[31]: to enable SMEs to access finance to deliver growth. This is subject to an £80 million contribution from the European Investment Fund (ERDF).
- providing £60 million for an Energy Research Accelerator[32] supported by six internationally-renowned Midlands universities foster research and develop new technologies to shape the UK's energy landscape over the next 40 years, and £14 million to support Birmingham STEAMhouse to transform a former tea factory into a creative innovation centre that will create up to 10,000 jobs and regenerate a long neglected part of the city.

5.2 The 'Devolution Revolution' – from City Deals to Growth Deals and Devolution Deals

Since 2010 there has been a gradual building of momentum towards a more localised approach to governance and a

23) Northern Powerhouse trade and investment opportunities – January 2017 – https://www.gov.uk/government/publications/northern-powerhouse-investment-opportunities
24) Northern Powerhouse Investment Fund - British Business Bank - February 2017 - http://british-business-bank.co.uk/ourpartners/northern-powerhouse-investment-fund/
25) Enterprise Zones - House of Commons Library Briefing - March 2016 - http://researchbriefings.files.parliament.uk/documents/SN05942/SN05942.pdf
26) Sir Henry Royce Institute for Advanced Materials - website - http://www.royce.ac.uk/
27) Northern Powerhouse Economic Review - SQW - June 2016 - http://www.sqw.co.uk/insights-and-publications/northern-powerhouse-independent-economic-review/
28) Midlands Engine for Growth Prospectus - HM Government - SEMLEP - 2016 - http://www.semlep.com/ resources/uploads/ midlands-engine-for-growth_prospectus.pdf
29) West Midlands Devolution Deal - HM Treasury - November 2015 - https://www.gov.uk/government/publications/west-midlands-devolution-deal
30) Midlands Connect - website March 2017 - https://www.midlandsconnect.uk/
31) Midlands Engine Investment Fund - British Business Bank website-March 2017 – http://british-business-bank.co.uk/ourpartners/midlands-engine-investment-fund/
32) Energy Research Accelerator - website March 2017 - http://www.era.ac.uk/

realisation of the opportunities of devolution in England to support regeneration and growth. This process was facilitated by the Localism Act 2011[33], which removed the formal regional tier of planning in England, but replaced it with a new 'Duty to Cooperate'.

The 'Duty to Cooperate' requires local councils to work together when preparing their local policies and spatial plans, to ensure that 'bigger than local' issues which cross local boundaries are dealt with properly for the planning system. The Act also sets out a series of measures to help shift in power away from central government and towards local people, including new freedoms and flexibilities for local government; new rights and powers for communities and individuals and reforms to ensure that more decisions are taken locally.

From 2012 - 2014, central government also agreed City Deals[34] with the country's 27 largest urban areas. City Deals are bespoke packages of funding and decision-making powers negotiated between central government departments and urban local authorities and/or Local Enterprise Partnerships and other local bodies. They give each city new powers in exchange for greater responsibility to stimulate and support economic growth and regeneration in their area.

In 2013 the government asked the 39 Local Enterprise Partnerships (LEPs) in England that replaced the Blair Government's 9 Regional Development Agencies (see later) to develop multi-year Strategic Economic Plans that would be used for negotiations on Growth Deals[35] with the Government. These Deals have seen LEPs awarded funding from the Single Local Growth Fund created in 2013. The first tranche of Growth Deal funding was announced in 2014 with two further rounds in 2015 and 2016.

The Cities and Local Government Devolution Act 2016[36] gave further impetus to efforts to devolve more powers and budgets away from central government to local areas to boost local growth and regeneration in England. Under the Act, the devolution of powers through Devolution Deals[37]is expected to apply primarily to England's largest city regions but powers can also be devolved to a single county or other local government area where a Combined Authority is not in place, provided all the local councils in the area are in agreement.

The aim is to devolve far-reaching powers over economic development, transport and social care to large city regions or sub regions which choose to have elected mayors. These mayoral Combined Authorities will be granted powers to borrow for their new functions, which will allow them to invest in economically productive infrastructure and growth. Following an invitation by central government, initial devolution proposals were put forward by 37 areas in England in 2016 and these are now in detailed negotiations with Government.

To date eight Devolution Deals are being taken forward (see map) of which six now involve directly elected city region mayors: Liverpool City Region, Greater Manchester, Tees Valley, the West Midlands (Birmingham), the West of England (Bristol) and Peterborough and Cambridgeshire. Elections were held in May 2017 and each area now has an elected city-region or "metro" mayor. The Sheffield City region will hold a mayoral election in 2018. Over 20% of England's population is covered by these deals. From 2017, directly elected area-wide Mayors (including London) will cover over a third of the population of England. This figure will rise as further Devolution Deals are agreed.

The key policy areas to be devolved as part of the Devolution Deals agreed to date are:

- Consolidated transport budgets covering transport infra-structure improvements including proposals for integrated transport networks and smart ticketing across all modes of public transport.
- Single "place-based" funding pots which combine funds from a range of central government department programmes;
- Power to franchise local bus services to private sector operators;
- Long term investment funds to support jobs and growth;
- Adult skills funding from 2018 to ensure skills and training are more closely to the needs of local employers rather than meeting central government targets;
- Greater local control of unemployment programmes to reflect local needs and circumstances.
- Piloting of business rate retention[38]. The UK Government

33) Localism Act 2011-overview-Department for Communities and Local Government-November 2011-https://www.gov.uk/government/publications/localism-act-2011-overview
34) City Deals-Cabinet Office and Office of the Deputy Prime Minister-July 2013 - https:// www .gov.uk/government/collections/city-deals
35) Local Growth Deals - HM Government - December 2014 – https://www.gov.uk/government/collections/local-growth-deals
36) Cities and Local Government Devolution Act 2016-HM Government-http://www.legislation.gov.uk/ukpga/2016/1/pdfs/ukpga_20160001_en.pdf
37) Devolution Deals - Local Government Association website - March 2017 - http://www.local.gov.uk/devolution-deals

38) Business Rate Retention - Self-sufficient local government: 100% business rates retention - Department for Communities and Local Government - March 2017 – ttps://www.gov.uk/government/consultations/self-sufficient-local-government-100-business-rates-retention

is currently consulting on proposals to allow local authorities to keep 100 per cent of the business rates (property taxes on private sector businesses) they raise locally. This is a fundamental change to in the way local government in England is financed so that from 2020 local government will be self funded with 100% of local taxes going to on local government services. Elected city region mayors will have additional powers to increase business rates for spending on local infrastructure projects provided they have the support of local business.

