

the thames gateway – where next?

Edited by Sir Terry Farrell



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The Thames Gateway is the largest and most significant growth and regeneration site in the UK. Although the pace of development has slowed since the credit crunch and the economic downturn hit, the Gateway remains a significant driver for sustainable growth and innovation in London and the Greater South East. Making the most of the Gateway will, moreover, continue to be a feature in the planning of the region for many years to come.

The aim of this monograph is not to give a justification for the Gateway or to detail every project. Its purpose is to provide an overview and agenda for renewed interest in the initiative, through a collection of high-level perspectives on what the Gateway has to offer.

We have brought together some of the country's leading practitioners and thinkers in the fields of place making, regeneration and housing. Together their essays provide a valuable critique and insight into the future of the Gateway.

The Smith Institute thanks Sir Terry Farrell for editing this publication and offers its thanks to all the authors for their excellent contributions. We also gratefully acknowledge the support of the Department for Communities & Local Government and the Homes & Communities Agency.

Paul Hackett, Director, The Smith Institute

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Foreword

Shahid Malik, Minister for the Thames Gateway in the Department for Communities & Local Government

The continued importance of the Thames Gateway is demonstrated in this set of essays that challenge and provoke us to think beyond tomorrow: how could the Thames Gateway develop over the decades to come?

From my own visits to the Thames Gateway, I've been struck by the tremendous potential of the area. It is this that I find reflected in Sir Terry Farrell's core vision, which captures the essence of what the Thames Gateway is all about. It is vital to supporting the economic success of London and the Greater South East, enabling as it does the region to grow.

What makes the Thames Gateway a place, Sir Terry reminds us, is the coherence of its natural landscape and the "constellation of places" that have common origins and have been shaped by the changing role of the estuary over time. I wonder whether this shared heritage is the answer to the question Ros Dunn poses, about how we ensure local people and their communities recognise the benefits of being a part of the Thames Gateway.

The benefits are of course in the massive investment – public and private – that has been and continues to be made in the area. Despite the economic recession, despite the housing market downturn, despite the historic underperformance of the Thames Gateway, Sir Terry has provided us with a compelling reason for that investment to continue. But, as Mark Pragnell notes, we cannot ignore the challenges of the economic recession and must be prepared to think innovatively about how the Thames Gateway vision can best be achieved in the years ahead.

Perhaps one of the most important is to maximise the potential of what is already happening. Given the importance Sir Terry attaches to the places that make up the Thames Gateway, it is unsurprising that David Higgins highlights the catalytic effect of the Olympic Park. This new place is helping to kick-start change on a huge scale in the Lower Lea Valley and will leave a lasting legacy. But what is important is that we make the most of it.

Another new place is Ebbsfleet. It may be developing more slowly, owing to the housing market downturn, but from December domestic services on High Speed 1 will significantly cut journey times for travel between Kent and London. This is a metaphor for what David Liston-Jones highlights is a very long-term journey: the Thames Gateway could be

thought of as a 70-year journey, which we are but a fraction of the way through. But that makes it all the more important to emphasise what has already been achieved, to recognise that the full benefits of work done today may not be seen for many years to come, and to ensure continued commitment at the national, regional and local levels.

The long-term challenge that is hardest of all is to establish the Thames Gateway as an eco-region. This year has seen significant progress towards getting the Institute for Sustainability, launched at last year's Thames Gateway Forum, up and running. As Professor Malcolm Grant highlights, there is already a significant research agenda, with the testing of "retrofitting" carbon-emission reduction measures to homes at its heart, and alongside that new sustainable industries are coming to one of the institute's homes, the Sustainable Industries Park at Dagenham – created by the London Thames Gateway Development Corporation.

Securing inward investment in the Thames Gateway is vital to the area's future success. As Jeff Alexander points out, the region has unique advantages: it has direct access to London's economy, but has far lower costs for business than central London or the City itself; it has an infrastructure that makes it easy to get to the rest of the UK and – perhaps more significantly – Europe; and it offers a workforce that is both skilled and affordable.

Challenges do, though, remain – and we cannot afford to ignore them. As Sir Bob Kerslake tells us, the Thames Gateway is of unique scale, aspiration and importance to the UK economy. He sums up the message of all those who have contributed to this monograph: all of us with a stake in the Thames Gateway have a role to play in maintaining delivery, making the case for further investment, and sharing the vision.

I welcome this contribution to the cause.

Chapter 1

The Thames Gateway – towards a core vision for the 21st century

Sir Terry Farrell, Principal of Terry Farrell & Partners

The Thames Gateway – towards a core vision for the 21st century

I first became involved in thinking about the future of the Thames Gateway in depth when the ODPM announced in 2002 that this was “the largest regeneration project in Europe”. For five years I worked independently, in collaboration with organisations in the public and private sector, to develop the idea that improving the quality of life in the Gateway is critical to its future success.

In November 2007 I was appointed Thames Gateway parklands design champion by the Department for Communities & Local Government, and my practice produced the *Thames Gateway Parklands Vision*, which the government published a year later.¹ The vision puts forward the idea that regeneration within the Gateway should be based on landscape and environmental improvement as the first step in attracting investment and improving the quality of life for its 1.5 million residents. It is an approach that is rooted in the belief that landscape is the “first infrastructure” and has gained widespread support among the many partners within the Thames Gateway.

Since then, I have been appointed by Sir Bob Kerslake to refresh the Thames Gateway vision for the 21st century. This work builds on the parklands vision and the eco-region concept to put forward the idea that success in the Thames Gateway is critical to the long-term health of UK plc.

The core vision is a “master narrative” for the Thames Gateway. It is intended to inform the growth and regeneration strategy for the whole area, shape the funding and delivery strategy, and form the basis for future policy at subregional and local level. It is intended to help communicate the initiative to a wide audience, including inward investors and local people. In other words, it is a sequence of key themes that encapsulate the Gateway’s future success.

What is the Thames Gateway?

We have asked ourselves the fundamental questions: What is the Thames Gateway? What is it for? What is its future? Why should government continue to support the initiative?

Firstly, it is important to understand the area’s role in supporting London in an increasingly competitive world. London is the UK’s most important economic asset. It drives one of the

¹ Terry Farrell & Partners *Thames Gateway Parklands Vision* (Department for Communities & Local Government, October 2008)

most successful regional economies in the world, the Greater South East. This is the only UK region that competes on the world stage. In order for it to continue to compete internationally, London must grow.

Within the Greater South East, the Thames Gateway is the biggest growth opportunity by far, and it has attracted major investment including the Channel Tunnel Rail Link, High Speed 1, Canary Wharf and now the Olympics. Crossrail will transform the area's metropolitan connectivity.

But compared with the rest of the Greater South East region, the Thames Gateway underperforms considerably. Unlike successful growth corridors to the north, west and south of the metropolitan area, wealth creation here has been slow. Only 23% of residents have skills qualifications to NVQ 4 level, compared with a regional average of 32%. It has pockets of severe deprivation. It has suffered from long-term economic decline since a peak experienced in the 1960s. While the Gateway covers only 3% of the land area of the Greater South East, 20% of the region's brownfield land is located there. This is the graveyard for industries that have died during the 20th century.

Without growth, London will slowly lose its "world city" status. Government has a key role in ensuring that this does not happen. In order to address extensive "market failure", it needs to provide strong leadership and support for an initiative that aims to transform quality of life and therefore the prospects for wealth creation here. To quote urban theorist Richard Florida, "place is actually more important to the world's economy than ever before".

What makes the Thames Gateway a place? What has the Isle of Dogs to do with Southend or Medway? Many people continue to ask this question, and I think it's important to grasp that it is a place, for two fundamental reasons.

First of all, it is a coherent natural landscape: it is the saltwater tidal part of the Thames estuary. Its defining character has been recognised by poets, painters and writers including Hopkins, Turner and Dickens. It has a very strong identity, just like the Fens, or the Lake District, or Dartmoor, though this is no longer obvious (but could be made so through implementation of the parklands vision). Geographically and geologically, this is quite definitely one place with a definite ecology.

It is also a coherent place, which has shaped millennia of human activity. It is the downstream part of the metropolis. It is where navigation and exploration were based, in places like Greenwich and Woolwich and Chatham. The estuary saw great waves of emigration

and immigration, and this is where the large docks were located, initially in east London and eventually in Tilbury and Medway.

Then it became the engine room of the world's first metropolis. It became a place where waste was discharged and power generated. Almost 10% of the UK's power is generated here, because power stations are located near to where commodities were landed. The activities of places along the estuary's length share common origins.

This coherent landscape has shaped a "constellation of places", and in many places these origins are powerfully expressed by the remnants of built heritage from this maritime past. There is differentiation between the communities of east London and those located further east within the estuary landscape, in that only the former are also part of the metropolis, but all share a geographic relationship with the River Thames and its tributaries and so a common set of challenges (for example, flooding and climate change) as well as opportunities.

Success in the Gateway requires a step change in quality of life as well as the eradication of very negative perceptions of it as a place. It has been called a "cockney Siberia" and is regarded mostly as a landscape of post-industrial blight. Without changing both the perception and the reality, it will not be possible to attract investment here and people will not want to live here or visit as a matter of choice.

The Thames Gateway has enormous potential to achieve major change. Along with the fact of major public-sector landholdings in accessible locations, there can be no doubt that the creation of the Homes & Communities Agency is an opportunity to capitalise on the billions of pounds of investment that have already been made in the Gateway, and this should not be missed.

Delivery of the vision is dependent on a long-term approach. International experience in Germany, the Netherlands, the US and Canada shows that implementation takes several decades, often in a series of small steps all going in the same direction. In Germany, Emscher Park in the Ruhr was programmed over two decades to achieve landscape regeneration, but as a growth and regeneration initiative it is very much alive and under way for the foreseeable future. We need to develop a shared perception of what the Thames Gateway is and what it offers as a place over the next 40 years.

It is worth remembering that success in the Thames Valley was planned for in the government's 1971 South East Plan and was based on attracting high-value, high-technology industries. Four decades later, this is still in the process of maturing.

Over the next 10 to 15 years, it is important to maintain the momentum of active projects, and there is much investment still to be capitalised on relating to the Channel Tunnel Rail Link and High Speed 1, not to mention the Olympics legacy. The economic benefits relating to new infrastructure always take time to realise, as experience from the Victoria and Jubilee underground lines shows.

By 2030, the proposed port at London Gateway could well be completed and handling 3.5 million standard container units a year. The proposed London Array offshore wind farm could be generating enough power by this time to supply 1 million homes (there are 750,000 homes in the Gateway). All public buildings by then could be retrofitted to run on clean, low-carbon energy. A new Thames Gateway University of Sustainability could provide a national centre for technical training for green industries. By then there could be a European centre for logistics and distribution skills too.

Components of the core vision

We have identified seven key components of the core vision for the Thames Gateway.

1. A parklands landscape

The first is to create an exceptional parklands landscape, which transforms the perception of place. We have done a lot of work at my practice, Farrells, on all the components of the parklands landscape, which includes water and wetlands and the river itself along with landscape creation within east London and the estuary towns. Investment has already begun here which is helping to transform the estuary landscape.

The long-term aim is to create a landscape quality comparable with the Thames Valley. The Gateway will, it is hoped, be seen as not only an economic hub, but also a landscaped area of quality, just as the Thames Valley is today. It should become a place for tourism and recreation, where people from the UK and abroad visit to experience a landscape that is as good as a national park.

By 2040-50, we can imagine 10,000 hectares of new forest and woodland, up to 20 new national nature reserves, and local food and materials being produced in the estuary on a large scale, with environmental tourism attracting perhaps 2 million visitors. In the Gateway's urban landscapes, no resident would live more than 300 metres from a high-quality local park. We can imagine a complete Thames Estuary Path, restoration of piers and promenades, and new walkways and nature trails. The world's largest wetland estuary could be created. All the Thames tributaries could be restored as local amenities and nature reserves, and a natural flood management system put in place.

2. Environmental innovation

In the long term, the Thames Gateway could become the leading place for environmental innovation and change in the UK, achieving an 80% carbon-reduction target by 2050 despite vigorous, large-scale growth. It could be the UK's leading location for low-carbon energy generation, including wind, solar, tidal and biomass. Water neutrality could be achieved throughout the Gateway. All the waste would be reprocessed locally, and none exported. All buildings, public and private, would be retrofitted to be low-carbon and run on clean energy. District and local energy networks would be in place, utilising excess heat and waste from all power stations.

Peter Head of Arup, an international authority, says: "I can think of no other place with more potential to tackle climate change agenda than here in the Gateway."

3. East London's places remade

The third theme of the core vision is to remake east London's places. The largest opportunity area in the whole of the South East is right on the doorstep of Canary Wharf, Europe's second-largest financial centre after the City of London. The aim here is to provide a quality of life that is comparable to that in the rest of London.

In 40 years' time the renaissance of east London should be complete: the population reaching 900,000, from its present level of 500,000, while house prices, life expectancy, income and employment all match the Greater London average. The area could become a place of choice for middle- and high-income families. Stratford would become a major centre comparable to Croydon, and the Royals, London Riverside and Erith would all emerge as centres of metropolitan significance. The world's largest water park complex could open in the Docklands, and east London become fully part of and every bit as attractive as already successful parts of London.

4. The estuary towns strengthened

The fourth theme of the core vision for the Gateway is to reinforce the exceptional qualities of the estuary towns. Each should play to its own economic strengths and locational advantages. They should reinforce local identity and culture and build on their histories and built heritage.

By 2050 one could anticipate seeing the population of the estuary towns reaching 1.6 million, from a present 900,000, with growth concentrated in Medway, Basildon and North Kent. Thriving and complementary local economies could exist, each with their own distinctive offer. House prices and socioeconomic indicators could match the regional average. We could see creative industry in places like Gravesham and Leigh. A network of

vibrant resorts could include Southend, Swale and Sittingbourne, and local tourism would thrive throughout the estuary.

5. Excellent connections

The fifth theme is to create the best-connected communities by focusing growth on the most accessible locations. Crossrail 1 and 2, the Channel Tunnel Rail Link, the North Kent and South Essex lines, not to mention High Speed 1, are major assets that should be the basis for new growth.

We could look forward possibly to high-speed, low-carbon connections across the outer estuary, by either bridge or speed ferries; Southend Airport and City Airport forming part of a national network connected by high-speed rail; integrated port facilities at London Gateway and at Tilbury; Sheerness and Medway connected to a national and European rail freight network; intelligent public transport information systems, linked to every home in the Gateway; and distribution hubs throughout the Gateway, based on lower emission vehicle fleets.

6. Increased educational skills levels

The sixth thematic area is raising educational skills levels. Professor Sir David Melville, Chair of Lifelong Learning UK, has said: "The key is to ensure that skills are raised throughout the Gateway, so that local people can take full advantage of this major project." This should range from universities to further education and vocational training, so that qualification levels match the regional average.

There are specific opportunities throughout the area for specialisation: for example, aerospace at Southend; advanced manufacturing in Medway; biodiversity research centres linked to colleges and schools; climate change research stations; an international centre for the creative arts possibly linked through to a creative arts campus in St Pancras, with skills training in film, TV, creative writing and fashion; and a sports university perhaps in the Lea Valley focusing on the Olympic legacy. All this could be part of an intense programme of increasing skills levels that could form the basis of building up new industries and new economies in Thames Gateway.