Following public consultation carried out by the local areas involved in the proposed Deals, significant legislative work is required to establish and confer powers on Mayoral Combined Authorities. Other city and county-regions that have proposed Deals and are making good progress with them include the Leeds City Region; the Solent (Portsmouth and Southampton) and Nottinghamshire and Derbyshire.

Over time we expect the elected city-region mayors will become an established part of the political landscape, providing a strong voice for their areas on the national and international stage and directly accountable leadership over economic areas. The experience of the elected mayor for the Greater London Authority supports this.

5.3 Local Enterprise Partnerships

In England, local enterprise partnerships (LEPs)[39] are voluntary partnerships between local authorities and businesses set up in 2011 by the Department for Business, Innovation and Skills and Department for Communities and Local Government to help determine local economic priorities and lead economic growth, regeneration and job creation within their local area. There are 39 LEPs covering the whole of England which in urban areas largely reflect functional economic areas (see map in Figure 2) though with some overlaps. They replaced 9 previous Regional Development Agencies which were abolished in 2012. Being private sector-led they bring a strong business voice to local decision-making to drive economic growth and regeneration in line with local priorities.

LEPs receive limited core funding from central government and have agreed multi-year Strategic Economic Plans across their areas setting out how they will pursue growth and regeneration. Since their creation they have been funded through Growth Deal s[40]which support projects that benefit the local area and economy. The £12 billion Single Local Growth Fund (2015-16 to 2020-21) was created as to provide funds for Growth Deals. £7.7billion was awarded to Local Enterprise Partnerships through the first two rounds of Growth Deals with awards from the third round announced in January/ February 2017.

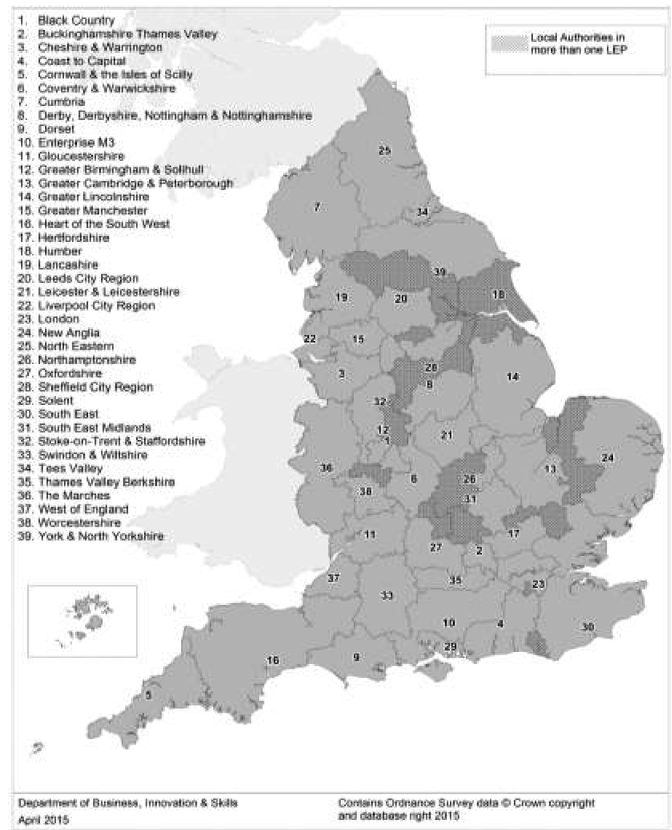

Fig. 2. Map of Local Enterprise Partnerships in England

LEPs apply for a share of the Growth Fund money to support infrastructure, regeneration, skills and growth projects chosen by the localities themselves through their Strategic Economic Plans. The process is highly competitive and not all of the projects in a LEP Strategic Economic Plan may get funded through the Growth Fund, though may projects may get co-funding from other sources. LEPs need to demonstrate that they are working with their partners to agree strong and accountable governance and put forward proposals that will both boost growth and regeneration and bring in private sector funding too.

In addition to securing funds from Growth Deals LEPs also have strategic oversight of a number of local growth interventions such as Enterprise Zones and Growth Hubs all with the objective of driving growth locally. Growth hubs are local

39) Local Enterprise Partnerships - The Network of LEPs - March 2017 - https://www.lepnetwork.net/the-network-of-leps/

40) Local Growth Deals-House of Commons Library Briefing Paper-March 2017-http://researchbriefings.Parliament.uk/ResearchBriefing/Summary/SN07120

public/private sector partnerships led by the LEPs. They join up national and local business support so it is easy for businesses to find the help they need. There is a network of 39 hubs.

5.4 Smaller Scale Programmes Delivering Regeneration and Growth in Areas of Economic and Social Decline

A number of other programmes exist that support growth and urban regeneration but focused on smaller spatial scales, generally within LEP areas. Some are under the control of LEPs but others are still under central government control. These interventions are described below:

5.4.1 Enterprise Zones[41)]

Established in 2012, Enterprise Zones are at the heart of the Government's long-term economic plan, attracting inward investment and supporting businesses to grow and create jobs. Enterprise Zones are designated areas selected with the support of LEPs, that provide offer tax breaks (such as 100% business rate discounts over 5 years), a simplified planning regime for new building or changing how existing building are used, and receive government support for superfast broadband.

Since starting in April 2012 they have laid down the foundations for success with 36 Enterprise Zones across England now and up to 12 more by April 2017, all in specific locations with strong growth potential. Many zones have a strong focus in growth sectors such as automotive, renewable energy and advanced manufacturing.

Data provided by Enterprise Zones show they have laid down the foundations for success by attracting 730 businesses and over 29,500 jobs, including construction jobs, across England since April 2012. They have also secured over £2.66 billion of private sector investment, building world class business facilities and transport links.

5.4.2 High Streets and Town Centres[42)]

These remain a crucial part of our local and regional economies, creating jobs, nurturing small businesses and injecting billions of pounds sterling into the UK economy. A recent report by the Association of Town Centre Managers (ATCM) found that traditional town centres contribute nearly £600 billion to the UK economy each year. That said, competition from the Internet and changing shopping habits mean town centres need to change to proper.

Central government is supporting the regeneration of town centres in a number of ways to ensure they remain vibrant hubs where people shop, use services and spend their leisure time. These include encouraging private investment back into town centres by delivering new town centre schemes, which bring new residential, leisure and shared community spaces together through trailblazer towns. This involves working across Government to unite policies in places through funding streams like the Local Growth Fund, promoting railway station regeneration and releasing public sector land for residential development in town centres which boosts footfall, supports the evening economy and provides much needed housing on brownfield land.

The Future High Streets Forum was established in 2013 and brings together a range of industry experts to advise Government on the challenges facing high streets and to help develop and fund the delivery of practical policies to enable town centres to adapt and change. The Great British High Streets Awards launched in 2014 holds annual competitions to highlight the achievements made by local communities in supporting the revival of their high streets.

5.4.2 Coastal Communities

The UK Government is committed to promoting the economic potential and regeneration of the country's coastal towns through place based engagement to create jobs, build infrastructure and boost local growth. Many seaside towns suffered economic and physical decline with the changing holiday patterns and cheap flights to continental European holiday resorts. In recent years there has been a reversal of their fortunes as coastal and seaside towns have reinvented themselves to provide new attractions to attract new and retain existing visitors. Since 2012 the Government's Coastal Communities Fund[43)]- a competitive bid-led programme - has supported more than 200 projects along the UK coastline to deliver sustainable growth, regeneration and jobs in coastal and seaside towns. It has awarded grants worth £125 million which are forecast to deliver over 18,000 jobs UK-wide and attract over £240 million of additional funds to help regenerate coastal areas.

41) About Enterprise Zones - HM Government web site - March 2017 - http://enterprisezones.communities.gov.uk/about-enterprise-zones/

42) High Streets and Town Centres - 2010-2015 Government Policy web site - https://www.gov.uk/government/publications/2010-to-2015-government-policy-high-streets-and-town-centres/2010-to-2015-government-policy-high-streets-and-town-centres

43) Coastal Communities Fund - Big Lottery Fund website - April 2017 - https://www.biglotteryfund.org.uk/ccf

The Government has also supported the creation of 146 Coastal Community Teams[44] along the English coast to help lead coastal regeneration and bring jobs, growth and prosperity to coastal and seaside towns. The Teams ensure the local community works with the local authority, businesses and other local partners to agree the priorities for economic development and regeneration in their coastal area through an Economic Plan. This is reviewed annually and sets out short and longer term priorities to boost their coastal economies.

Railway Station Regeneration and the High Speed Rail Line 2 (HS2):[45] Central government recognises the importance of supporting the development of railway stations and surrounding land to deliver new homes, jobs and local growth generally including around stations along the High Speed Rail line (HS2) - see later section -, using transport investment to regenerate towns and cities. In April 2016 it announced plans for a massive programme of development of railway stations and surrounding land to deliver thousands of new homes and jobs and significantly boost local growth. A new agreement between Network Rail (the owner and infrastructure manager of most of the UK's railway network) and the UK Homes and Communities Agency[46] is seeing them working with vanguard local councils to trail-blaze development opportunities across England's railway stations for housing and businesses.

This ambitious initiative could deliver up to 10,000 new properties on sites around stations in the coming years with the UK Government looking to at least 20 local authorities to act as trailblazers to take the scheme forward. The cities of York, Taunton and Swindon have come forward initially with proposals to spearhead the new initiative and have identified railway sites that could be pooled to deliver housing and other locally-led regeneration. But there are more to come with other cities and towns expressing interest in becoming vanguards. It offers a great opportunity to look at a real joining-up across central government policy agendas - covering such things as town centre restructuring, infrastructure-led growth, the Local Growth Fund, business rate retention, with an established advisory panel of experts to assist leading locations.

The Housing White Paper 2017,[47] mentioned earlier in this paper, has given further impetus to railway station led regeneration by highlighting the scope for promoting higher-density housing in urban locations such as around railway stations and transport hubs.

6. Funding for Regeneration and Local Growth

As we have seen, there are a range of different funding programmes available to places to support regeneration and growth. They include:

- Devolved Budgets through Devolution Deals[48]. Devolution Deals take national budgets and put them under control of an elected mayor (or Combined Authority). There are a range of budgets that could be included in these Deals but to date current Deals have focused on infrastructure (particularly transport) and adult skills. Some Devolution Deals have included a dedicated investment fund. This includes an element of new funding to the area to be spent under the direction of the mayoral-led Combined Authority, alongside other elements of the local 'single pot';
- Local Growth Fund[49]: Of the £12bn Local Growth Fund (2015/16 - 2020/21) announced as part of spending review 2013, £7.7bn has already been awarded to Local Enterprise Partnerships through Growth Deals. The remaining funding has just ben awarded through the third round of the deals. There is currently no further commitment to the Local Growth Fund beyond 2021.
- European Funding[50]: The 2014-2020 European Structural Investment Fund Growth Programme is worth approximately £5 billion in England (total varies due to currency fluctuations). It consists of the European Regional Development Fund (ERDF) and European Social Fund (ESF) Programmes (managed by DCLG and DWP respectively) and a small part of the Rural Development (EA`RD) Programme (managed by DEFRA). LEPs have a key role in delivering local programmes and advising on individual projects. The flexibility of this approach creates opportunities for linked