7. Economic growth

The final theme is economic growth, based upon these new skills, with the emergence of new green industries as well. Environmental industries could be the focus for innovation in the UK. This could provide new jobs, including in the areas of carbon recycling, capture and storage. Financial services employment at Canary Wharf, second only to central London, would cascade further out to other areas in the Isle of Dogs. Ports and logistics

could become an even more significant employer, based on a high-technology, high-value approach.

The core vision defines aspirations for the Thames Gateway based on its character, identity and potential. Its aim is to create growth in order to maintain London's status as a world city, and to help the Greater South East to compete internationally as Europe's wealthiest region. It can do so only if we can transform its quality of life, and therefore its economic prospects. It must offer, in its own unique way, what the Thames Valley already offers today. This is a long-term initiative that requires continued government support.

Chapter 2

The view from South Essex

Mark Pragnell, Executive Director of the Thames Gateway
South Essex Partnership

The view from South Essex

The case for the Thames Gateway remains as strong today in the midst of economic recession as it has been throughout the past almost two decades of growth. The credit crunch has, however, resulted in seismic changes to the economic and political landscape, and it is imperative that those in charge of Europe's largest regeneration project recognise and respond constructively to these changes.

London and the Greater South East of England remain vital to the prosperity of UK plc

In this paper, I consider some of the ways in which the credit crunch has changed the policy environment within which the Thames Gateway operates. But, first, it is important to recognise what has not changed: the pivotal role of London and the Greater South East of England in delivering future economic growth for the whole of the United Kingdom.

Almost half of all new private-sector jobs created in Great Britain during the decade to 2007 were generated by businesses located in the Greater South East.¹ The area generates 44% of the UK's prosperity, while having only 35% of the country's population.² Although this recession has its roots in international financial markets – and the institutions of the capital's Square Mile and Isle of Dogs – the reality is that the catalyst for future national recovery and growth will again be business and enterprise in London and the Greater South East of England.

It is in this context that the Thames Gateway remains nationally (and internationally) significant. Quite simply, east London, North Kent and South Essex provide the space and opportunity for London and the South East's growth – in housing, workplaces, education and space to play.

But, although the pressing need for continued regeneration in the Thames Gateway is unaltered, the credit crunch and subsequent recession have changed much else. I consider four key ways in which the recent financial and economic crisis will affect regeneration in the Thames estuary.

We must innovate to avoid falling over the funding cliff edge

First, the recession will leave the UK government in a much tighter fiscal position, prompting significant constraints on public-sector capital expenditure programmes for the foreseeable future.

¹ TGSEP calculations using Office for National Statistics *Annual Business Inquiry* data from the Nomis website. The Greater South East of England is taken as the three government office regions of London, the South East and the East of England.

² TGSEP calculations using Office for National Statistics population and regional gross value added estimates

The respected Institute for Fiscal Studies has estimated the scale of fiscal retrenchment needed over the coming government spending round period of 2011/12 to 2013/14.³ Based on the chancellor's latest Budget, the researchers optimistically anticipate that overall public spending will hold steady in real terms over those three years – but much more of it will have to be diverted to fund accelerating debt financing costs as well as benefits and tax credits for those whose jobs have suffered in the recession. Once these new costs are stripped out, the government's departmental expenditure limits are predicted to fall by 7% in real terms over the three years, with public-sector capital expenditure falling over a cliff edge and almost halving. Many commentators are suggesting even more dramatic cuts and most expect the pain to last for a decade or more.

Given the strong logic to investment in the Thames Gateway, no government will want to see the axe fall as heavily there as elsewhere – but, realistically, we cannot expect recent levels of public funding to continue. How, then, can we maintain momentum with less direct support?

There are no simple answers.

Clearly, there will be an even greater onus on the public sector to prioritise and target its resources on where it can make a significant difference – where interventions have additionality (meaning they cannot be done by others) and where there are market failures to correct. The provision of infrastructure is an obvious example, but this covers more than transport networks and also includes communications, education and health provision, among other elements.

There is also a clear role for government in "place-making", especially in the all-too-often tired and poorly designed town centres of many Thames Gateway settlements. In South Essex, much of our focus is on delivering regenerated towns that can retain, attract and support higher-value jobs and better-quality homes – but this is as much about the character of the public realm, the provision of green space and access to quality amenities as it is about housing targets or grand transport schemes. And there is a role for the state in balancing economic growth with sustainability, especially while low-carbon development remains a relatively expensive option.

We are also likely to see consolidation and streamlining of the Thames Gateway delivery structures, so that the administrative overheads are proportionate to the scale of the capital programme being delivered.

3 Tetlow, G *Public Spending* (Institute for Fiscal Studies, 2009)

But refocusing and restructuring will not be enough; we will need to be more innovative to maintain the momentum in the Thames Gateway.

For example, the public sector will have to make more innovative use of its combined assets, especially its land and property portfolio. Here, the challenge is to get all the various asset-holders – from local councils through the regional development agencies to the likes of the Environment Agency and the Ministry of Defence – to work together for the common good, even if it may be to their specific organisation's short-term financial detriment.

The "Single Conversation" promoted by the fledgling Homes & Communities Agency is a step in the right direction, but the dialogue will need to be conducted across the broadest range of stakeholders if it is to have leverage. Meanwhile, we must explore ways to achieve greater flexibility for local delivery vehicles to borrow from the markets, and to securitise future revenues and value uplift.

We must show flexibility to encourage private investors

The second way in which regeneration in the Thames Gateway is likely to be affected by the credit crunch is through a more risk-averse and capital-constrained private-sector investment community, at least in the short term. Given the pressure on public funds, weakness in private-sector investment is doubly concerning.

The Thames Gateway remains an attractive proposition to developers and businesses relative to other locations. It is an already well-connected and affordable business and residential location in close proximity to Europe's pre-eminent business centre, London. Rents for prime office space in Basildon, for example, are around a third of those charged for similar space in the City, under half those charged on the Isle of Dogs and only a fifth of Mayfair's – while it is only 35 minutes by train from London's Fenchurch Street Station.⁴

Nevertheless, we must recognise the new world in which the private sector is operating.

The public sector, especially at the local level, can do little directly to address the new risks and constraints being faced by investors and developers. We can and should, though, think more laterally and be more flexible about how we might share the risks (and rewards) of future regeneration with private-sector partners. And we can redouble our efforts to make the legislative and regulatory environment more conducive to enterprise. Now is the time, for example, to make sure that the local planning system is an aid to regeneration, and

⁴ Prime office rental values for 1 August 2009 provided by CB Richard Ellis UK; train times from National Rail Enquiries

not a hurdle; we need to give greater clarity and certainty to investors. We may also have to make tough decisions about balancing incentives for private development against the need for provision of social housing and delivery of low-carbon buildings.

Meanwhile, private-sector frailty will have knock-on implications for public finances. We may need to re-examine the scale of developer contributions expected from regeneration projects – especially if payments are front-end loaded. This again highlights the need for new business models to share the risks and rewards between the public and private sectors throughout the lifecycle of regeneration projects. In the post-credit-crunch world, government must be willing to be more commercial – and strike realistic long-term deals with private developers and investors.

We must make the case for the Thames Gateway clearly, cogently and loudly

The third way in which regeneration in the Gateway could suffer is if the credit crunch prompts a swing in public opinion, and perhaps political sentiment, against the financial services industry and the City, with a consequent negative impact on the general acceptance of the “case for London”. This could be compounded by poor perceptions of the Thames Gateway programme itself among some of the supposedly informed classes.

To many outside the Thames Gateway (including me, until recently⁵), the area can appear as just another part of an allegedly bloated public-sector gravy train: a plethora of organisations, partnerships and bureaucracies, each with their wish-list of calls on government spending, and more concerned with form filling and box ticking than with delivering meaningful change on the ground; an overly complicated administrative superstructure designed to obtain and distribute government largesse for the sake of it. I am glad to say that the reality is different, but perceptions can often determine policy – especially in the context of fiscal austerity.

The challenge is therefore to ensure that the case for the Thames Gateway is made clearly, cogently and loudly. In this context, the message needs to be as much about demonstrating why the regeneration of the Gateway is essential to UK plc as it is about its value to the local population and London or its benefits in tackling deprivation and other social or environmental issues in the region. We must avoid wish-lists of calls on government spending, and instead demonstrate the excellent return on investment that can be achieved by both government and the private sector in the Thames Gateway, while benefiting the local population.

⁵ I only recently joined the Thames Gateway South Essex Partnership, after previously having been managing director of the economics consultancy Centre for Economics & Business Research, and before that worked at a senior level at the Consumers' Association and the London development team at Railtrack.

We must urgently address the pockets of deprivation in the Thames Gateway

The fourth way in which the recent economic crisis is affecting the area is that the recession has made conditions worse for some of the Greater South East's most deprived communities.

Despite its close proximity to the largest concentration of wealth creation in Europe, there remain pockets of severe deprivation in the Thames Gateway, including South Essex. According to the government's Index of Multiple Deprivation calculations, large swathes of Basildon, Southend-on-Sea and Thurrock lie in the most deprived fifth of English communities. Southend-on-Sea's Kursaal area is one of only two communities in the whole of the Greater South East of England to feature in the government's 2007 list of the 100 most deprived English wards overall, while the Tilbury St Chad's ward in Thurrock is the country's 11th most deprived community on the government's education, skills and training measure.⁶

The current economic climate is putting a brake on the good work of the many who are trying to address these disparities. The credit crunch has seen unemployment in South Essex increase by almost 140%. The number of people claiming jobseeker's allowance has risen from a low of 7,184 as recently as November 2007 to 16,973 by August this year.⁷

Just like the economic case, the moral case for continued investment in the Thames Gateway has been heightened by the recession. Now we have to rework our structures and our thinking to address the new challenges of the post-credit-crunch world.

6 Noble, M, McLennan, D, Wilkinson, K, Whitworth, A, Barnes, H and Dibben, C *The English Indices of Deprivation 2007* (Department for Communities & Local Government, March 2008). Analysis based on super output areas. The other location in the fifth most deprived wards is Clacton's Golf Green ward.

7 Office for National Statistics data from Nomis website, 8 October 2009

Chapter 3

The view from North Kent

David Liston-Jones, Chief Executive of the Thames Gateway
Kent Partnership

The view from North Kent

I aim here to give a "Kent" perspective, or more specifically a North Kent perspective, on the future of the Thames Gateway over the next five to 10 years. North Kent in this context extends from Dartford in the west through to Gravesham, Medway and Swale in the east. I have tried to reflect the views and concerns of partners and stakeholders, but there are of course many different perspectives, and the opinions expressed here are my own and not necessarily endorsed by all partners.

A long-term project

The Thames Gateway is a long-term project. We can argue about when it started: it certainly goes back to 1995 when the Thames Gateway planning framework was launched, or even further back, to the 1993 East Thames Corridor study carried out for the government by Llewelyn Davies. That study was itself commissioned in 1991 after announcements by Michael Heseltine "of the government's interest in the scope for development and environmental enhancement in the Lower Thames area".

You could argue that the initiative began even earlier. The study report states:

The origins of the East Thames Corridor initiative can be traced to the early 1980's and the efforts of a number of individual authorities, particularly in North Kent, to address the problems of industrial dereliction in order to stimulate employment prospects and counter rising unemployment and out migration.¹

Note that North Kent was leading the way even back then!

So we can track the origins of the Thames Gateway back nearly 30 years. And looking forward, many of our targets are set well into the future – most for 2026. Sir Terry Farrell, in his recent work on the Thames Gateway core vision, has been looking even further into the future to ask what success will look like in 2040 and 2050.

So, in looking forward for the next five to 10 years, we need to keep a sense of perspective – you could say we are 30 years into a 70-year journey. Maintaining commitment to an initiative over such a long time span is not easy. Political and funding timeframes tend to be much shorter.

¹ Llewelyn Davies, Roger Tym & Partners, TecEcon and Environmental Resources *East Thames Corridor – A Study of Development Capacity & Potential* (Department of the Environment, March 1993)

The case for the Gateway is as strong as ever

However, the rationale for the Thames Gateway initiative seems to me to be as strong now as it has ever been. I see it as a win:win deal both for national government and for the local communities that make up the Gateway. The transformation of the area is important nationally, because the Gateway's success is necessary for London's continuation as a world-class city and hence for the success of UK plc. In the Thames Gateway we have the sites and the opportunities to accommodate growth in a way that is not possible in other parts of the South East.

But there is also a tremendous, once-in-a-lifetime chance to transform the area for the benefit of local people. Public investment is bringing new jobs, homes, transport links, universities, schools, community facilities and a better quality of life. So the opportunity of the Gateway is to make a huge contribution to the future of London and the country's economy and, at the same time, to transform the area in a way that brings benefits to both new and existing residents.

The central thrust of what we are seeking to achieve has not changed dramatically over the years. Nor do I believe it will change fundamentally in the future. But there is a need at regular intervals to challenge our assumptions and to refresh the narrative. The cast of personalities involved in the Gateway is always changing, and there is a need to continue to make the case, to explain why it is essential for the government to treat the Thames Gateway as a national priority and to convince people that the rationale remains sound.

Sustainable economic growth is key

In North Kent we see the Thames Gateway initiative, at its core, as being about sustainable economic growth and regeneration. We have an ambitious target of creating 58,000 new jobs over 20 years. Achieving other growth targets, such as housing numbers, is clearly important, but if we were to simply focus on, for example, housing growth and not give sufficient emphasis to the creation of new jobs, we would not achieve the kind of sustainable communities we want to see. In North Kent it is crucial that new and existing residents have opportunities both to live and work locally. We need to encourage the creation of new jobs, particularly in the high-value sectors. Our aim is to transform and rebalance the economy, which currently leans too heavily towards low-value, low-skilled jobs.

While the overall long-term vision and objectives may remain valid, over time new national policy concerns and issues arise that need to be properly integrated into our plans. The most obvious is climate change, which means that economic growth must be sustainable in terms of carbon emissions. The Thames Gateway has been identified as an area that can

take the lead in demonstrating how this can be achieved. Sir Terry Farrell has placed environmental sustainability at the heart of his refreshment of the Thames Gateway core vision.

Economic growth and environmental sustainability do not need to be in conflict; they can reinforce each other. There are huge opportunities for growth in the environmental technologies sector and, through major initiatives such as the Institute for Sustainability and the Skills for Sustainable Construction Academy (SUSCON), North Kent is well placed to play a leading role in the Thames Gateway eco-region agenda.

The transformation is already under way

The Thames Gateway is an initiative that has been under way for some time, and the transformation is already happening. Substantial progress has been made in North Kent in recent years: the economy has grown and diversified and, until the present slowdown, unemployment was falling too. Key challenges remain, however. Productivity and output per head both lag behind the average for the region, while the proportion of high-value, knowledge-based industries and the numbers of people with higher-level skills fall short of what we need in order to transform our economy. The economic downturn has thrown these issues into sharper relief, with disadvantaged communities and individuals at particular risk.