44) Coastal Community Teams - Coastal Communities Alliance website - April 2017 - http://www.coastalcommunities.co.uk/coastal-community-teams/

45) UK Rail Stations Regeneration Programme - July 2015 - Department for Communities and Local Government, Department for Transport - https://www.gov.uk/government/news/regeneration-of-stations-set-to-deliver-thousands-of-new-properties-and-jobs

46) UK Homes and Communities Agency - web site – https://www.gov.uk/government/organisations/homes-and-communities-agency

47) Housing White Paper - 'Fixing Our Broken Housing Market' Department for Communities and Local Government February 2017 - https://www.gov.uk/government/collections/housing-white-paper

48) Devolution Deals - Local Government Association - January 2017 - http://www.local.gov.uk/devolution-deals

49) Local Growth Deals - Department for Communities and Local Government, Department for Business, Energy and Industrial Strategy, Department for Transport, Cabinet Office-March 217 – https://www.gov.uk/government/collections/local-growth-deals

50) European Funds - web site - March 2017 - https://www.gov.uk/government/policies/european-funds

investments with other funding sources, such as Growth Deals. As the UK exits the European Union, there will be decisions around if and how this activity is funded in the future, and how the transition is managed through exit negotiations but it is too early to say what impact this may have on UK urban regeneration and growth policies and programmes. The European Structural Investment Fund Growth programme from 29014-2020 is worth approximately £5 billion and targets the most deprived areas.

Smaller Targeted Funding Programmes - These all receive separate allocations of funding or support. The UK-wide Coastal Communities Fund receives around £30 million a year to support regeneration and growth projects in coastal towns. Town Centre and High Street initiatives have included giving over £18 million to help create over 360 Town Teams to help local people re-imagine their town centres as social and cultural spaces as well as economic hubs and turn them around. Growth Hubs are local public/private sector partnerships led by the 39 LEPs and join up national and local business support so businesses can find the help they need. Funding of up to £24 million has been made available to the Hubs over 2 years. All of these targeted interventions can help to further ‘the economy that works for all’ that is the cornerstone of UK Government policy.

7. Central and Local Government Spending on Local Growth/ Regeneration

‘Local growth’ policy has had renewed focus since 2010 but actually makes up a very small proportion of total public sector expenditure on local growth and regeneration which in turn in dwarfed by private sector investment in economic development and regeneration projects.

Figure 3 below shows annual central and local government expenditure on local growth and regeneration. The circles on the chart highlighted red are the ‘direct’ policies targeted on local growth/ regeneration. They are overshadowed by other policies that support local growth and include expenditure on.

- Skills
- Infrastructure (including transport)
- Land and property (including housing)
- Innovation
- Labour market
- Other (including agencies, special grants, environmental policies and others)

Furthermore, while significant progress has been made in “shifting power away from central government” it’s important to note that the resources available to support local growth and regeneration in the UK are also much smaller than in the past. The National Audit Office (NAO) reported a reduction in budgeted spend from 2010-11 to 2015-16 in the economic development service area of minus 47%, one of the highest reductions amongst individual service areas.

In spite of all the policy changes and reductions in central government funding, there are many outstanding examples of urban regeneration projects in the UK that demonstrate what has and can be achieved. This paper provides two examples of such schemes in the Greater London area on previously derelict and unused land and buildings that have been transformed into assets of national and international value.

They are:

- King’s Cross Central site in inner London
- 2012 Olympic Games Site at Stratford in outer London.

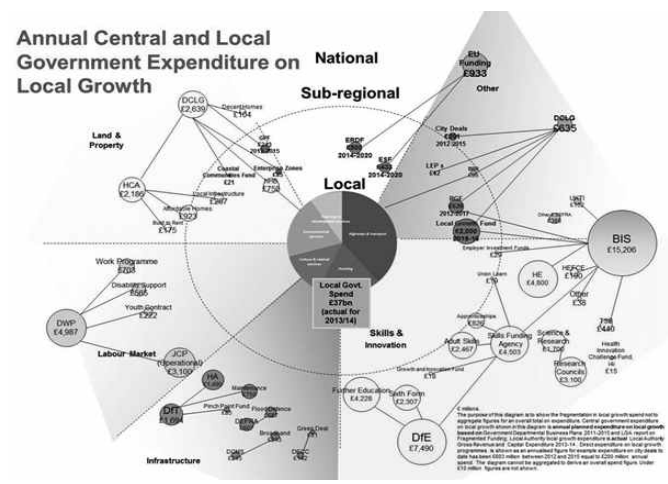

Fig. 3. Central Government Spending on Local Growth and Regeneration

(Local growth policy has had renewed focus since 2010 but makes up a very small proportion of total public sector spend on local growth and regeneration…)

7.1 Urban Regeneration Case Study: 1. Kings Cross Central London[51)]

In Victorian times, Kings Cross was an important industrial heartland surrounding a major railway station providing train services to central, eastern and northern England. By the late 20th century, the area surrounding the station - known as the

51) Kings Cross Central - website - April 2017 - https://www.kingscross.co.uk/ about the development - https://www.kingscross.co.uk/about-the-development

railway lands - had become a series of disused buildings, railway sidings, warehouses and contaminated land.

Early plans to redevelop the area fell through, but the decision to move the Channel Tunnel Rail Link from Waterloo Station in south London to St Pancras in 2006 became the catalyst for change. The landowners - London & Continental Railways Limited and Excel (now DHL) decided to develop the land and, a development company called Argent was selected as the development partner. The project began with several years of intensive studies and consultation with the local community, government and other stakeholders. This work formed the basis for a vision for the development, from which a master-plan evolved.

In 2008, Argent, London & Continental Railways and DHL formed a joint partnership: Kings Cross Central Limited Partnership. The partnership was the single land owner of the site. Early infrastructure works began in June 2007, with development starting in earnest in November 2008. Much of the early investment was focused in and around the Victorian buildings that once formed the Goods Yard.

Fig. 4. Aerial View of Kings Cross Railway Lands, Central London

Since then, development has continued a pace as a mixed-use, urban regeneration project in what is the largest area of city-centre redevelopment in Europe. In September 2011 the University of the Arts London moved to the development, parts of which were opened to the public for the first time. Since then, restaurants have opened, historic buildings have been refurbished and re-opened and the first residents have moved in. Companies such as Google have located their European headquarters here, with Louis Vuitton, Universal Music and Havas also choosing to move to the site. The Francis Crick Institute - the biggest single biomedical laboratory in Europe - opened a brand new research facility on the site in 2016. A whole series of new public squares and gardens have opened too, like Granary Square with its spectacular fountains, and the new Gasholder Park.

Fig. 5. Elevated View of the 8,000 Square Metre Granary Square, Kings Cross

The 27 hectare site of previously disused railway land has now been transformed into a vibrant new city quarter with the restoration of many historic buildings as well as new development. When completed in 2020, 45,000 people a day will benefit from the 316,000 square metres of office space, 46,400 square metres of retail and leisure space, and close to 2,000 homes - 50% of which are affordable.

Fig. 6. Transformation of Old Railway Arches, Kings Cross

The early success of the regeneration project owes much to Argent in its role as master developer and asset manager, establishing from the outset key guiding principles for development which have been:

- Offer a robust urban framework -recognising that in many respects, the streets and the squares are as important as the buildings;
- Provide a lasting new place - Kings Cross is a long-term project that's been 20 years in the making and will be part

of London forever. That means delivering something special that can stand the test of time but also be flexible and change over time;

- Promote accessibility - to the site and on the site to create, in effect, a virtuous circle of activity. The more people attracted to Kings Cross, the more open it is made and the more comfortable people feel and visit the area the more they will spend creating more value;
- Work with the community - understanding the area was vital to delivering a project of this size as was recognising that a development like Kings Cross was not just about the land but about the area and engaging with its residents.

7.2 Urban Regeneration Case Study: 2. 2012 Olympic Site[52)]

A second outstanding example of urban regeneration is the transformation of the site of the 2012 London Olympics Games from a barren, polluted brownfield site into a vibrant new neighbourhood. Hosting major international sporting events in locations around the world has not always brought long term regeneration benefits to the sites affected. The 2012 London Olympic site has been an exception. When the UK bid for the Games the intention at the outset was to leave a permanent legacy as well as continuing to deliver on the green initiatives of the Games.

The London Legacy Development Corporation (LLDC)[53)] is a Mayoral Development Corporation formed shortly before the Games as the planning authority for the park and its environs and therefore directly accountable to Londoners through the Mayor of London. It works closely with the Mayor of London, the Greater London Authority, central government, the East London Host Boroughs, residents in neighbouring local communities, local organisations, businesses and regeneration agencies and national and international sporting, cultural and leisure organisations.

Its purpose is to use the once-in-a-lifetime opportunity of the London 2012 Games and the creation of the Queen Elizabeth II Olympic Park[54)]to develop a dynamic new heart for east London, creating opportunities for local people and driving innovation and growth in London and the UK and delivering a legacy of very substantial economic, social and environmental benefits.

The task to transform and integrate one of the most challenged areas in the UK into world-class, sustainable and thriving neighbourhood. This will create a new part of the city in East London - an inclusive community, a thriving business zone and a destination where people will choose to live, work and play, and return time and time again.

Fig. 7. Aerial Photograph of the 2012 London Olympic Games site:

Since 2012 the LLDC has achieved major progress in the regeneration of the Olympic Park site. After an 18 month makeover following the end of the Olympics the Park reopened for public use as the Queen Elizabeth Olympic Park - bigger than Monaco. It contains many of the world class sporting facilities created for the Olympics including the London Aquatics Centre, Velopark, Copper Box (now a multi-use sports centre), the Hockey and Tennis Centre and the main Olympic Stadium (renovated as a multi purpose stadium with its main tenants being West Ham United Football Club and British Athletics). Over ten million people have visited Queen Elizabeth Olympic Park since it fully reopened in April 2014

East Village, the former Athletes' Village, is now home to over 6,000 people, with further new communities being established in and around the Park. Plans are progressing for an £850 million cultural, educational and commercial district in the south of the Park, called 'Olympicopolis'[55)]with funding committed by the UK Government and agreements signed with

52) Venues of the London 2012 Olympics and Paralympics – Wikipedia - https://en.wikipedia.org/wiki/Venues_of_the_2012_Summer_Olympics_and_Paralympics
53) London Legacy Development Corporation - website - http://www.queenelizabetholympicpark.co.uk/our-story/the-legacy-corporation
54) Queen Elizabeth II Olympic Park - website - http://www.queenelizabetholympicpark.co.uk/
55) Olympicopolis - Guardian newspaper - July 2016 - https://www.theguardian.com/uk-news/2016/jul/27/latest-vision-olympic-park-olympicopolis-arts-quarter-east-london

partners and masterplanners. The new scheme features international visitor attractions including outposts of the Victoria & Albert (V&A) museum and Sadler's Wells theatre and new university campuses of University College London (UCL) and the University of the Arts London (UAL), together with an outpost of Washington's Smithsonian Museum.

Fig. 8. Aerial View of East Village
(former 2012 Olympic Athlete's Village)

In addition to the Olympic Park, the LLDC aims to transform East London and the Lower Lea Valley neighbouring the Park. It is designing and delivering local projects in the town centres and neighbourhoods surrounding the Park. Projects include playgrounds, park re-landscaping, tree planting, high street improvements, a new community cultural centre, and improvements to local routes.

Legacy use and community regeneration were "locked-in" to the planning and designing of Olympic venues and infrastructure with "a clear focus on sporting, economic, social, and environmental legacy". The Strategic Regeneration Framework for the London Olympics[56] also included the objective that by 2030, the six east London Boroughs hosting the Games (which cover some of the most deprived areas of London) would have the same social and economic life chances as at least the London average. This is the principle of convergence and guides joint working on legacy. Progress is being made towards achieving various socio-economic "convergence" targets for east London, particularly in child development, education and crime levels.