The long-term outlook, though, is very positive. Like other parts of the Gateway, North Kent has great assets – its countryside, heritage, riverside, strong communities and leadership – and huge potential, thanks to its strategic location with good connections to London and Europe, the many large brownfield sites ready for development, new high-speed transport links, and the scope for low-carbon, sustainable growth within a Gateway eco-region.

It is worth pausing to reflect on what has been, and is being, achieved. Take a look at just some of the highlights for North Kent:

- New high-speed international and domestic rail services are now operational. Central London is just 17 minutes from Ebbsfleet International, and journey times from London to the whole of North Kent have been dramatically reduced. You can be in Paris or Brussels in a little over two hours.
- The creation of a major new urban centre in Ebbsfleet Valley around the new international station, which will ultimately create 20,000 jobs and 10,000 homes, is starting to become a reality, with the first residents moving in at Springhead Park.

- Some 25 years after the naval dockyards closed in Medway, Chatham Maritime has been transformed with a new marina, over 1,000 new homes, a superb new university campus catering for up to 10,000 students, shops, offices, restaurants and a cinema.
- Around 6,500 jobs have been created at the Crossways Business Park in Dartford.
- Major new road transport infrastructure includes the new Sheppey Bridge linking the M2 to Sheerness Port, improvements to junction two on the M25, the widening of the A2/M2, new relief roads being built at Sittingbourne and Rushenden, and the remodelling of the road network in Chatham, opening up the town centre for local residents.
- Innovative new public transport systems are taking people out of their cars – such as the award-winning Fastrack rapid transit bus system, with fast-rising passenger numbers, that now links Dartford and Gravesend town centres with The Bridge, Ebbsfleet Valley and the Bluewater regional shopping centre.
- Purpose-built centres for new innovative businesses include three that have opened in the past year alone – The Nucleus at The Bridge, Medway Innovation Centre near Rochester airport, and the Joiners Shop for Creative Industries at Chatham Maritime.
- Superb new sports facilities have been built, such as the Princes Park football stadium and the world-class Judo Kwai in Dartford; meanwhile, the Black Lion centre being renovated in Medway will have a new eight-lane athletics track and a gymnastics centre.
- Major investment in green space includes the 800-hectare green cluster around historic Cobham Park. Five exciting strategic parklands projects are under way across North Kent to improve the quality of the natural and built environment.
- New and expanding science parks include the Kent Science Park at Sittingbourne, which is home to over 80 businesses in areas such as biotechnology, high-end engineering and pharmaceuticals, and a new science park planned at The Bridge in Dartford.

Closing the prosperity gap with the rest of the South East

It is strange that some commentators seem to think that the Thames Gateway initiative has yet to deliver or achieve anything on the ground. The evidence of delivery is there for all to see. And it is set to continue. Over the next few years many other key developments will be taking place, such as the superb Rochester Riverside site next to historic Rochester Castle and the cathedral, the redevelopment of Northfleet Embankment, new developments

at Queenborough and Rushenden, and further schemes to revitalise the town centres of Dartford, Gravesend and Sittingbourne.

But the job is not yet done. In North Kent, partners are determined to close the prosperity gap with the rest of the South East. If output per head were on a par with the rest of the South East, it would add an estimated £3 billion per annum to the UK economy. As well as creating 58,000 jobs and 52,000 homes by 2026, we want to improve skills attainment at all levels; our draft economic development strategy includes targets to increase the proportion of local residents qualified to NVQ levels 1, 2, 3 and 4 relative to the South East average. We want to increase the rate of new business start-ups, again closing the gap with the South East average. We plan to focus effort on supporting the key industry sectors in North Kent, such as advanced manufacturing, ports and logistics, construction, environmental technologies, creative industries, and finance and business services.

A new economic and public expenditure climate requires new ways of working

I have argued that the Thames Gateway is a long-term project – it has already been through and survived earlier economic downturns. It will survive this one and no doubt others in the future. But there is no getting away from the fact that, over the next few years, making progress towards the kinds of targets outlined above will be a real challenge. Maintaining the emphasis on high quality in the design and construction of our key developments will be even more important. The economy will, we expect, return to growth, but the public expenditure position will be tough for the foreseeable future. We need to find ways of working smarter and more innovatively if we are to continue to make progress.

This is one of the reasons that the local authorities and other partners in North Kent decided to look at ways of doing more things collaboratively, rather than individually. The scale of the challenges we face, particularly in this new economic climate, requires a step change in our performance that can be achieved only by local authorities and partners working jointly, with central government, to devise new solutions. We need new approaches to partnership working and innovative funding mechanisms that cross organisational and administrative boundaries.

A multi-area agreement for North Kent

That is why we decided to embark on a multi-area agreement for North Kent. This is a mechanism that can help us achieve that step change. As a functional economic area with a shared set of challenges and opportunities, North Kent is well suited for a multi-area agreement. It has taken over a year's hard work and intense negotiations to conclude. John Denham, secretary of state for communities and local government, signed the agreement

for the government, along with the leaders of the councils in North Kent and the chair of the South East England Development Agency, at a signing ceremony on 9 September.

The multi-area agreement contains a range of actions and agreements on housing, transport, skills and employability, with some very demanding milestones and targets. The challenge now is implementation. We believe the MAA will strengthen partnership working across North Kent, to:

- bring more certainty, and less risk, to achieving our growth and regeneration targets;
- increase the effectiveness of the delivery of government programmes; and
- improve opportunities for local residents.

Over the coming year, we want to build on our collaborative working to focus in more detail on other themes, including business and enterprise, culture and eco-region, environment and public realm.

A Single Conversation on investment requirements

In a tough public expenditure climate, difficult choices and decisions are going to have to be made about investment priorities over the next spending round period and beyond. It will be vital that all key partners are involved in these strategic choices. It will also be vital that decisions are taken on the basis of a robust evidence base, an agreed vision and strategy and a shared set of objectives.

That is why in North Kent we were very much in favour of the Homes & Communities Agency's "Single Conversation" proposal and why we were pleased to be selected as one of the three Single Conversation pilot areas in the South East. We are already working with the Homes & Communities Agency on the preparation of a local investment plan and agreement.

In conclusion

So, in conclusion, the view from North Kent is a positive one. The coming together of a number of factors – the new high-speed rail services, the availability of brownfield sites, investment in new infrastructure – has given us a once-in-a-lifetime opportunity to transform the economy of North Kent.

The present economic climate and tough outlook on public expenditure do not invalidate our objectives. But they do mean that we must find new and innovative ways to tackle some of the challenges we face. We need to work together and work smarter. That is what we are seeking to do in North Kent through, for example, the multi-area agreement and

the Single Conversation. Our vision of exciting, sustainable, balanced communities in towns and cities where people want to live and work is already taking shape – but it will take another decade or two, or three, to be fully realised.

Chapter 4

The view from London

Ros Dunn, Chief Executive of the Thames Gateway
London Partnership

The view from London

I have yet to meet someone who tells me that they live in the Thames Gateway. And yet I know many people who do. I live on what estate agents would call "Thames Gateway borders" if they thought that doing so would increase their chances of a sale. But no one says that. They live in Hackney, or Tower Hamlets (and, actually, in Poplar or Wapping), or Romford, or Bexley, or Stratford ... I could go on.

But in the office, we talk of nothing else. Everything we do, or promote, happens in the "London Thames Gateway", or "the Gateway". We welcome the brand-new and exciting Westfield retail development coming to the London Thames Gateway (Stratford, to be precise), and the fact that the Gateway is home to the O2 Centre, officially recognised as the most successful entertainment venue in the world (in Greenwich). And we are pleased that the London Gateway has its own airport (City Airport, in Newham) and the Thames Gateway has two (City and Southend).

Does this matter? The fact that ordinary people talk about Poplar and Erith while policy makers talk about the Thames Gateway? I think the answer to this is: "Yes ... and no." "Yes" because it explains either why it is so hard to make a compelling case for the investment we need in the Gateway (there, I've done it) that resonates with the people whom we need to support it, or that we have just been singularly unsuccessful in doing so. "No" because it should not matter how we succeed in delivering growth and the regeneration of the Thames Gateway for the people who live and work there. If it helps for those involved in delivery to think in terms of the Thames Gateway, Western Europe's largest growth area, or the London Thames Gateway, London's largest growth area, let's not complain if that succeeds in making things happen.

Let's stick with the second answer for a moment. What are the policy makers in Whitehall, the local councillors in London's Gateway boroughs, and the developers and investors active in those boroughs thinking about when they use "the Thames Gateway" as a convenient shorthand for a bigger and more complex idea or set of ideas?

The Thames Gateway is "the UK's largest growth area, Europe's most significant location for development"¹ ... "strategically well positioned"² because of its proximity to London at one end and mainland Europe at the other, capable of absorbing the growth anticipated in London and the Greater South East "on a scale not achievable anywhere else in the

¹ London Development Agency, South East England Development Agency and East of England Development Agency *Thames Gateway Economic Development Investment Plan* (September 2008), p3

² Department for Communities & Local Government *The Thames Gateway Delivery Plan* (November 2007), p6

country"³ Meanwhile, "continued investment by the government in jobs, housing and infrastructure is helping the region weather the current recession and will help it play a key role in the recovery of the Greater South East and the UK as a whole"⁴.

"The legacy of the last two hundred years has been one of decline in the Thames Estuary and East London"⁵ ... higher than average levels of deprivation (the poorest part of the Greater South East)⁶ and higher rates of unemployment and lower levels of skills⁷ ... which if tackled, could add £12 billion per annum to UK GDP.⁸

"This is a part of London that cannot be ignored ... essential to the rest of London, essential to the rest of the Gateway"⁹ ... "the only area capable of delivering national and regional visions for new sustainable economic and residential growth".¹⁰ "East London will be the capital city's key economic, social and environmental motor for growth over the coming decades"¹¹ and yet "the scale of deprivation in existing communities warrants intervention [solely] on equity grounds".¹²

There are strong common themes here about capitalising on opportunity, and about tackling need from national, regional and local government. The good news is that a lot of this has already been translated into action and delivery on the ground.

In the London Thames Gateway, we now have the capital's second-largest financial district – Canary Wharf – and a new entertainment and business quarter based around the O2 venue on Greenwich Peninsula. We have modern and flexible exhibition space at ExCeL in the Royal Docks. We have an (expanding) airport. We have a dedicated light railway – the Docklands Light Railway – serving much of the subregion and capable of extension. The Jubilee Line has been extended to Canary Wharf and up to Stratford. Capacity is being increased on both through additional carriages. And still to come are two

3 John Prescott MP, former deputy prime minister, speaking to the Thames Gateway Forum in June 2007

4 Shahid Malik MP, parliamentary undersecretary of state, in: Homes & Communities Agency *Thames Gateway Annual Report 2008/09* (July 2009), p3

5 National Audit Office *The Thames Gateway: Laying the Foundations* (May 2007)

6 LDA, SEEDA and EEDA *Thames Gateway Economic Development Investment Plan* (September 2008), p27

7 Ibid, p27

8 Department for Communities & Local Government *Thames Gateway Interim Plan* (November 2006)

9 Lord Falconer of Thoroton, chair of the Thames Gateway London Partnership, quoted in *Renew* magazine, Spring 2009 (<http://www.thames-gateway.org.uk/index.php/news>)

10 Chris Roberts, leader of Greenwich Council, quoted in *Renew* magazine, Spring 2009 (<http://www.thames-gateway.org.uk/index.php/news>)

11 Sir Simon Milton, deputy mayor for policy and planning at the Greater London Authority, quoted in *Renew* magazine, Spring 2009 (<http://www.thames-gateway.org.uk/index.php/news>)

12 LDA, SEEDA and EEDA *Thames Gateway Economic Development Investment Plan* (September 2008), p17

major projects of which it has been said that any area seeking regeneration would "die for either one of": the Olympics and Crossrail.

It is not only infrastructure – Maritime Greenwich, as a world heritage site, is just one area where the Gateway's cultural and historical assets are world-class. And for those who like wild spaces, Rainham Marshes, with its fantastic new RSPB Education and Environment Centre, is right on the doorstep, straddling London and neighbouring South Essex.

The point is that all these regeneration projects, and many more, have been delivered through public- and private-sector partners working together on the Thames Gateway – or its predecessor the East Thames Corridor – project. They would not have happened without this focus; not even the Olympics, because much of the rest of the supporting infrastructure that underpinned our successful Olympic bid would not have been there. And so this is the point at which policy makers wring their hands and say: "If only they knew! Then they'd learn to love the Gateway."

On this basis, ought we to conclude that using the Thames Gateway as a concept to strengthen and drive delivery of regeneration in the poorest part of the Greater South East (and, in east London, some of the most deprived parts of the country) has worked? Again, the answer is: "Yes ... and no."

The last couple of decades since the creation of the London Docklands Development Corporation have seen a transformation in east London, and there are many major projects still to complete in the pipeline. Over half of London's major capital housing and regeneration projects, with a value of around £20 billion (not including the Olympics), are situated in the London Thames Gateway area. And we can be reasonably confident that these projects will be completed, even if some will take a little longer than was anticipated before the recession.

I say this because the physical regeneration of the London Thames Gateway has to happen. It is essential to the future growth of London – both policy makers and developers know this – and this means that, over time, values will return and projects which have stalled will be restarted. If we are lucky, developers may have taken the opportunity to rethink and improve the quality of some schemes, helped by pressure to do so by policy makers.¹³ And if the concept of parklands as a unifying theme that recognises the natural landscape of the Gateway and seeks to raise environmental standards takes hold, as it should, we can expect to see "sympathetic regeneration" that respects the very different places in the

¹³ For example, by the impact of the mayor of London's *Housing Design Guide*, in draft at the time of writing

Gateway – urban, suburban, estuary towns and wild spaces – and delivers exemplary environmental standards.

But on the minus side, there is still an uncomfortably long way to go in tackling other subregional regeneration needs, particularly in relation to skills and employment. One of the biggest challenges in the London Thames Gateway will be to raise skills levels to the height needed to satisfy future demands for jobs; but while overall skills levels are improving, they are persistently below the London average (over 35% of residents have skills below level 2, compared with the London average of 30%). Even this figure masks worrying intra-regional differences; while there has been recent progress towards a knowledge-based workforce – almost a third of London Thames Gateway residents now possess degree-level qualifications – there remain significant clusters of poorly skilled residents.

The employment picture is also gloomy. An overall employment rate of around 68% (only just nearing the Lisbon target) masks the fact that two of our boroughs have the lowest employment rates in the country, at around 60%. And there are significant differences between the employment rates of people with the same skills levels in different boroughs.¹⁴ Crossrail is nationally significant, needed by the whole of London and the Greater South East, not just the London Thames Gateway, but there is a danger that its potential to open up places and create new jobs will do less to help existing residents than it should.

These statistics have consequences. Oversimplification can be dangerous, but it is hard to counter the argument that on some key regeneration success measures the Thames Gateway project has not yet done enough to help the people who live there. And, again being mindful of the dangers of oversimplification, it is hard not to be concerned about the effects of allowing significant numbers of residents to feel left behind.

At all costs, we must avoid creating the impression that everything we do in the Gateway is for the benefit of future and not current residents (additional new homes) or for people outside the area to commute in (additional transport, new jobs), and not for existing residents who need help to access new jobs, or to earn enough to improve their housing conditions. This undermines social cohesion; and we should be highly mindful of the danger signs that already exist, as a number of our boroughs have elected councillors from extremist parties.

With these sobering thoughts firmly in mind, it is time to return to the question I posed

¹⁴ For example, in 2006, 74% of residents without qualifications were in employment in Dartford, compared with 25% in Tower Hamlets and 30% in Newham.

at the outset: does it matter if ordinary people talk about Poplar and Erith while policy makers talk about the Gateway? The reason it matters is that it makes it easy to create the very impression we must seek to avoid: that we don't provide learning opportunities for the people who live in places that resonate with them, like Poplar, but we do build in a place that doesn't: the Thames Gateway. So why would anyone think that the Thames Gateway is something they should get behind and support?

I believe the solution to this is one we ignore at our peril. Articulating it now, as we approach a general election, which must take place within the next six to nine months, seems particularly timely.

We need to remember that there will always be an appetite for the private sector to build in the London Thames Gateway (the complexities of the planning system notwithstanding) so long as government does its bit by providing the necessary infrastructure, because its location holds inherent value. This is the Gateway's "opportunity". Designating the area as a growth area has helped by creating a level of confidence that the government will do what it needs to do – even though, when timing is everything, it often does not get the timing right, and there are some significant transport issues to argue over.

But this common interest between public and private sectors is much less powerful when it comes to providing skills and pathways to employment and some other regeneration activities, where these are still almost entirely public-sector or near-public-sector activities. This is the Gateway's "need". The government should concentrate much, much more effort and investment on tackling skills deficits, including by looking more widely at barriers to the take-up of training for particular groups, and it should badge programmes firmly under the Thames Gateway banner.

The Olympic host borough work on skills and employment is a valuable step forward, but people do not describe themselves as living in "host boroughs" either, and this grouping has the effect of leading to as many people feeling left out as are included. The same argument applies to other regeneration activities that are largely carried out through the provision of public funds, such as the provision of cultural and sporting opportunities, or public realm.

In other words, we must find meaningful and tangible ways of making the people who live in places within the London Thames Gateway feel that things which benefit them directly come from being part of the Thames Gateway. This is not designed to be a way of getting them to say they live there. It is a far more fundamental point: if we have invented a convenient shorthand for policy makers, which in turn will determine what they do,

enable or support, then it must clearly include actions across the full range of regeneration activities, addressing opportunity and need. And the government must commit to those actions that benefit existing residents, and to making sure that all new development benefits existing residents, whoever wins the next general election.

Chapter 5

Innovation shaping the Gateway

Professor Malcolm Grant, Provost and President of University College London and Interim Chair of the Thames Gateway Institute for Sustainability

Innovation shaping the Gateway

The influential Stern review calculated that the market for low-carbon technologies could be worth up to \$500 billion by 2050 and identified two key actions, essential to reduce climate change and add value to the global economy:

- doubling the support for energy research and development across the globe; and
- increasing support for the deployment of low-carbon technologies by up to five times.

The government's Thames Gateway delivery plan aims for the Thames Gateway to become the UK's first eco-region, offering significant opportunities for east London and the UK.

The Thames Gateway Institute for Sustainability is an independent, private-sector-led charity created to advance significantly the UK's ability to deliver solutions for a sustainable future. Its aim is to become "a world-class centre of excellence for independent sustainability research, demonstration and knowledge dissemination". It will capitalise on the wealth of knowledge, talent and business acumen in the South East, drawing together world-class universities with research and technology organisations and private-sector leaders in sustainability manufacture and application.

To deliver this aim, the institute will develop practical and affordable technologies, systems and services that can be readily implemented. It will address the challenge of sustainability through research and development, education and training, learning pilot programmes and on-site demonstrator projects. Its initial focus within the Thames Gateway, Europe's largest regeneration area, not only provides a huge test-bed for research activity, but also a ready market for the solutions the institute will help to develop.

The prime minister announced (on November 2007) that the Thames Gateway would become a world-leading eco-region and that the Institute for Sustainability would be a crucial ingredient to enable the government to meet its sustainability targets and an 80% reduction in carbon by 2050. We launched the institute at the Thames Gateway Forum in November 2008, and this article describes some of the excellent progress made in the past year.

The institute is an idea whose time has come: turning excellence in science and technology research into business opportunities, with a focus on developing close-to-market business opportunities and new jobs through innovation to create sustainable economic development.

We have now set up a company as the vehicle to run the institute and have been recruiting a board of directors. It will have leaders drawn from the private sector, including developers, manufacturers, utilities, finance and retail; universities and research and technology organisations; and policy and public-sector organisations, including local authorities and government. The board will be supported by an advisory group of 50 members, attracted to the key differentiating features of the institute, which are that it is:

- independent and objective;
- business-led with a focus on practical delivery and learning by doing;
- connected with an excellent local, national and international research base, to inform best practice in development, demonstration and deployment – our international partnerships include Tongji University in Shanghai, China, VTT Helsinki in Finland, and the Institute for Science & Technology at Masdar in Abu Dhabi;
- carrying out close-to-market, collaborative research and demonstration, bringing together partners from across industry sectors, the public sector and academia – shortening timescales and reducing risk;
- playing an essential role in disseminating learning from demonstration to inform future skills needs; and
- providing high-profile visibility and opportunities for engagement with the public and private sectors.

Research projects

The core service offerings of the Institute for Sustainability are project development and project dissemination. To develop projects we bring together partners and funding to create and accelerate practical delivery using the best knowledge available. Project dissemination, along with working for the public good, meets one of our charitable aims – the institute will be involved only with projects that we measure, monitor and evaluate, and which can become demonstrators to take the learning from these projects to improve the next generation of projects. Our research, development and demonstration programmes include: eco-retrofit; the east London 2012 learning legacy; sustainable utilities infrastructure; and the Sustainable Industries Park research centre.

These programmes involve research that falls under many of the following themes:

- climate change adaptation and resilience;
- planning for a sustainable future;
- energy, waste and water;
- low-impact buildings and materials;
- integrated solutions and systems for sustainable communities;

- sustainable transport and logistics;
- engaging with people and communities;
- the economics of sustainable interventions; and
- monitoring, measurement and evaluation.

This research brings together universities in the Greater South East to undertake research and to work closely with businesses and local authorities on bringing innovation to very practical projects, for example:

Green roofs

A green roofs study has commenced at Barking Riverside, where an ambitious target, 40% of the 10,800 new homes there, will have green roofs. The study will investigate the amount of water storage within the substrate of green roofs. If a certain level of storage can be achieved, it will reduce the extent of underground storage of runoff, and make green roofs a viable option for the Barking Riverside development. The main areas of research and demonstration are to inform the use of recycled aggregate as a substrate for green roofs and to evaluate the different seed and plant mixes for the London environment.

Insulant coatings

An insulant coatings project (funded by the Technology Strategies Board) will research, design, manufacture, test, install and monitor new insulant coatings that can be applied to building materials.

Energy from landfill

An energy-from-landfill project will explore how to improve gas capture from landfill sites. It will look at the capture of damaging greenhouse gas before it escapes into the atmosphere, and the use of this as a source of fuel (methane). The project will provide a demonstration of techniques to improve yields of these gases, with a view to developing commercially viable systems.

Eco-retrofit

Much of our research and development will focus on creating substantial carbon-reduction demonstrators, for example the retrofit programme. The government has committed to an 80% reduction in carbon emissions by 2050. Some 45% of all present carbon emissions come from existing buildings, including 27% from homes. It is predicted that 87% of existing buildings will still be here in 2050, so this target cannot be met without retrofit. Our approach progresses from whole-house dwellings to large-scale communities.

In Dartford, for example, the whole-house retrofit project aims for a 70% carbon

reduction in 100 dwellings, mainly social housing. The institute is creating the research and delivery networks to trial a range of demonstrator solutions to inform research and innovation and to develop guidance. The Dartford project is the substantive focal point for learning through research, which could enable us to create a hub in the Thames Gateway, to inform a national retrofit programme to the wider academic and business community, and to guide future sustainable developments.

The institute has already successfully supported the set-up of over 30 consortiums, of which 10 are in the Gateway and 22 in the whole Greater South East region, to develop the ground-breaking bids that secured stage one funding from the Technology Strategy Board's Retrofit for the Future programme. The institute worked in collaboration with local authorities and the entire green supply chain to facilitate the development of the winning sustainable technology approaches.

Monitoring and measurement are a key component of the trial, with the most effective innovations being used to form a nationwide retrofit programme, designed to help combat climate change. The wide range of design proposals and house types involved – covering building physics and energy efficiency, renewable technologies and the economics of whole-house interventions – will generate an enormous database of knowledge for future application and dissemination. It will also kick start local green supply chains across the country, unlocking regeneration, employment and skills opportunities in local areas.

The 30 winning consortiums are submitting feasibility studies for 10 trialling projects in the Thames Gateway, eight within London boroughs and 22 in the whole Greater South East.

The next step is to support retrofit for whole communities, and we are working closely with local authorities to develop significant demonstrators. Key to these is making a strong business case to justify substantial investment, and this is core to the retrofit regeneration vision set out by Peter Head, the Thames Gateway innovation champion. We are at the "inflection point" in carbon-reduction trajectories now, where we must move beyond small-scale demonstrators, and influence public and private investment decisions that are being made now. This whole-community approach will bring together the regeneration, innovation and low-carbon agendas, in the context of an integrated resource infrastructure: energy, transport, waste, water and green infrastructure.

It is becoming clear through this work that private investors, pension funds, sovereign wealth funds and the European Investment Bank are looking for sound, innovative and substantial programmes that can deliver secure returns on investment. To meet the

challenge of accelerating the pace of carbon reduction, we are thinking now of investment sums in the range of £500 million to £1 billion for really large-scale demonstrators. The criteria for such investment include:

- large enough to attract significant fund investment;
- 50,000-100,000 residents;
- sizeable collection of public-sector land and assets;
- areas of social housing, low-income housing, fuel poverty;
- areas where private-sector housing needs upgrades;
- centred around areas of public transport improvements; and
- areas that need to keep and expand local jobs and skills.

Increasing private investment through demonstrators that show value for money and good return on investment for economically viable solutions will reduce the risk of development work and increase procurement opportunities for UK businesses.

The east London 2012 learning legacy programme

Another key programme for the institute is the learning legacy from the regeneration of east London. Sustainability is one of the main deliverables and will have substantial impact on the Thames Gateway, and represents an excellent opportunity for learning lessons on how to deliver sustainability on large projects. The learning legacy research programme will identify and consolidate the lessons learned on the journey from aspirations to delivery, enabling these lessons to be taken forward and adding value to future large-scale construction and regeneration projects globally.

The institute will bring together a consortium of leading academics and other researchers in the field of sustainability to develop a framework for assessing the sustainability impact of the regeneration through the various stages of planning, construction, delivery and legacy and across the different strands of sustainability.

The first project of the learning legacy programme will be the enabling works learning legacy project, which will cover the activities undertaken to prepare sites for infrastructure and construction.

Education, economic development and skills

Finally, we cannot underestimate the importance of education and skills, from the ground-breaking research and education being carried out in our universities with their national and international collaborators, to the new skills needed to deliver new solutions and new business opportunities, created through world-class university-business

collaborations on these Gateway programmes.

The London Thames Gateway Development Corporation believes that establishing the Thames Gateway as the world's first eco-region not only ensures that it will play a key role in helping the UK to tackle climate change, but also provides an economic driver to secure the future prosperity of the region. Environmental technology businesses are expected to be worth £45 billion to the UK economy by 2016.

The first of a new breed of visionary business parks, the London Sustainable Industries Park is being developed by the development corporation. It will accommodate, support and grow environmental technology businesses and sustainable industries. The 25-hectare development at Dagenham Dock will offer business synergies with existing tenants while maximising resource efficiency and innovation and minimising waste.

The London Thames Gateway Development Corporation is an active partner in the Institute for Sustainability, instrumental in its conception and operation. As part of the corporation's innovative eco-region plan, the institute will base a world-class centre of research excellence for sustainable technologies in the London Sustainable Industries Park.

The development corporation has spent the past 18 months assembling the land for the London Sustainable Industries Park, investing more than £30 million in its development and with a further £20 million committed for its completion. This investment is a major boost for the regeneration of east London, breathing new life into the area and creating new opportunities with the relocation of forward-looking environmental businesses that increase employment prospects for the area.

Two major occupiers have already been secured for the sustainable industries park: Closed Loop, a plastics recycling company, and Cyclamax, the park's first energy-from-waste plant. A further 20 hectares is still available for forward-looking sustainable firms that want to make the most of the excellent transport connections, skilled workforce, raw materials and unrivalled business opportunities all sitting on the doorstep.

Our sister institution, the Skills for Sustainable Construction Academy (SUSCON) in Dartford, will be a new type of business-led skills and knowledge training centre, providing comprehensive training and education in green building for the whole sustainable construction supply chain, to inform the skills needed for a flexible and responsive labour market.

This will be a unique collaboration, with an employer-driven curriculum that includes

modern methods of construction and retrofitting, new and emerging sustainable construction technologies, renewable technologies, sustainable energy, procurement and resource management. The South East England Development Agency is already supporting 1,250 training opportunities for professional development and unemployed students and has agreed to co-fund, with the Homes & Communities Agency, a purpose-built academy that itself will be a living demonstrator building.

Through the regeneration of the Thames Gateway and the creation of the Institute for Sustainability, there is a unique opportunity for the UK to lead the field in sustainable development and technologies. By employing a model that utilises the breadth of skills, knowledge and research expertise in the region, we are in a strong position to shape the agenda, innovating and instigating significant change in terms of regeneration on a local, national and international scale. By using a methodology based on structured research, the dissemination of learning and collaboration, the institute is able to provide close-to-market sustainable technologies and approaches based on sound business principles.

*For further information, go to: <http://www.instituteforsustainability.co.uk>,
or for press enquiries contact Ayo Abbas on 020 7755 6121
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Chapter 6

Inward investment and the Thames Gateway

Jeff Alexander, Chair of Invest Thames Gateway

Inward investment and the Thames Gateway

The context

Like love and marriage, indigenous business growth and inward investment sit hand in hand, and you truly can't have one without the other.

Winning quality inward investment offers a region a number of highly attractive opportunities, including new jobs, capital investment, supply chain opportunities and an expanded skills base. Frequently what also attracts inward investors is the new market opportunity in the target region and the chance to link up with other businesses already established there. Perhaps more intangibly, nothing breeds interest like a strong sense of place and the feeling that "something big" is happening.

However, we cannot ignore the fact that we live in uncertain times. The global downturn has not left the Thames Gateway unaffected; indeed, it has created some interesting anomalies. Specifically:

- we are seeing fewer than average UK business failures, but balanced against lower business densities;
- and we have a high concentration of employment in "vulnerable" sectors, especially manufacturing, financial services and construction;
- but government investment in the region remains committed and strong.

Evidence of business recovery, supported by the major catalysts for change, is now emerging in the Thames Gateway. This essay seeks to outline how the opportunities in the area will be capitalised upon over the coming years.

The opportunity

The vision for the Thames Gateway is one of sustainable growth within the global economy, based on an inclusive and adaptive economy with a well-skilled workforce, high-value inward investment, and top-rate innovation. It also includes the creation of vibrant, creative and stimulating places, with developments of high-quality design that enhance and protect valuable natural environments.