Fig. 9. Artists Impression of the "Olympicopolis" Development – the New Cultural and Educational Quarter on the London Olympics Site

8. Housing Regeneration Initiatives

Housing is inextricably linked with economic development and growth and the successful regeneration of many run down areas often depends on meeting the housing needs of an area as well as the need for jobs. This paper highlights two examples of UK housing initiatives that are helping to regenerate neighbourhoods by delivering well designed housing and public space and offer a better quality of life and new opportunities for residents which in turn can drive local growth and jobs.

The Estate Regeneration National Strategy[57] launched in 2016 is working with at least 10 housing estates in England, accelerating and improving delivery of their regeneration schemes, levering in private finance and enhancing social outcomes. These schemes could deliver up to 10,000-15,000 additional new homes and 50,000-100,000 refurbished properties over the next 10-15 years. No two places are the same and different places face different challenges so a 'one size fits all' approach is not appropriate. But there are there key principles that underpin successful estate regeneration:

- community engaged as partners;
- support and leadership of the local authority;
- willingness to work with the private sector to access commercial skills and lever investment.

There are many estates in need of regeneration characterised by poor quality housing, unattractive buildings in physical

56) Strategic Regeneration Framework for the London Olympics - October 2009 http://www.gamesmonitor.org.uk/files/strategic-regeneration-framework-report.pdf

57) Estate Regeneration National Strategy - Department for Communities and Local Government - December 2016 – https://www.gov.uk/guidance/estate-regeneration-national-strategy

decline, and large areas of degraded open space. They are often inward looking and physically, socially and economically disconnected from their surroundings, leading to high concentrations of social deprivation and lack of opportunities for communities living there. Through a combination of practical advice and guidance, the national strategy addresses the common elements and challenges that most schemes will need to consider. It is particularly aimed at the early stages of regeneration as schemes move from aspiration and concept to developing tangible options and plans. Getting this right is critical to the success of a scheme.

Fig. 10. Estate Regeneration at the Park Central Housing Estate in Birmingham

The UK Government has provided £140 million of loan funding for which areas can bid for a share to help de-risk the early stages of regeneration schemes and provide support for such activities as community engagement, feasibility studies, scoping of proposals and master-planning.

A second example is the Housing Zones[58]programme which was launched in June 2014. It offers the chance to unlock brownfield land that has the potential to provide viable housing schemes. This is through a combination of:

- long term investment funding
- planning simplification (e.g. local development orders)
- local authority leadership
- dedicated brokerage support from central government and the Advisory Team for Large Applications (ATLAS) planning support.

Central government plans to create 30 Housing Zones in England on brownfield sites across the country to increase housing supply and is making available £200 million of recoverable investment funding for the programme outside of London. It has the potential to deliver up to 120,800 homes, Housing Zones provide an opportunity to speed up and simplify the process of house building on brownfield land in local areas through locally led partnerships.

London has already made a start with its own programme. The Mayor of London has described it as ‘turbo-charging house building’ and has set forward plans for the development of 31 Housing Zones in partnership with London boroughs and their development partners as part of his Housing Strategy. £600 million in funding has been made available by the Mayor and government for the construction of 75,000 new homes, of which around a third will be affordable.

The building of homes in these areas will be supported by a range of planning and financial measures. All Housing Zones will be set up by an agreement which shares the duty of building these homes between partners. This will ensure the numbers of planned new homes are built. These 31 zones will collectively provide more than £30 billion of investment, over 150,000 construction jobs, major railway station upgrades and new community facilities, parks and health centres over the next 10 years.

9. Infrastructure Improvements Supporting Regeneration and Growth – High Speed Two Rail Line[59]

The provision of major infrastructure improvements can become a key driver for urban regeneration for competitiveness. The planned High Speed Two Railway line (HS2) from London to Birmingham and cities in the north of England is a good example of how investment in improving transport connections can also be used to push forward regeneration and maximise economic growth and jobs.

The project is to be built in two phases - phase 1 from London to the city of Birmingham (by 2026) and phase 2 from Birmingham to Leeds and Manchester (by 2033). These first two phases will provide high speed rail links to 8 out of the 10 largest cities in England. Potential future phases will take to line north via the cities of Carlisle and Newcastle to Glasgow and Edinburgh in Scotland.

58) Housing Zones - Department for Communities and Local Government - January 2016 – https://www.gov.uk/government/news/tens-of-thousands-of-homes-supported-by-housing-zone-funding

59) High Speed Two Rail Line - HS2 website - https://www.gov.uk/government/organisations/high-speed-two-limited

Fig. 11. Map of Proposed Route of the High Speed Two (HS2) Railway Line

In 2013 the Government commissioned an independent HS2 Growth Taskforce[60] to examine all the ways in which the economic growth potential of investment in a new railway could be maximised. HS2 will give a huge boost in rail capacity needed for decades but it can also do so much more, driving regeneration where it is needed, supporting the creation of homes and jobs and unlocking the growth potential of our city-regions to compete internationally by linking with the strength of the London economy.

The HS2 Growth Taskforce report 'Get Ready'[61] published in 2014 concluded that to getting the best out of HS2 would need many organisations to work together in partnership. In keeping with that challenge the Government response[62] to the report in 2014 brought together contributions from central government, local government and HS2 Limited - a company established by the UK Government.

The Government accepted the main recommendations of the HS2 Taskforce report including:

for each HS2 station an HS2 Growth Strategy would be established to explain how high speed rail will generate local jobs, growth and regeneration;

to deliver these HS2 Growth Strategies local authorities would establish a locally led delivery body with Government support for them in bringing forward regeneration;

Government would partner local authorities in the development of HS2 Growth Strategies and establish a central delivery body to provide coordination and support to local areas;

the Secretary of State for Transport would work with colleagues across central government to align projects and investment to maximise HS2-related economic growth and ensure growth and regeneration interests are suitably represented;

work should include detailed consideration of HS2 in existing Local Plans and LEP Strategic Economic Plans including relevant aspects of the HS2 Growth Strategy;

collaboration across organisations and administrative boundaries should be strengthened to support transport planning around HS2.