By doing the following, we can achieve sustainable economic growth:

- creating a gateway to international trade and investment between the UK, Europe and the world;

- developing the London city region to ensure that the global city and its region can grow sustainably and compete on the global stage;
- enabling communities in the Thames Gateway to benefit from, and contribute to, economic success, by making sure that the resident workforce have the requisite skills and adaptability; and
- creating a transformed, sustainable environment, which will make the Thames Gateway a great place to visit, invest, live and work.

If the ambitions for growth in the Gateway are achieved, it will add around £12 billion in annual output to the UK economy. This relies on closing the productivity gap between the Thames Gateway and the rest of the Greater South East region and achieving the target of 225,000 additional jobs by 2016.

This will be supported by focusing investment in the Gateway on the key drivers of productivity and four spatial transformers – Stratford and the Lower Lea Valley, Canary Wharf, Ebbsfleet Valley and London Gateway – with a commitment from all partners to quality in design and execution.

The Thames Gateway is essential to the future growth and competitiveness of London and the Greater South East. The Thames Gateway programme will consolidate London's position as a global city and complete the eastern segment of a well-connected network of regional cities, large towns and urban centres – all playing distinctive economic roles in the Greater South East.

Each of these drivers, spatial transformers and opportunities requires integrated programmes of investment and support. This demands effective partnerships between central and local government, the private sector and regional and local players.

Evaluations of major regeneration schemes show that access and transport infrastructure are crucial for employment growth and business location decisions. Investment that has already been made in transport infrastructure has led to significant development and regeneration, namely the Docklands Light Railway extension to Lewisham and City Airport, the Jubilee Line extension and the development of Fastrack.

The positive effects of the Channel Tunnel Rail Link are already being felt in the Ebbsfleet Valley, Stratford and St Pancras. The second and final section of the line, travelling across the River Thames and into London St Pancras, opened on 14 November 2007. It is now possible to travel from London St Pancras to Paris Gare du Nord in 2 hours 15 minutes, and to Brussels South in 1 hour 51 minutes. There are intermediate stations at Ashford

International and Ebbsfleet, and one at Stratford that will open to domestic services in December 2009.

However, if Canary Wharf is to continue to grow as a centre of global business and financial services it must be able to access skills and talent and enjoy better transport links to the City, Paddington and Heathrow Airport.

Crossrail is the key to the next 20 years of economic development in London and will be vital to underpinning its status as one of the world's great cities. In particular, it is crucial to unlocking the economic and housing growth potential of the Thames Gateway, most notably by providing the transport capacity for significant expansion at Canary Wharf. As well as stimulating the economy, it will help link London's most deprived areas to its most rapidly growing centres of job creation.

While present plans are for Crossrail to run to Abbey Wood in south London, a route has been earmarked to enable the service to connect to Ebbsfleet, which would provide the missing rail transport link for Thames Gateway Kent and would arguably increase the attractiveness of the area to companies that need good access to Heathrow.

With the opening of Crossrail due in 2017, it will also carry forward the momentum created by the 2012 Olympic Games in transforming east London.

The Thames Gateway Bridge and the improvements to junction 30 of the M25 and the A2 remain key priorities. There are implications for the growth of the ports and logistics sector in the Gateway. One of the implications may be an increase in road congestion – unless there is a strategy to improve transport efficiency and influence modal shift, particularly by making better use of the River Thames.

The increasing focus on environmental sustainability and adaptation to the urgency of climate change is both a threat and an opportunity for the Thames Gateway. The impact of climate change is the biggest threat faced by cities and communities in the 21st century. The Stern review recently set out a clear economic case for acting now to avoid the worst costs and impacts of climate change.

Increasingly, sustainability is becoming a focus for local, regional and national government, and hence for business. Rapid development of large economies such as India and China will increase the pressures on natural resources, giving an even greater need for a more sustainable approach to development worldwide.

It is crucial for the UK economy to be at the head of these developments, and to collaborate with others around the world that are making progress in this field. Through strong leadership in the field, the UK can also aid developing economies to further their economic ambitions in a sustainable way. This is an important area of opportunity for the Gateway.

A critical element of economic development will be attracting additional inward investment and repositioning the Thames Gateway as a good place to do business. Early action by the Department for Communities & Local Government, the Homes & Communities Agency and the regional development agencies operating in the Thames Gateway ensured that inward investment would have a new focus within the Thames Gateway.

The challenge

Invest Thames Gateway is a new, unified service offered by the regional development agencies for London, the East of England and the South East, which has been established to co-ordinate inward investment into the Thames Gateway, to be the first point of contact for new and potential investors and to help provide a joined-up and seamless response to enquiries.

Up until now, there has been no concerted attempt to weave a coherent and compelling inward investment story for the Gateway that can support and guide the work of the various delivery partners and create a rounded sense of place for both existing and potential investors.

The Thames Gateway, stretching from east London to the mouth of the Thames, lies within the high-performing global region of the Greater South East, comprising London, the East of England and the Greater South East of England.

The Thames Gateway has massive potential, and it is of critical importance to strengthen its economic performance to attract new investment, provide employment opportunities for existing residents, help create new sustainable communities and contribute more to the South East economy – the main engine of UK growth.

The regional development agencies' economic vision for the Gateway is to create a "knowledge-driven, well connected, globally competitive region which demonstrates how economic growth and environmental sustainability work together".¹

¹ London Development Agency, South East England Development Agency and East of England Development Agency
Thames Gateway Economic Development Investment Plan (September 2008)

The primary focus of Invest Thames Gateway will be on potential clients, as the project aims to provide a world-class investment service to encourage businesses looking to start up, move or expand to choose the Thames Gateway as their preferred location. This small and tightly focused unit will concentrate on effectively capturing, developing and referring leads and enquiries from potential investors into the three Thames Gateway regional development agencies.

To do this, Invest Thames Gateway will work closely with a range of public-sector and private-sector partners across the whole region, as well as with the government body for inward investment and overseas trade, UK Trade & Investment. Inward investment activity in the Thames Gateway will be constantly monitored so that good practice and success stories can be shared and celebrated among Invest Thames Gateway partners.

A particular target will be foreign direct investors – international companies that are attracted by the benefits of being close to London combined with access to staff who offer the necessary skills, and the opportunity, if they want it, to build a bespoke head office or manufacturing plant at highly cost-competitive prices.

Invest Thames Gateway is also looking to attract small and medium-sized businesses. With over 600,000 businesses in the region at present, the Gateway's competitive cost base and wide range of locations make finding a suitable site easy. Companies are being encouraged to access free and confidential business advice on growth opportunities and support and to join business networks – especially as incubator space becomes increasingly available, with more planned in addition to that already connected to Thames Gateway universities and colleges.

Promoting the advantages of the Gateway

Invest Thames Gateway will focus on promoting five unique advantages of the region:

- **Direct access to London's £165 billion economy**

The region offers direct access to the UK capital, one of the world's most commercially vibrant cities – providing businesses with an enormous diversity of people, markets and opportunities. London's economy is predicted to grow at a faster rate than those of New York and Paris, making it the world's fourth-largest city economy by 2020. Because of its location, time zone and international workforce, London is the perfect launch pad from which to access markets across Europe, the Middle East and Africa.

- **Far lower business costs than central London or the City**

The low cost of industrial rent and land, labour and residential property make the

Thames Gateway a really attractive place to live and work, at least 20% cheaper than many parts of London and several other metropolitan centres around the UK.

- **Access to the fastest-growing population in Europe**

The Thames Gateway is at the centre of the Greater South East, a region that is home to more than 21 million potential consumers.

- **Excellent road, rail and air infrastructure**

The region's fine transport links open up the UK, mainland Europe and the world to businesses located there. For instance, two business airports are located within the Thames Gateway, and the High Speed 1 international rail link connects the region with mainland Europe in just two hours.

- **Availability of a highly skilled yet affordable workforce**

Boosted by £1.6 billion invested in teaching and learning and an additional £850 million for new further-education facilities, the Thames Gateway boasts 15 universities, 21 colleges and a wide range of excellent schools, including state, independent and grammar schools.

Invest Thames Gateway will also focus on promoting the major transformer locations in the region:

- **Canary Wharf** – the foremost financial district, home to many of the world's most successful businesses and one of Europe's most important financial centres, and the key economic driver for the Thames Gateway region;
- **Stratford and the Lower Lea Valley** – set to become a vibrant and contemporary urban hub, catalysed by the Olympic spirit and offering fantastic working, shopping and living space;
- **Ebbfleet Valley** – where the vision is for a thriving and cosmopolitan community designed for businesses and the people who work in them; and
- **London Gateway** – designed to become a fast-paced, high-tech, super-connected commercial port and logistics hub.

While these by no means represent the only development opportunities in the Gateway, they give credence to the claim that the Thames Gateway is home to big ideas in every way.

The prize

The Thames Gateway offers a rich and diverse opportunity for inward investors. The sheer

scale of the project means that even if one sector or area is slowing down as a result of market conditions, others are motoring ahead. We are seeing this now, with the slowing pace of development in some of the spatial transformers in the face of difficult global market conditions being counterbalanced by exciting new developments in other parts of the Gateway that are more focused on new growth sectors, such as environmental technologies.

The Sustainable Industries Park at Dagenham Dock, for example, is now attracting significant inward investment from organisations such as Closed Loop and Cyclamax, which can see the massive market opportunity offered by the Gateway and its proximity to London's inhabitants. Moreover, interest from significant foreign financial investors is becoming more evident, and this will enable some of the larger projects to offer compelling investment opportunities for inward investors.

Looking forward to the two years leading up to the 2012 London Olympics, and with the prospect of improving global market conditions, Invest Thames Gateway has a major opportunity to capitalise upon the diverse assets of the Thames Gateway and create a truly sustainable inward investment pipeline of projects and jobs for the future.

Chapter 7

Quality first for housing in the Thames Gateway

Richard Simmons, Chief Executive of the Commission for Architecture & the Built Environment

Quality first for housing in the Thames Gateway

*The wrong of unshapely things is a wrong too great to be told;
I hunger to build them anew¹*

William Butler Yeats

I have told before the story of the house builder, an old acquaintance, who showed me round a riverside scheme in west London at the height of the property boom. It was a mixed-tenure place with a lot of attention paid to good-quality public spaces, architecture and animated streets. "Of course," he said unprompted, "we won't be building anything of this quality in the Thames Gateway. We won't be able to afford it at the prices we can sell for down there."

That was then. This is now. In autumn 2009 my acquaintance probably could not afford that kind of quality up west, never mind in the Gateway. The design quality of most new housing was not good before the recession. What hope do we have of seeing it improve in a post-recession era of austerity and aversion to risk?

The pessimists would answer: "Not a lot." The evidence is pointing to developers paring schemes to the bone, cutting out what they call "design". Even optimists have shaken a gloomy head, saying: "What can you do? We've got to jump-start a moribund industry. We have to make sacrifices. We may have to abandon our ambitions for better-designed homes and neighbourhoods. Just for now, so that we can persuade developers and lenders to return to the fray."

This logic will have its worst impact in places where the market was not too hot to begin with. For all its advantages – superb location, wonderful heritage, extraordinary landscapes, lively communities, innovative firms, masses of development land – the Thames Gateway underperforms regionally and against national economic indicators. It has issues, like all post-industrial places. I respect my house-builder acquaintance's opinion. The housing market in the Thames Gateway has traditionally been weaker than in the rest of London and the Home Counties. The house-building industry, in the main, does not use quality to grow the value of its markets. It is bound to find it hard to imagine how to do other than offer its meanest products in places that have not yet signalled that quality will pay.

That situation was potentially manageable in times of prosperity. We could, and did, take

¹ Extract from: Yeats, WB *The Lover Tells of the Rose in his Heart*

the risk out of projects, injecting quality through public investment. The Gateway has had a lot of it – but not yet, I suspect, anywhere near enough to give private builders the confidence to go for better quality in the risky, post-recession world. This may come as a disappointment to those who have already paid for rail links, land reclamation, universities, architects' visions and the like. They could not, of course, have anticipated just how badly the credit crunch would undermine the fundamentals of the housing market.

The public money going into the Gateway might have been just enough to nudge that market during a boom; but the Gateway is a place that still has to go through enormous structural change. We are now likely to need a much bigger nudge to normalise the market towards the levels of its more prosperous neighbours. Without that normalisation, asking house builders to invest more in quality in the Thames Gateway is demanding an act of faith in something that, on the evidence, many of them did not have much faith in even when times were good.

Calling for more public money to be spent is not, though, very realistic at a time when we shall have to rein in the public sector. We can make a very good case for investment in the Thames Gateway, but we will be fishing in a shallow financial pool during the government's next comprehensive spending review. We may not catch much.

What has all this gloom and doom to do with WB Yeats? Earlier in my career I was much engaged in building unshapely things anew, including dreadful housing estates. Yeats' hunger was fuelled by his sense of aesthetics. So was mine; but it was also inflamed by the waste of public money, people's lives and community energy that resulted from the "pile 'em high, sell 'em cheap" mentality which led to the building of so much poor-quality, publicly subsidised housing from the late 1950s through to the early 1970s.

Then, there was massive unmet need for housing. Politicians, with the best of motives, decided to build in quantities greatly exceeding normal production. Builders responded with cheap, apparently cheerful utilitarian products. It turned out that they were not as cheap as expected, because they carried hidden costs for society. The homes and their neighbourhoods did not work. The unshapely had to be built anew, at great public expense. Not all the problems were due to poor design, but many were demonstrably down to design errors and failure to secure quality in an attempt to buy too much for too little money.

It has been argued that we were, before the credit crunch, reaching a point that was all too similar to the time when those mistakes were made. The early 21st century is not, though, the same as the 1950s. We do not build much council housing. People aspire to

own their own home. There is nothing wrong with that, if we can afford it. It seems, though, that many people's hopes of property ownership have been built on an unstable and unsustainable reliance on credit, which was not backed by assets, or real incomes of genuine value.

Instead, limited supply forced up land and house prices, creating an illusion of value, which could be swept away when the flow of credit was stemmed. We cannot afford to continue on this course, for reasons that go well beyond the financial. It has a real negative impact on the quality of what gets built.

With the brakes on supply, house builders told the Commission for Architecture & the Built Environment (CABE) that they could sell whatever they built, more or less regardless of quality. To compensate for the disproportionate amounts of cash extracted from the system by landowners (some of which are, of course, house builders trading in development land), the amount spent on actual construction had to be kept to a minimum. Short-term cost minimisation, not long-term value creation became the norm. Is it any wonder that quality suffered?

The proof of this pudding is what remained unsold when the market crashed and what is selling first as recovery begins. Tiny apartments in soulless complexes are, we are told (again by builders) much harder to shift than better-designed homes in well laid-out neighbourhoods. When supply is not limited, this anecdotal evidence suggests, people do choose better quality. Yet this is not likely to be enough to reshape house building as it comes out of recession. We may be in for more of the same but with even less money made available to invest in quality.

Eight propositions

How can the Gateway, already at something of a disadvantage, overcome this problem? Here are eight propositions that could help.

1. Be clear about what good design looks like

Let's be clear about what good design is. Terry Farrell's new presentation of the strategy for the Thames Gateway is an excellent starting point. It chimes exactly with CABE's work on the Gateway. We both believe that "quality first" begins with the Gateway's prime location and with assets that already exist. The many fine places in the Gateway should set the standard for the future. The best of the area's landscapes, townscapes and buildings are the visual cues that should be the benchmark for what comes next. It is not about mimicking history. There is heritage aplenty but also stand-out, good modern housing, retail, education and public space design which set the tone.

In a recession it is more important than ever to remember that good design is not arrived at by bolting on expensive bells and whistles. The basics are sound place making and economy and durability of structure. All too often, CABE's design review criticises over-elaborate schemes that waste land, make places too complicated or spend more on superfluous tarmac than on decent room sizes. The phrase "three parking spaces with ancillary bedroom" is common when we look at contemporary housing. Keep it simple; use the *Manual for Streets* guidance on residential street design,² *By Design*³ and the Building for Life⁴ criteria for well-designed homes and neighbourhoods, employ a designer, not a computer to make your layout efficient. These are mantras oft repeated but seldom heeded.

2. Stick to the knitting

It may go without saying; but it still needs to be said. The existing projects that set the bar for quality need to be defended. That goes especially for those which protect the best in the environment, such as the Thames Gateway parklands initiative; and those that will make it a uniquely sustainable place – an eco-region with a working landscape producing local food and energy. These are things that will make markets in the long term. They must not fall victim to short-term cuts.

3. Practise active leadership

The key to putting quality first is leadership. The Homes & Communities Agency has to stand up and be counted. It should ensure that developers do not get public money if they fail to meet aspirational minimum design standards. The agency, though, will not be involved in every project in the Gateway. Local leadership is what really counts when it comes to getting the best for local communities.

Councils must make the core strategy in their local development framework clear about the quality to which their community is entitled. This is not just a technical question for planners. It is a job for the leader and chief executive. Nationally, CABE and its partners have found that councils often struggle to explain what they want for their place. This must not happen in the Gateway. Developers have every right to be left in no doubt about what is expected of them.

4. Encourage local heroes

So, what about developers? This will be a controversial idea but one I think we need to

² Department for Transport *Manual for Streets* (March 2007)

³ Department for Communities & Local Government *By Design: Urban Design in the Planning System – Towards Better Practice* (May 2000)

⁴ <http://www.buildingforlife.org>

consider. The Gateway has star housing projects of which any place would be proud, built by a small number of companies committed to quality and to the Gateway. At the moment, perceptions of risk are one of the biggest factors that may turn builders away from investing in quality. Yet we have local heroes with a proven track record. Why not reduce their risk so that they can carry on with what they have started, even now that business is bad?

We should set up a framework, for public land or publicly funded projects. It would pre-select builders that have shown the quality of what they can do. With appropriate safeguards for propriety and financial return, this would stack the odds in favour of quality, and reward those who have shown respect for what we are trying to achieve in the Gateway.

5. Do realistic deals

That brings me to the deal. It seems unlikely that the traditional trading model of house building will deliver the quality to which we aspire in the Gateway. House builders need to be profitable. With margins so tight, it will be hard for them to meet the demands of planning agreements, build quality homes in attractive neighbourhoods and take their full return at the point of sale. To protect quality, we need more deals and more planning agreements that take a long-term view and that offer developers incentives to do the same.

Deals and agreements that offer greater certainty and smoothed cash flow should be much more attractive now. The reward for offering this kind of risk reduction should be an increment in quality for the customer and the community. This kind of approach will work best where there is consistency between local planning authorities: exactly what one might expect in the Gateway.

6. Increase the customer's stake

Don't the customer and the community deserve to be safeguarded against the risk that quality will fall? They certainly have the right to a bigger say, either in what they get for their money, or for giving builders the privilege of profiting from building in their locality. There are good precedents for this in the Gateway: let's make more of them. The London Docklands Development Corporation and the Housing Corporation worked with local self-builders to give them their own stake in what was built. It was not always easy, and there was not enough of it, but it set a precedent. People who build or specify the quality of their own homes should be a more important part of the mix in future if we want to see quality improve.

7. Engage existing communities more directly

In other parts of the Gateway, existing communities have been engaged successfully, both to improve the calibre of plans such as Rochester Riverside and to protect and enhance the natural environment through campaigns and voluntary action, facilitated by local groups and NGOs like the RSPB and Groundwork. Thurrock's *Visionary Brief*⁵ set an agenda, through interaction between artists, designers and communities, which could still offer a powerful way to express local aspirations for quality, against which development plans could be tested.

This type of active engagement has not been universal. Contention is a common result of imposing new development. The Gateway has, however, a good record in finding more consensual alternatives. Planning is a democratic process. Local support for the quality agenda strengthens the arm of politicians when developers dig in their heels. This is as useful in a recession as it is in a boom.

8. Combine forces

Access to skilled designers who can help to improve design quality is essential. These people are scarce. They may not be affordable for councils or partners acting alone. CABE has discussed with the Homes & Communities Agency and several local partners the potential to put together shared services, so that the right expertise can be made available cost-effectively.

Because of the length and strength of the partnerships in the Gateway, they could benefit enormously from efficiently sharing design capacity, Building for Life-accredited assessors, design reviews, community engagement processes and training. With purse strings as tight as they are going to be, sharing makes sense financially. It could also bring greater consistency to advice, which would be welcomed by councillors, communities and developers.

Summary

The key principle behind all these propositions is that when we build, we do so for decades or centuries, not for the moment. What we build now will be a legacy that future generations will either cherish or condemn. The enormous temptation to go for speed and volume at the expense of quality must be resisted. It is easy to say this, harder to pull it off.

⁵ General Public Agency *Thurrock: A Visionary Brief in the Thames Gateway* (Thurrock Council, Arts Council England East, Commission for Architecture & the Built Environment, Countryside Agency, East of England Development Agency, Essex County Council, Government Office for the East of England, Heritage Lottery Fund, Living East, Price Waterhouse Coopers, Sport England East, Thames Gateway South Essex, May 2004) (<http://www.visionarythurrock.org.uk/docs/home/gpa.html>)

The recession may have bought us a short respite in which to develop a better and clearer vision for the Gateway. Its depth means, though, that visions alone are not enough. We need to take the kinds of practical steps advocated in this paper if we are to square the circle between our aspirations for quality and the short-term (we hope) but profound problems faced by house builders in the Gateway.

Chapter 8

Catalysts for change – the London Olympics

David Higgins, Chief Executive of the Olympic Delivery Authority

Catalysts for change – the London Olympics

The work to create the venues and infrastructure needed for the London 2012 Olympic and Paralympic Games and the legacy they will leave behind is in many ways a microcosm of the work needed to transform the Thames Gateway region as a whole.

The broad vision for the area – to create a new sustainable, mixed-use city district, fully integrated into London's existing urban fabric – is one that the work to prepare for the Games is already turning into reality in the Lower Lea Valley.

The fixed deadline of the Games, together with certainty of funding, is driving change in the area at a rapid pace. London 2012 will be remembered not just as a fantastic summer of sport but also as a catalyst that accelerated lasting physical, social and economic change in an area that has been much in need of regeneration and public investment for decades.

The Lower Lea Valley in east London, where the Olympic Park is taking shape at a rapid pace, is an area that has been characterised by large areas of derelict industrial land and poor housing. Much of the land has been fragmented, polluted and divided by waterways, overhead pylons, roads and railways. Connectivity across the Valley and into central London is poor. Many parts of the area suffer from ground contamination, problems with water quality and inadequate sewage provision.

Historically, the physical neglect of the area has had a negative impact on inward investment. A complex patchwork of property ownerships coupled with costly infrastructure challenges has meant that investment has been piecemeal and not able to deliver the scale of change needed to achieve economic restructuring and physical regeneration.

As a result, the existing communities within and around the Lower Lea Valley have historically suffered from high levels of socioeconomic disadvantage. The area is home to some of the most deprived communities in the UK, displaying some of the worst public health records. Unemployment is high compared with the national average and skills levels are low.

The process to change all this started in Singapore on 6 July 2005, with the deliberate decision to combine staging one of the world's biggest sporting events with Europe's largest regeneration project.

The decision to award the Games to London and the subsequent public-sector investment

in new facilities and infrastructure will reverse generations of neglect and inequality. Putting legacy and regeneration at the heart of London's winning bid for the Games in 2005 will help kick start the process of change on a huge scale in the Lower Lea Valley.

Of every £1 of the Olympic Delivery Authority's budget spent over this period, 75p is spent on long-term improvements in the area, whether this is for brand-new sports facilities, new roads and bridges, new utilities, new transport links or new housing. For this reason, London 2012 will be a different sort of Olympic and Paralympic Games, a Games for a new era in which Games and legacy are planned hand in hand from the outset.

It is a huge, ambitious project – an area the size of Hyde Park, much of it contaminated and neglected for decades, which needs to be transformed into a living, breathing Olympic Park. We are now well into construction and the good news is that we are right on track and on budget. London 2012 is already acting as a catalyst for change in the area.

Construction work is under way on all the permanent venues on the park. The external structure of the stadium has been completed, less than 14 months after building work started. The completion of the Zaha Hadid Aquatics Centre's roof structure, the stunning, iconic design of the Olympic Park which will greet the majority of spectators as they arrive in 2012, is also nearing completion.

The skyline of east London is changing.

The huge steel structure of the cavernous International Broadcast Centre is finished and work is under way on all 11 blocks of the Olympic Village, to provide beds for athletes in 2012 and homes for Londoners afterwards. Work is also making strong progress on the velodrome.

An Olympic transformation

It is worth considering in some detail the level of transformation that is taking place in east London due to the Games.

An environmental clean-up

The clean-up of the Olympic Park site, which began three years ago, is almost complete. Industrial contamination on site included oil, petrol, tar, cyanide, arsenic and lead as well as some very low-level radioactive material. Over 80% of 800,000 cubic metres of contaminated soil has been cleaned and reused on site using innovative techniques including soil washing and bioremediation.

The Olympic Delivery Authority has also recycled and reused over 90% of the demolition material from the 200 buildings that were taken down, and moved nearly 2 million cubic metres of earth to form the platform for the Olympic Park "big build". Over 75 million litres of contaminated groundwater on the Olympic Park has been treated, the equivalent of 10 football fields cleared of invasive Japanese knotweed, over five kilometres of riverbank refurbished and an ecologic action plan implemented to protect habitats and wildlife, which included translocating 4,000 smooth newts, 100 toads and 300 common lizards and creating over a hectare of new wildlife habitat on Hackney Marshes.

Above ground, the removal of the overhead electricity pylons that have dominated the landscape for generations and the placing of power cables underground instead has unlocked the area for future development and changed the skyline. The two-year, £250 million project was completed last year on time and to budget. This project alone created more than 1,700 jobs, accounting for 85% of the UK's tunnelling that year. In all, 52 pylons have been removed and two six-kilometre tunnels have been built under the Olympic Park to carry the power needed for the Games and afterwards.

Improving transport links

Transport is critical not only to delivering a successful Games in 2012 but also in transforming the connectivity of the area, which has long been dislocated from the rest of the city.

Providing transport for the Games therefore provides the Olympic Delivery Authority and our partners with both a challenge and an opportunity. The challenge is to ensure safe, reliable and accessible transport each day during the Games for over 55,000 athletes, officials, media and VIPs, as well as for 500,000 spectators and 120,000 staff and volunteers – while minimising disruption to non-Games transport.

The opportunity is to deliver lasting improvements that will meet not just Games demand but also the long-term needs of London and the UK. Over £17 billion will be spent on improving London transport over the next five years – an investment that will create a positive legacy that goes far beyond 2012 and far beyond sport.

The extension of the Docklands Light Railway to Woolwich has already been completed and a second DLR extension – from Canning Town to Stratford International Station, along with four new stations – is due to open next summer. The first 20 of 55 new railcars for the DLR are already in service, which will enable three-car trains to be run on most of the network.

In addition, two new North London Line platforms opened at Stratford Regional Station in April 2009. The former North London Line platforms at the station are being modified so that they can be used as a stop on the new DLR extension. We are investing around £100 million to treble capacity and increase accessibility at the station to widen and lengthen platforms, ease congestion and create new entrance and exits.

The Olympic Delivery Authority is also contributing funding to Stratford International Station. During the Games this line will be used by the Javelin service, which will be able to transport up to 25,000 passengers an hour to and from St Pancras International and the Olympic Park in just seven minutes.

Schemes that were already being delivered have also been integrated into the transport plans for the Games. For example, London Underground is developing a new signalling system that will increase capacity on the Jubilee Line by 25% and is due to be completed in 2010.

Finally, the Olympic Delivery Authority is investing £11.5 million in schemes to encourage more people to walk and cycle to the Games.

Creating new infrastructure

The work to create new permanent infrastructure for the Olympic Park is also central to the ambition to leave a lasting legacy. An energy centre is being constructed in the west of the Olympic Park and will provide an efficient power, heating and cooling system across the site for the Games and for the new buildings and communities that will develop after 2012.

Work is also racing ahead on the construction of the wider utilities networks and infrastructure across the Olympic Park, including new water, gas, electrical and telecoms networks, a new electrical substation and electrical distribution network to supply electricity to the Olympic Park, and a new pumping station and sewer network to collect, convey and discharge waste water from venues and buildings in the Olympic Park.

As well as connecting up the park in terms of utilities, the structures, bridges and highways project – the single biggest construction project the Olympic Delivery Authority is delivering – will create new connections across the site to provide an open and accessible Olympic Park during the Games and after. Construction work is now under way on 21 bridges in total, and more than 30 new bridges and underpasses will be built in the Olympic Park altogether.

Creating homes and jobs

Creating thousands of new homes is fundamental to the future of the Thames Gateway. The Olympic Village, which lies adjacent to the Olympic Park and Stratford City sites, will accommodate athletes during the Olympic and Paralympic Games and will leave the legacy of thousands of new homes after 2012. There will be over 2,800 new homes for Londoners, including 1,379 affordable homes and nearly 1,000 three- and four-bedroom homes.

The Olympic Village will be next door to Stratford City, a huge new retail development by Westfield that will create the largest retail centre in Europe and provide hundreds of jobs in the area. John Lewis, Waitrose and Marks & Spencer have already been announced as anchor tenants and the centre is due to open before the Games.

The other main business legacy from the Games will be the International Broadcast Centre and Main Press Centre in the west of the Park. Their media facilities will support 20,000 broadcasters, photographers and journalists communicating the London 2012 Olympic and Paralympic Games to an audience of approximately 4 billion people worldwide. In legacy the facilities will create just under 900,000 square feet of business space, with the potential to generate thousands of new jobs.

The Games will also leave a significant legacy in terms of jobs and skills. Over 10,000 people have worked on the Olympic Park so far, and of the current 4,434-strong workforce approximately one in five are resident in the five host boroughs – Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest – and over half (53%) live in London.

Our targets include not only delivering a construction workforce made up of at least 10-15% residents of the five host boroughs, key in an area of traditionally high unemployment, and ensuring that at least 7% of the workforce is made up of previously unemployed people, but also placing at least 2,250 people into traineeships, apprenticeships and work placements.