All of these recommendations are being taken forward in advance of construction of the new railway line which is expected to commence in autumn 2017. HS2 will begin rebalancing our economy long before the trains start running. It is already beginning to boost economic development in the Midlands and the North and to ease pressure on London by creating opportunities elsewhere. HS2 will create around 25,000 temporary jobs and fuel economic benefits worth over £103 billion to the UK economy.

9.1 High Speed Two – Station Regeneration – Curzon Street in Birmingham[63]

As we have seen HS2 is more than just a transport project. Phase One alone when completed is forecast to deliver 55,000 jobs and 24,000 homes in the area of the Old Oak Common terminus in north west London and 52,500 jobs and 6,300 homes in Birmingham and the surrounding West Midlands region and boost the West Midlands economy by £4 billion a year.

In Birmingham, HS2 will create a new Curzon Street quarter in the heart of the city. The Birmingham Curzon Urban Regeneration Company was launched in 2014 and is responsible for the transformation of over 140 hectares surrounding the city's planned HS2 terminal at Curzon Street. It is one of the biggest regeneration schemes in the UK. The Greater Birmingham and Solihull LEP has allocated £30 million to accelerate regeneration

60) HS2 Growth Task Force - July 2014 - https://www.gov.uk/government/groups/hs2-growth-taskforce
61) HS2 Growth Taskforce report 'Get Ready' - 2014 - https://www.gov.uk/government/publications/hs2-growth-taskforce-a-report-to-government-on-maximising-the-benefits-of-hs2
62) Government Response to the HS2 Growth Taskforce Report - July 2014 - https://www.gov.uk/government/publications/hs2-growth-taskforce-a-response-from-government
63) HS2 Birmingham Curzon Street Masterplan for growth -Birmingham City Council - February 2014. https://www.birmingham.gov.uk/birminghamcurzonhs2

activity in the Curzon Street area and a further £130 million from the area's Growth Deal to support the extension of the local Metro tram network to the site.

The masterplan for Curzon Street outlines how stimulating the area's economic growth could deliver 14,000 jobs, some 6000,000 square metres of new employment floorspace, more than 2,000 homes and to £1.3 billion a year to the local economy. This will also help to relieve some of London's intense growth challenges, notably around housing supply and office space.

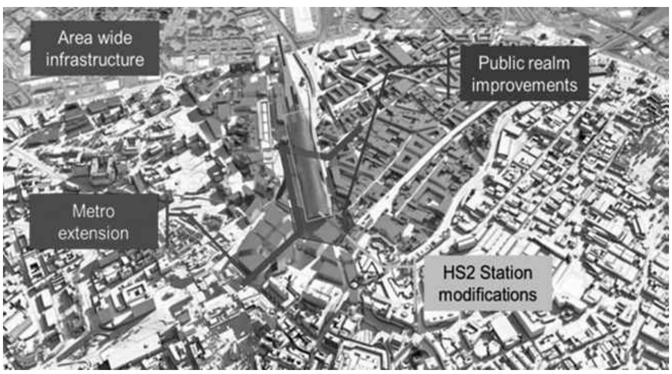

Fig. 12. High Speed Two – Station Regeneration – Creating places: the new Curzon Street quarter in the heart of Birmingham…

10. Conclusions

10.1 Lessons from Past UK Regeneration Schemes

As we have seen, policies and strategies for economic growth and competiveness underpin urban regeneration policy in the UK. These policies have evolved from what were essentially social programmes in the 1960's through more traditional regeneration policies to reverse physical, economic and social decline in areas of market failure to today's approach to regeneration which is particularly focused on supporting local growth and jobs.

Many of the lessons learned from past regeneration schemes are still relevant to today. They include:

The vital importance of strong local leadership with clear lines of responsibility and accountability for delivery. This is evident, for example, in the east London boroughs, like Newham, that see the 2012 London Olympics as an opportunity to unite around a development and regeneration agenda, to make the boroughs places of choice. The emphasis is on regeneration benefitting the existing population alongside changing the population mix by attracting newcomers. This can help create tensions but strong local leadership can help resolve these and strike the right balance between competitiveness and cohesion and positive image creation.

Achieving community buy-in and support so regeneration is owned and shaped by local needs and opportunities. Regeneration is about transforming places for the benefit of local communities and creating opportunities from which everyone can benefit now and in the future. The regeneration in the 1990's of the inner city housing estate in Hulme, Manchester[64)]- one of Europe's most deprived housing estates - is a good example of local government working with the local community and businesses through a locally-led regeneration company to create a thriving new community with a strong sense of identity and place. The development of the Kings Cross regeneration area in London was also achieved with strong community engagement by developers Argent.[65)]

Long term strategies - typically 20 years - work to generate certainty for businesses and local residents. Given the long term nature of both the challenges and strategies linked to regeneration, government needs to adopt an evolutionary approach to observe and learn from what has been done to date, and to link and evolve regeneration strategies to maintain local support and confidence to deliver long term regeneration and economic growth. The Kings Cross regeneration project, the 2012 London Olympic legacy programme and the HS2 railway station regeneration programme are all examples of long term regeneration strategies, as are the Northern Powerhouse and Midlands Engine.

Recognise and support key growth drivers including understanding the role of settlements surrounding larger cities to maximise impact. This is essential to maximising the benefits of regeneration. In the Greater Manchester Combined Authority[66)] the 9 local authorities surrounding the City of Manchester are working together with Manchester to develop a wider city region vision. This allows them to share resources and approaches and build greater capacity to reflect the scale of the challenges and opportunities they face in promoting growth and regeneration more effectively than they could individually.