A temporary Plant Training Centre on the Olympic Park site is providing local people with practical training tailored to the needs of contractors. Over 400 people have so far graduated from the centre. A permanent centre in east London opens shortly.

A sporting legacy

Of course, the Games are, above all, about sport, and the world-class new sports facilities we are building will themselves leave a lasting legacy.

The 80,000-capacity main stadium, which will host the Olympic and Paralympic athletics events and the opening and closing ceremonies, has been designed so that the 55,000 upper tiers of seating can be removed. The Olympic Park Legacy Company is taking forward the plans for use of the stadium after the Games. It is planned that the venue will host a variety of sporting, educational, cultural and community events, with athletics at the core.

Designed by renowned architect Zaha Hadid, the Aquatics Centre will have an audience capacity of 17,500, and during the Games will host the swimming, diving and synchronised swimming events, the water polo finals and the swimming element of the modern pentathlon. For the Paralympic Games it will host the swimming events. Water polo heats will be held next to it in a temporary 5,000-seat venue with competition and warm-up pools.

After 2012, the centre will be transformed into a facility for use by the local community and elite swimmers, providing two 50-metre swimming pools and a diving pool – facilities that London does not have at present. The audience capacity will be reduced to 2,500 but will have the ability to be increased for major events.

The Velopark will include a 6,000-seat velodrome to host the Olympic and Paralympic indoor track cycling events, and a BMX circuit will be built alongside to host the BMX events. Alongside the velodrome and BMX circuit, a new mountain bike course and road cycle circuit will be added to create a cycling hub for the local community, local clubs and elite athletes. This will be owned, managed and funded by the Lee Valley Regional Park Authority.

The legacy velodrome will include a café, as well as bike hire and cycle workshop facilities, and includes a 360-degree concourse level offering fantastic views over the Olympic Park and out to the London skyline. There will also be a 7,000-seat multipurpose sports hall and hockey and tennis facilities at Eton Manor in the north of the site.

The Olympic Park itself will offer new parklands designed for people and wildlife, as well as providing the focus for the London 2012 legacy sports facilities. The southern part of the park will focus on continuing the festival atmosphere of the Games, with riverside gardens, markets, events, cafés and bars. The northern parklands will provide a more open, ecological landscape of wetlands, woodlands and biodiverse lawns and habitats for hundreds of species, from kingfishers to otters.

The Olympic legacy is already being delivered

It is clear that most of the physical legacy for the Games is already being delivered – before the Games themselves have even taken place.

This is powerful evidence of how London 2012 is acting as a catalyst for change on a huge scale in the Lower Lea Valley, which will have a positive impact on the Thames Gateway area. And with the Olympic Park Legacy Company due to develop the legacy plans for the area further in the coming months, we have not yet seen the limits of the Games' power to drive lasting change.

Chapter 9

Catalysts for change – Crossrail

Rob Holden, Chief Executive of Crossrail

Catalysts for change – Crossrail

Six months ago, on 15 May 2009, at the North Dock in Canary Wharf, London mayor Boris Johnson and transport minister (now secretary of state for transport) Lord Adonis inaugurated the first major Crossrail station construction site. With the first piles driven into the dock, Crossrail embarked on its journey to becoming a world-class affordable railway.

After much planning and discussion, we are now firmly in the delivery phase of a project that will benefit the whole of the United Kingdom and in particular the eastern regions of the capital. Gaining the necessary act of parliament in July 2008 was the most significant milestone in the project to date, enabling the railway to be built, operated and maintained. Since then, a huge amount of activity has been taking place in order to get to the main construction phase, including detailed design work, planning consents, land acquisition and procurement.

Crossrail is a project of national significance and benefit – an exciting and visionary new railway – which connects the City, Canary Wharf, the West End and Heathrow Airport to commuter areas east and west of the capital. It will deliver substantial economic benefits across London, the South East and the UK. The new central tunnelled section will connect with existing railway networks to the east and west of the capital and a south-eastern route via Custom House and Woolwich to Abbey Wood, where there will be an easy interchange to North Kent Line services.

Crossrail will have a huge impact beyond Canary Wharf and the City. It will provide improved services eastward and better access for the town centres at Whitechapel, Custom House, Woolwich and Abbey Wood, and a major employment boost for the parts of the Gateway in east and south-east London. Northwards, Crossrail will also link areas beyond Stratford along the River Lea. The link will be an important transport legacy of the area, following the 2012 Olympics. Crossrail will bring major regenerative benefits to east London and the Thames Gateway.

The funding framework was put in place two years ago, with the prime minister announcing in October 2007 that Crossrail's cost would be met equitably by the government, business and fare payers. Main construction will begin in 2010. The first Crossrail services will come into operation during 2017 with an incremental build-up of services over the following 12 months.

Crossrail in the Thames Gateway

Crossrail will increase the capacity of London's rail-based public transport network by 10%. For the inner areas of the London Thames Gateway, Crossrail follows a series of improvements to boost transport accessibility: the Docklands Light Railway extensions to City Airport, Lewisham and Woolwich, now completed; the DLR extension to Stratford International, which will be finished during 2010; and the DLR three-car works.

Further projects include the new London Overground network, with the East London Line extension, Thameslink and the East London Transit. Taken together these improvements to the transport network, along with the extensive programme of upgrade work to the existing London Underground network, will help to secure the legacy of the Olympic Games and offer unparalleled prospects for growth and regeneration in the Thames Gateway.

Crossrail has always had keen support from the London Borough of Newham, in which area five Crossrail stations will allow for quicker and less crowded journeys for passengers, and offer enormous economic benefits to the borough. Crossrail will also provide a huge boost to the regeneration taking place in Canning Town, Custom House, Silvertown and Stratford City. In the Royal Docks area in particular, the revamped Custom House Station will cut journey times to Paddington from 40 minutes to just 18 minutes.

For both ExCeL London and London City Airport, the major upgrade of transport infrastructure in the area is particularly welcome, offering improved access for their customers and benefiting their own expansion plans for the future. With not only Crossrail but also the completion of the Woolwich DLR extension earlier this year, the Royal Docks faces a dynamic future featuring economic and social prosperity for both businesses and local communities.

Woolwich is a major transport interchange for south-east London, served by South East Trains and some 190 buses every hour, and now by the DLR. It already plays an important role as a link to the Thames Gateway, as well as giving many people in south-east London the opportunity to access the still expanding labour market at Canary Wharf. There has been strong investment in the Royal Arsenal site, in addition to new commercial investment in Woolwich town centre and new retail developments.

The transport and economic benefits of having a Crossrail station in Woolwich were acknowledged while the Crossrail Bill was in parliament, and one was added to the scheme in 2007 after representations from the London Borough of Greenwich and other individuals and organisations. An agreement was reached with Berkeley Homes, which will build the station box for the new station to Crossrail's specification, after which the house

builder will construct its own development overhead.

The funding arrangements are being finalised with the Department for Transport, Transport for London, the London Borough of Greenwich and Berkeley Homes. Enabling works are due to begin late this year, with final planning approval for the station and main construction expected in mid 2010. A Crossrail station here, giving rapid connections to Canary Wharf, the City of London, the West End and Heathrow, will make a substantial difference and ensure that the regeneration takes root for the long term.

The south-eastern branch of the line will initially terminate at Abbey Wood, where the Crossrail service will improve journey opportunities and cut travel times for passengers. Once in place, passengers will be able to reach Whitechapel in 14 minutes, Paddington in 28 minutes and Heathrow in 54 minutes.

The existing station at Abbey Wood will be rebuilt: a new cross-platform interchange will create a smooth connection for passengers wishing to travel to and from North Kent, with a maximum five-minute wait for a Crossrail train during peak hours; and the station will be refurbished and expanded to create a new, open environment. A ticket hall, new staircases and lifts will be fitted, and the station will provide step-free access and allow for more effective interchange with local bus services.

Although the Crossrail Act provides for a terminus at Abbey Wood, this does not preclude a later extension further east into Kent, and the Department for Transport has safeguarded the land required to prepare for this eventuality. Approval for the necessary works can be obtained through normal process such as an order under the Transport & Works Act at any time.

Sustainable construction

In addition to better transport connections, the construction of Crossrail will benefit the Thames Gateway in a number of other ways. Early in the project's planning, we made a commitment to reuse and recycle the 7.3 million cubic metres of excavated material either within the Crossrail project or for other environmentally positive use. Obviously, we will check the material first for contamination and quality; then we will supply our material in a controlled way to a number of schemes in and around the Gateway.

At least two-thirds of all Crossrail excavated material, or some 4 million cubic metres, will be used by the RSPB for its Wild Coast project in Essex. Clay, chalk, sand and gravel taken from the construction of Crossrail will be transferred by ship to Wallasea Island, 13 kilometres north of Southend-on-Sea, which the RSPB will transform into 600

hectares (nearly 2.5 square miles) – of tidal wildlife habitat.

It will lead to the creation of 133 hectares of mudflats, 276 hectares of salt marsh, 45 hectares of shallow saline lagoons, 109 hectares of brackish grazing marsh and 22 hectares of brackish marsh. About 15 kilometres of coastal walks and cycle routes will also be created as part of the project. The Essex estuaries are among the top five most important coastal wetlands in the country and the Crossrail project is proud to be associated with this scheme, construction of which starts next year.

We are also exploring two sites with the South East England Development Agency: Northfleet Embankment, which would take approximately 800,000 cubic metres of Crossrail material, and possibly Queenborough and Rushenden, which could take approximately 400,000 cubic metres. Both sites are proposed as mixed-use developments, comprising residential and employment uses.

We have also been working hard to establish the best means of transporting the material. All construction projects by their nature will result in some degree of disruption, but it is critically important that the impact on the South East is kept to a minimum while Crossrail's construction is under way. Crossrail has been in discussions with local authorities as well as residents and businesses for several years to agree the most appropriate methods for transport of excavated material. The final destinations for the excavated material in Essex and Kent have been specifically chosen to ensure that the vast majority is transported by either rail or river, thereby limiting the impact on the road network.

To this end, we are working with the Port of London Authority and British Waterways to promote and maximise the use of water transport for delivery of construction materials and the removal of construction material and waste, and with the rail industry to ensure a joined-up approach to the use of rail for transportation of materials.

Building skills

Any major construction project relies on the labour, skills and expertise of a diverse range of trades and professions. At the peak of construction, Crossrail will employ up to 14,000 people on the scheme, and many more over the entire life of the project.

We have a leading role to play in supporting regeneration and the economy, all the more important in the present economic climate. The exciting part about our role in this project is the opportunity to support the skills development of those working or hoping to work on building Crossrail.

We are collaborating closely with our partners and contractors to ensure we have the right people, with the right abilities – particularly those that are in short supply, such as tunnelling and spray concrete lining – when we need them, so that Crossrail is built on time and to budget.

In order to address the shortage of people with the necessary skills to work on the project, Crossrail is also building the Tunnelling Academy. The academy will be open in late 2010 and the preferred site is in the borough of Newham. It is something that we have not previously had in the UK, and the only other similar facility in Europe is the Hagerbach Test Gallery in Switzerland.

Although Hagerbach does not have facilities of a type or on a scale to meet the training needs of Crossrail, we are developing a partnership with Hagerbach to ensure there is an opportunity to offer complementary training between the two establishments – Hagerbach's focus being on hard-rock tunnelling, and the Tunnelling Academy's on soft-rock tunnelling skills. Both facilities will offer world-class training in a world-class environment to tunnelling contractors from across Europe and beyond.

We want to provide training on the key skills required to work in and around a tunnel excavation and building environment, and the academy will ensure that all personnel working underground on the project achieve the right safety training before working on any Crossrail site. There will be many more tunnelling schemes after Crossrail, which will benefit from having this continuing ability to teach people the basic skills to do these fundamental construction works.

A project with momentum

While construction is well under way at Canary Wharf, preliminary works have also been continuing along other parts of the route, most notably at Tottenham Court Road. Surveying and enabling works are in full swing, while the property acquisition process is progressing well. Enabling works at Paddington and Farringdon have also begun very recently, with construction scheduled to start in mid 2010. We are delighted to have global leaders in construction and project management strengthening the Crossrail team, and the project is now gathering momentum. We look forward to finalising the design and paving the way for full construction to start in earnest next year.

Chapter 10

The Gateway – KISS

Lee Shostak, Chair of the Town & Country Planning Association

The Gateway – KISS

A couple of decades ago – back when the Thames Gateway was a new, exciting concept – planning and regeneration consultants frequently advised clients to KISS (“Keep It Simple, Stupid”) and avoid overly complex proposals. Today the Gateway is well known for having more visions than your favourite religious leader and more pilots than British Airways. It is time to bring back that advice from earlier times. As we continue to make decisions about how to promote the growth of communities in the Gateway, we need to KISS.

How do we do this? The local authorities with responsibility for securing a more prosperous future for the Gateway, together with the government, should do the following:

Maintain the Gateway as a nationally significant project

At present, there appears to be a consensus (albeit it sometimes feels fragile) that promoting growth in the Gateway is a national priority. Moving forward, it is important to maintain this consensus – and that is the government’s job.

London and the Greater South East region as a whole form the UK’s economic powerhouse. The Gateway is the weakest part of the region’s economy. The Gateway’s labour force is underutilised and is less skilled than the rest of the Greater South East. In contrast with many parts of the region, the Gateway has ample land available to accommodate economic and housing growth, and at a comparatively low cost. Most (but not all) of the infrastructure necessary to enable this growth is in place or committed. In particular, Crossrail will open up many development opportunities.

At the most basic level, improving the economic performance of the Greater South East requires improving the performance of the businesses already in the Gateway and attracting new companies. Similarly, meeting the existing and future housing needs across the region requires significant contributions from the Gateway. The foundations to do this are in place.

Build out our visions

Sir Terry Farrell has prepared a new core vision for the Gateway – it is ambitious, and sound. Now let’s draw a line under the “vision thing”. The preparation of core strategies for each local authority over the past few years, along with a wide range of Gateway-wide plans, has provided us with enough vision.

Yes, some of these plans should be modified in light of the impact of the recession on

the UK economy and the prospects for the next several years. Yes, some key projects are unlikely to proceed for at least five years, if at all, and should probably be scrapped. However, we should not fall into a further round of visioning, strategy and action planning. Now we need to focus on what we need to do to build out the visions that we have already agreed.

Start with London

The 11 boroughs in the London part of the Thames Gateway are at the heart of the Gateway as a whole. Over the next decade, and probably well beyond, London will provide most of the Gateway's employment growth and these jobs will be taken both by London's residents and commuters. In addition, London will provide most of the Gateway's housing growth. For example, over the next five years the 11 Gateway boroughs could provide a further 80,000 homes. This capacity is on large sites that are already under development, on further large sites that could easily be brought forward with support from the Homes & Communities Agency, and on smaller sites.

What we need now is a rolling programme of investment to enable a faster rate of housing development. This should focus first on London, where the shortages are most severe and where ample capacity exists – but should also cover the Gateway as a whole. The programme would identify the sequence of sites that Homes & Communities Agency investment would support; the pace of development would depend on both market conditions and the availability of agency funds.