Focus on opportunities and social outcomes as well as levering in private sector investment. Parts of communities often feel left behind by government policy and funding on regeneration and growth. This is changing as communities become more aware of the opportunities open to them to influence future developments in their local area and ensure social as well as economic

64) Regeneration of Hulme, Manchester - Manchester City Council - http://www.manchester.gov.uk/info/200079/regeneration/496/past_regeneration_programmes_in_manchester/5
65) Argent developers - https://www.argentllp.co.uk/
66) Greater Manchester Combined Authority - web site - https://www.greatermanchester-ca.gov.uk/

and environmental issues are addressed. Until 2010 there was a strong emphasis on regeneration programmes targeting the most deprived areas with high levels of central government grant funding. With the Localism Act 2011, there are now new freedoms and flexibilities for local government and new rights and powers for communities and individuals to influence decisions and to develop their own regeneration strategies, through such mechanisms as drawing up their own neighbourhood development plans.

Unlock and recoup some of the uplift in local land values to support new infrastructure investment. This remains an area where there is more progress to be made. The existing policy instruments in the UK include the Community Infrastructure Levy (CIL)[67]on new development which can be used to pay for more local infrastructure when development congests the existing supply. The UK Government's Housing White Paper 2017 has announced that the government will explore options for reforming developer contributions towards the cost of new infrastructure and make an announcement in autumn 2017.

Viability is a challenge across the country, but particularly outside London, where land values are lower. Higher land and property prices in London mean that regeneration projects are often more commercially viable there than in the rest of the country where lower land values reduce the potential profitability of redevelopment schemes. Local authorities around the country are adopting a range of approaches to help improve the commercial viability of regeneration projects and de-risk private sector development. Some are releasing public sector land on advantageous terms to promote regeneration or using the planning system to guide and shape development to meet local priorities for housing and jobs. In some places local authorities are unlocking difficult sites through more coordinated and strategic city and city-region wide approaches to managing and investing in assets rather than on a site by site basis.

10.2 Lessons for Future Regeneration Schemes

The experience of recent UK Government programmes has highlighted a number of additional lessons to improve the effectiveness of policies and programmes designed to promote economic growth and regeneration. They include the following:

Focus on place not programmes, agree outcomes and fit programmes to tackle issues in a coherent way for each place. In the past government support has been fragmented and not sufficiently place-based. An agreed place-based strategy with central government and a delivery plan that commits all partners is essential. Local authorities and communities know the needs of their areas best and need central government to give them the freedoms and flexibilities to address their needs and the confidence to be innovative and creative.

Power of branding: Her Majesty's Government. Central government often undervalues the importance of the signals it sends and the potential strength of its convening power/ brand for local places. The Government's Enterprise Zone programme is an example of how Government support and branding can act as a real incentive to invest in areas of market failure. The Government's Coastal Communities Fund is another example. It is modest (£30 million per year) by comparison with many Government growth programmes, such as Growth Deals, but it is valuable in signalling the Government's commitment to coastal and seaside towns in need of regeneration. It also attracts co-funding and investment more than double the grants awarded to successful regeneration projects.

Convening power: bringing parties including the private sector together under the banner of a Government brand. Central government now recognises the importance of using its power to bring key stakeholders together by setting up strategic partnerships where Government sits at the table for the long term bringing in resources, for example from the Homes and Communities Agency, to agree a long term growth and regeneration strategy. At a pan regional level the Government's Northern Powerhouse and Midlands Engine initiatives are helping to create national and international awareness of the potential of these areas as drivers of UK economic growth. They also bring key local authority, public and private sector partners and global actors together and to challenge them for more, for bigger for better.

Work with places and investors to deliver an integrated regeneration approach tackling housing, health, employment, skills and growth issues together. There is a strong drive from central and local government in the UK to reform public services in order to save money through increasing the efficiency of delivery, aligning incentives, pooling budgets and preventing costs before they arise. Key local initiatives have included Whole Place Community Budgets[68]in a small number of places to develop reform programmes, and the Troubled Families programme which works with families with multiple problems

67) Community Infrastructure Levy - Planning Portal - https://www.planningportal.co.uk/info/200126/applications/70/community_infrastructure_levy

68) Community Budgets and City Deals - House of Commons Library Briefing Paper - May 2015- http://researchbriefings.files.parliament.uk/documents/SN05955/SN05955.pdf

(unemployment, anti-social behaviour, truancy and mental health) problems to turn their lives around. It operates at a local authority level. A Whole Place approach is needed to improve the effectiveness of regeneration with local collaboration leading to a coherent plan for achieving physical, infrastructural and social improvements together.

Consider need for continued/ new policy specific programmes to deliver breadth as well as depth of support for regeneration. Regeneration policies and programmes need to be kept under review to ensure they continue to deliver desired outcomes at a local level as well as reflecting existing needs and opportunities. Creating successful places and communities is as much about "place evolving"as it is about "place making." Policies and programmes must be flexible enough to reflect changing conditions and circumstances so they can continue to be effective in unlocking place potential and generating good returns both in an economic and social sense.

Use public sector land and property assets more effectively (including housing) to deliver change in local areas. The UK's One Public Estate programme[69]is a national programme launched in 2013 to support joint working across central and local government to use land and property to boost economic growth, unlock regeneration, and create more integrated public services. It encourages public sector partners to share buildings, transform services, to reduce running costs, and release surplus and under-used land for development. These cross public sector partnerships work collaboratively on land and property deals leading to new jobs, new homes, joined up public services and savings for the taxpayer.

Work in partnership with local communities to drive regeneration to improve social outcomes and deliver inclusive growth. The importance of delivering inclusive growth and regeneration has been highlighted by a number of recent studies by the OECD's Inclusive Growth in Cities Campaign[70]and the work of the Inclusive Growth Commission[71] in the UK. The principle of inclusive growth is that the proceeds of economic growth and increased prosperity must be shared fairly across society regardless of the socio-economic status, wealth, assets, age, sex or places where people live. The Interim Report of the Inclusive Growth[72]Commission proposes a policy framework for how the UK can develop a place-based model of economic development and regeneration that promotes inclusive growth at a local level. The Commission's final report was published in March 2017[73].

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