Provide opportunities for all

The communities in the South Essex and North Kent parts of the Gateway have also signed up to the growth agenda. They all face complex regeneration challenges and housing shortages. Historically, the population growth of these communities has been driven by Londoners seeking to buy a home in the suburbs. For those who could not afford to buy in their own locality, "overspill estates" in the outer London boroughs were built, and then Basildon, Essex, was designated a "new town". A few other overspill estates were built elsewhere.

Looking forward, virtually all of the new "affordable" housing in the Essex and Kent Gateway communities will be built to meet "local needs" – and the level of these needs is significant. In addition, of course, many of the new homes for owner-occupation will be purchased by Londoners seeking a new home in a suburban community. Many of the wage earners in these households will commute back into London or to jobs elsewhere.

Unless we change tack, this means that the most disadvantaged households in London

will not have the opportunity to move to Essex and Kent Gateway communities. This will lead to further polarisation; these households will remain in communities where most suffer from multiple deprivation. The resulting social problems, and the costs to the exchequer of addressing these problems, will be more severe than they need to be. This is not a new problem. What would be new would be for the government to engage in a dialogue with the Essex and Kent Gateway local authorities to agree that some of the new affordable housing being built outside London would be available to Londoners.

See Thurrock as a special opportunity

With the economic impact that will arise from the new facilities being built by Dubai World Ports, the area's excellent road and rail links, and a legacy of environmental degradation, attracting more investment into Thurrock is key to the future of the Gateway. The opportunities and challenges in Thurrock are far bigger, and more complex, than in any other part of the Gateway. The government recognised this in setting up Thurrock Thames Gateway Urban Development Corporation.

Now the government is reviewing whether there is a need for the urban development corporation. One possibility would be to incorporate its functions into the Homes & Communities Agency. This would be unwise. The planning choices in Thurrock are extremely complex, and sensitive. Because of this, the local authority has indicated that it supports planning powers remaining with the urban development corporation. The Homes & Communities Agency has indicated that it does not wish to take over any responsibility for making planning decisions and is not equipped to do so.

In addition, a strong, dedicated, experienced board and executive team are required to overcome the sheer difficulty of attracting investment into Thurrock. The urban development corporation has these strengths; it would be difficult to replicate this if the activities were merged into the Homes & Communities Agency. At the most simple level, the corporation "ain't broke, so don't fix it".

Enable economic growth

The East of England Development Agency, the South East England Development Agency and the London Development Agency work together to promote the economic development of the Gateway. In 2008, they prepared an economic development and investment plan.¹ This identified four economic transformers: the Dubai World Ports project; Olympics-related development around Stratford; Ebbsfleet; and Canary Wharf. Large amounts of

¹ London Development Agency, South East England Development Agency and East of England Development Agency *Thames Gateway Economic Development Investment Plan* (September 2008)

office-based employment are planned for the last three of these locations. In addition, across the Gateway as a whole, plans for each of the town centres make provision for additional office employment (mainly in back-office transactional services).

Across the Greater South East, as well as in the UK as a whole, there is a growing recognition that the recession will dampen down the rate of growth of service sector employment well into the next decade. One consequence of this, and the hangover from the credit crunch, is that private developers and investors may find it difficult to deliver the major office projects that feature prominently in many of the visions and strategic plans.

In one respect, this is unsatisfactory. It will lead to more commuting as population growth outstrips local housing development. In another respect, it is inevitable. Many of the proposals for the "transformers" and the town centres were, at best, overly ambitious. Essentially, all involved with the Gateway must make sure that the sites are readily available to enable private developers to undertake new office development schemes – but must recognise that it may take a decade or longer for many of the new projects now embodied in extant visions and strategies to be realised.

Celebrate local leadership

One of the most common criticisms of the efforts to manage the growth and regeneration of the Gateway is that there is an exceptional plethora of "delivery partnerships". Yes, we have the Thames Gateway Strategic Partnership, the Thames Gateway London Partnership, the Thames Gateway Partnership, the Thames Gateway Kent Partnership, urban development corporations for London and Thurrock, an urban regeneration company for Southend, and various other delivery partnerships for the other local authority areas.

This is an asset, not a problem. Many different stakeholders – at the regional, subregional, local authority, and indeed neighbourhood scale – all have a strong, shared interest in promoting investment in the Gateway. These partnerships provide mechanisms for these different stakeholders to share responsibility for delivery and to contribute to realising investment priorities. In my view, we should celebrate the partner commitment to the Gateway that these organisations represent.

Of course, in seeing value in the plethora of delivery partnerships, we must also take account of the costs. In one sense, the various partnerships are an exceptionally low-cost way of building stakeholder ownership and commitment. Yet, with public spending constraints growing tighter, it is fair to ask whether all the partnerships are affordable.

Again, there is a simple answer: leave it to the partners. If the partners in a subregion, or

in a local authority area, are prepared to invest in a delivery partnership, great – if not, wind it down. As a national agency enabling local delivery, the Homes & Communities Agency should be prepared to provide some financial support to those partnerships seeking to drive growth and regeneration in their communities.

And finally: remember “the fish tank”

The contributions to this publication were being drafted at the same time as *The Fish Tank* was on general release in London's cinemas. Filmed mainly on the Mardyke estate in east London, and in Tilbury, Essex, this film paints a picture of how Mia, aged 15, and her family live in the heart of the Gateway in 2009. Their home on this large, bleak social housing estate meets their basic needs; it might even meet the Decent Homes standard, or perhaps not. Yet the estate itself offers a harsh, uninviting environment. Mia has dropped out of school, and the local education authority is attempting to send her to a residential facility. Mia practises her hip-hop in a vacant nearby flat and dreams of being a dancer. As the film ends, Mia leaves home and travels to Wales.

Roll forward 10 or 20 years. Will we be making steady progress towards our visions for the constellation of communities in the Gateway? Will only those households that can afford to do so move from London to Essex and Kent? Will those growing up in the Gateway see a bright future? Will Mia, and her children, be living a prosperous life in the Gateway?

Let's hope so ... it's in our hands to make this happen.

Chapter 11

40:40 vision

Sir Bob Kerslake, Chief Executive of the Homes & Communities Agency

40:40 vision

Of all the significant growth areas covered by the Homes & Communities Agency, what has struck me about the Thames Gateway is just how unique it is in scale, aspiration and significance to the UK economy.

Perhaps one consequence of this uniqueness is that the task in hand and means of delivery can appear something of a mystery for those not closely involved. I have become all too aware of debate around misplaced perceptions that suggest it is somehow a difficult project beset with complex delivery arrangements, involving a multiplicity of organisations and making little progress. I intend to dispel that myth. Indeed, I believe that underneath the surface turbulence and misplaced perspectives there is an important and strong initiative already under way.

It is now some 10 months since the Homes & Communities Agency took on the task of delivery for the Gateway, working in partnership with central and local government. During that time I have become aware of the sheer scale and potential offered by the Gateway, along with the substantive platform of achievements from which we can build. I am keen to signal a shared vision based on place and to point towards the agency's role in helping to drive delivery of that vision forward.

Let me begin by exploring just what sort of beast the Gateway is. Some have described it somewhat simplistically as a large-scale regeneration project focusing on the need to tackle deprivation, the need to promote greater equity, and the scale of land remediation. These are key strands, but the Gateway is so much more when the scale, potential for, and significance of growth are recognised. The Thames Gateway is a strategic, large-scale super-regional agenda intrinsically connected to the success of London and the South East, and ultimately to the UK's future prosperity. Involved is a major piece of pan-regional strategy and shaping, to deliver a growth *and* regeneration agenda that spans decades and governments.

Further, some have argued that the approach to regeneration is piecemeal and would be better managed by one lead organisation. The Thames Gateway is not a single project that can be led in this way. I believe that the sheer scale and longevity of the initiative means that it must be delivered by building capacity and competence in the delivery agents that operate throughout the Gateway. To strip this away or suggest that one body can do it all misunderstands the nature of the agenda. Rather, we need to build the capacity at all levels; to build upon what exists, so that all partners from central to local government are working together. The need is for a level of shared ambition and collaboration supported

by active management and visionary leadership.

Seen from this perspective, there is good reason to be optimistic about continued progress in the Gateway. Over past decades much has been put in place, providing a substantive platform to underpin the expanding economic importance of the area. There has been major infrastructure development – starting with the completion of the M25 in the 1980s, the opening of London City Airport and the Docklands Light Railway in the 1990s, and more recently the Jubilee Line extension. And there has been massive investment driving the economic importance of the region – spearheaded by the global finance centre at Canary Wharf, now employing 90,000 people. Between 2001 and 2007 we saw almost 69,000 new jobs created across the Gateway, four times the rate of increase for the Greater South East as a whole.

The next decade will continue to see major boosts for transport connections from the Gateway to London and Europe, bringing further opportunity – construction of Crossrail has begun and Ebbsfleet International is now open – and making it possible to travel by rail from Ebbsfleet to St Pancras in just 17 minutes. The decision to build the Olympic Park in Stratford makes the westernmost part of the Gateway a focal point for renewal, and the £1.5 billion of investment by DP World London Gateway Project is the second-largest ever inward investment into the UK.

The purchase of Southend Airport by the Stobart Group will lead to further improvement of its facilities, with proposals for a new terminal, railway station and longer runway. The Sustainable Industries Park located in Dagenham Dock makes London the first capital city in Europe to have such a park, taking advantage of environmental technology businesses, which are expected to be worth £45 billion to the UK economy by 2016. Work is now under way to double the size of the ExCeL centre in the Royal Docks to make it the capital's premier exhibition venue.

These are unique and iconic developments, which set the Gateway apart, placing it firmly in today's economy, notwithstanding the current market downturn. Indeed, it is important to acknowledge that, like the rest of the country, the Gateway has been affected by the recession. Short-term outputs such as housing and jobs growth have inevitably slowed. But I would argue that the downturn reinforces the importance of the Gateway agenda: the very nature of the initiative is one that must transcend short-term ups and downs, as it will live and move forward through a number of economic cycles.

A shared vision

Most exciting is the fact that the scale of opportunity remains immense. The government

is investing over £9 billion across the Gateway between 2008 and 2011 in recognition of the economic significance and potential of the area. But this championing role needs to be shared by all partners if we are to realise the potential that exists: we need a shared perception of what the Gateway is and what it offers as a place.

In deciding how to steer this beast forward, my first step has been to invite leading architect Sir Terry Farrell to refresh the vision for the Gateway. With a strategic initiative on this scale and of this longevity, the story needs to keep being told to maintain the confidence, energy and the pace of change required. It has not been my intention to set a new direction; rather I have sought to capture the strong platform of progress and to re-articulate ambitions for the short, medium and long term.

Our shared vision for the Gateway focuses on place making at all spatial scales. The Thames Gateway is a coherent place based on a natural estuary landscape that provides the platform for an exceptional parklands landscape to create a high quality of environment and transform perceptions. And it is a coherent human landscape unified through its role in providing London's energy, in dealing with London's waste, in its ports and maritime role and in the sheer scale of opportunity presented through the land available for remediation.

But the Thames Gateway is also a constellation of places with their own culture, history and local economy. We need to see the remaking of east London's places as vibrant and successful communities: connecting these communities to the river; rediscovering those whose identity has become lost; and improving their interconnectivity to generate wider opportunities to catalyse and benefit from growth.

We need to create new places, building on the opportunities such as that offered by the new international passenger station at Ebbsfleet. And we also need to reinforce the exceptional qualities of each estuary town: promoting growth that plays to their own economic strengths; reinforcing their local identity and culture; and strengthening their history and heritage.

A strand central to it all is the creation of the Gateway as an innovative, low-carbon place: an exemplar for the attainment of sustainable economic growth and at the forefront of tackling the climate change agenda. Also critical is the need to focus on skills so that those who already live in the Gateway can take advantage of the new opportunities, those who develop skills can apply them locally, and those with high skills levels are attracted in to both live and work in the area.

The Thames Gateway is the gateway to London and also to Europe. We need to harness the opportunity this provides by using and improving the connectivity into and within the Gateway, making it a place to invest. And we need to tailor the approaches to build on existing sectoral strengths such as those in business and financial services, ports and logistics, and in the green industries.

The role of the Homes & Communities Agency in the Gateway

So where does the Homes & Communities Agency sit in this? First and most important, we must cultivate a collaborative and mature partnership approach – one in which partners share the vision and the responsibility; a partnership in which ambitions are set high and parochialism given a back seat, so that places collaborate with neighbours. The Gateway will reach its full potential only if there is a transparency of agendas and a shared responsibility – one agency or government cannot do it single-handedly.

Decision making and delivery must be at the right levels, carried out by the people who know best. We have sought to strengthen our strategic approach by establishing the Thames Gateway Strategic Partnership Executive Group to guide pan-Gateway decisions. Alongside, we have built on the approach to project delivery by decentralising responsibility to the Homes & Communities Agency regional teams and building a culture of empowerment and responsibility among our delivery partners.

Second, the Homes & Communities Agency can help. We can share best practice through our skills academy, which provides practitioners with access to practical training and resources. We can develop the understanding of issues and promote innovation to identify new ways of working and fresh ways to address challenges. And we can provide capacity and support by bringing in our own experience and resources to enable delivery of housing and regeneration.

We have already introduced an integrated approach to delivery by the setting up of Homes & Communities Agency offices within each English region, supported by a strong corporate centre. These regions will, in turn, work through the Single Conversation, which offers a comprehensive place-based approach around which joint local investment plans can be developed. The Homes & Communities Agency is a national agency that works and delivers locally.

Third, we must retain our current programme of delivery – and deliver it well. We have already been working in partnership to ensure that remaining Thames Gateway funding is spent on the strategic priorities that will deliver within the required timescales. London was the first region to develop a Kickstart programme, providing additional resources to

enable the restarting of new housing schemes that have stalled for one reason or another. Gateway projects such as the Heart of East Greenwich are already benefiting from this programme, and we are now rolling out the Kickstart programme to other parts of the Gateway, including schemes in Kent and Essex.

Fourth, we must champion and articulate with all partners the underlying case for the Gateway. That is why the work we have done with Sir Terry Farrell to refresh the narrative is so important. With any long-term strategic initiative, the story needs to be told and kept being told.

And finally, we must work with partners to secure further investment, making the case for investment to government and to the private sector. Involvement of both sectors is essential: even in a downturn, housing and regeneration cannot be done solely by the public sector. Successful places are sector-blind, with public and private housing and funding together providing the most effective use of both. I do also recognise that we are entering more challenging times for investment, when pressure will increase to secure value for money against increasingly scarce resources. However, I also believe that the scale and nature of opportunity in the Gateway make it a place where there is scope for a greater return on investment for both public-sector and private-sector partners.

Conclusion

In conclusion, I want the Gateway to be an exemplar of large-scale strategic planning, place making and delivery for the Homes & Communities Agency, supporting the ambition of our local partners to provide better places that offer great homes and good jobs, but doing this in the wider context of the ambitions for the Gateway as a whole. We must build a step change in the quality of life – so that people want to live and work there, visit there and invest there and existing residents want to build their futures there. Given the strong platform of delivery to date, we have every reason to remain confident in the success of the Gateway.

We must think long-term, planning for the future while continuing to take practical steps towards clear milestones along the way that hold true to these aspirations. If we get that right then others will follow, so that together we will maintain the momentum to drive forward delivery of the vision over the next 40 years.

The Smith Institute

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