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

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The East End, East London, London Docks, Docklands, the LDDC and 'Thames Gateway'

East London has long fascinated politicians, economists and social scientists. The eastern part of the capital was traditionally the city's industrial heartland, including the Port of London, a large concentration of manufacturing and many square miles of suburbs. For centuries, the Thames was the key to London's economic strength, generating trade on both its north and south banks. However, the River has also been a barrier in east London, cutting the city in two.

In the four decades years since the 1960s, industries associated with east London (and riverside Essex and Kent) have declined. Car manufacture, light industry and docking activities across the boroughs of Tower Hamlets, Newham and Barking & Dagenham have all but disappeared. It is a measure of how sharp and unexpected this decline was that in the Greater *London Development Plan Report of Studies* (published in the late 1960s) it was stated: "The Port's dominance has been maintained…..Trade with Europe is growing considerably and the PLA [Port of London Authority] suggests that London can expect to handle a large proportion of this future trade"[1]. Yet within 15 years of the GLC's rosy assessment, virtually the whole of London Docks had closed.

Unemployment has risen and remains relatively high. Large tracts of the East End, outer east London and the Thames Estuary require significant regeneration. Central and local government have pursued a series of policy initiatives to revive the area. First, the (Conservative) Greater London Council (GLC) and Tower Hamlets produced a plan. In 1971, Environment Secretary Peter Walker and the GLC appointed consultants to look at the future of what was, for the first time, called 'London Docklands'[2]. Several other plans were published, including ideas for new residential, office and airport activities between Wapping and Beckton. In 1974, the (Conservative) government created a Docklands Joint Committee, consisting of GLC and borough members.

Classic London problems emerged. The public sector, which owned large quantities of land and buildings, had little money for redevelopment. Private land owners were unenthusiastic about early redevelopment of their assets. The Port of London, Thames Water and other nationalised bodies had significant statutory powers which had to be co-ordinated with any other actions. There was a powerful local lobby to protect docking activities. Almost no regeneration occurred.

By 1981, over 150,000 jobs in port and related activities had disappeared in east London since the closure of the East India Dock in 1967. The residential population of the area had declined from about 55,000 residents in 1976, to just over 39,000 in 1981. Over 50 per cent of area covered by the Docklands Joint Committee was vacant and often derelict. Most of it was still in public sector ownership, ostensibly retained for 'operational use', despite docking-related uses having long ceased and with little evidence that they would return[3]. The Committee was widely seen as ineffective.

In the face of this lack of activity Mrs Thatcher's government created the London Docklands Development Corporation (LDDC) to get a grip on inner east London. This move was bitterly contested because it removed powers from the local councils and also because the LDDC's objectives (which were determined by the government) were seen as radically at variance with those of local communities. The (Labour) GLC lobbied powerfully to retain docking and manufacturing in east London[4] . From 1981, LDDC built a new road and light railway and encouraged developers to move into the area. Tax breaks were offered to companies investing in the Isle of Dogs. By the end of the 1980s, Canary Wharf, a major new business district, had emerged despite constraints on transport powers. Finally, a new Underground line and a major link road were constructed. Inner east London changed forever.

In parallel with these changes in inner east London, the capital's population began to grow in the years after 1985 after 30 years of decline. The 'Big Bang' deregulated the City's financial services, producing a boom in finance and business services. From a low point of 6.7 million in 1986, the capital's population has grown to 7.5 million in 2007. The United Kingdom's overall population has also grown sharply, creating a demand for both more housing and jobs. The case for developing effective uses rather further out from the centre of London. In 1991, the (Conservative) government commissioned consultants to examine the East London Corridor. A report led to the creation of a 'Thames Gateway' Task Force and, in 1995, a Thames Gateway Planning Framework.

The framework had a number of objectives, summarised below:

- to improve economic performance, enhancing London's position as a major World and European city;
- to maximise the opportunities for new economic activity and jobs, created by the improving transport connections to continental Europe;
- to work with the market; building on existing economic and community strengths, reinforcing the economic base, and at the same time attracting new economic investment; strengthening existing communities as well as attracting new residents;
- to encourage a sustainable pattern of development, optimising the use of existing and proposed infrastructure and making the fullest possible use of the many vacant, derelict and under-used sites which previously supported other activities;
- to safeguard and enhance natural and man made environmental assets and, where necessary, raise the quality of the local environment; to encourage the highest quality in the design, layout and appearance of new developments.

The area has been described as "largest regeneration opportunity in Western Europe" as well as 'the most expensive brownfield site in Europe'. Both statements are probably true – and together they generate almost certainly the most intractable problems of regeneration in the country. There have been continuing concerns that progress is slow; that governance of the area is far too complicated and opaque; that funding mechanisms are inadequate; and priorities ill-defined. Most fundamentally land values in most of the Gateway remain low – giving the potential for high returns from effective development but at the cost of very high risk.

The evolution of Thames Gateway policy

From the earliest East Thames Corridor study, progress in the Thames Gateway has been relatively cautious and slow. As the years before the LDDC was created demonstrate, the complexities of governance, land ownership and resources within east London can often thwart well-intentioned policy. Roger Tym & Partners produced a report for the government in 2000 suggesting a need for improved delivery mechanisms and quicker implementation within the Thames Gateway area. The Thames Gateway Strategic Partnership was created later that year. In 2001, the government's *Regional Planning Guidance for the South East* (RPG 9) reiterated the policy of extending housing growth within the Gateway. In 2003, the *Sustainable Communities Strategy* included the identification of four growth areas, with the Thames Gateway being the largest. The Thames Gateway Growth Area Fund was initiated to increase house-building and the creation of 'sustainable communities'[5].

In 2004, the London Thames Gateway Development Corporation and the Thurrock Thames Gateway Development Corporation were created. Later that year, a planning application was lodged to develop Barking Riverside. In 2005, the government published *Creating sustainable communities: delivering the Thames Gateway*, which set out proposals to speed up development and regeneration in the area. Transport infrastructure is slowly improving: the Channel Tunnel Rail Link now runs through the Thames Gateway and unexpectedly, London was awarded the 2012 Olympic Games which included major regeneration of Stratford. In 2006, the *Thames Gateway Interim Plan* was published by the government with a view to speeding up delivery and implementation. A *Thames Gateway Delivery Plan* was published in November 2007.

Major Challenges

Significant numbers of official bodies are involved in the delivery of housing, regeneration and improved quality of life within the Thames Gateway. The sponsoring Whitehall department – currently the Department for Communities and Local Government – has itself had five different names since the area first became a focus of activity. In addition, the Department for Transport, the Department for Business, Enterprise and Regulatory Reform, the Department for the Environment & Rural Affairs, the Housing Corporation, English Partnerships, the Mayor of London, the London Development Agency, several London boroughs, the Highways Agency, Transport for London, the Port of London Authority, Network Rail, Natural England, the Commission for Architecture and the Built Environment, English Heritage, plus many registered social landlords, health authorities, universities, further education colleges and other agencies all have a role to play[6]. The London Thames Gateway Development Corporation, two development corporations beyond the London boundary, the new Homes and Communities Agency and the Thames Gateway London Partnership all have specific duties in relation to the Gateway. Finally, the Olympic Delivery Authority and potential bodies delivering Olympic 'legacy' will have growing importance in the years ahead.

An equally difficult hurdle is how to provide the finance necessary for infrastructure, development and housing. The sources of these funds is disparate and often uncertain – coming from publicly owned land; Section 106; grants from many different government departments; from local councils, agencies and utilities; as well as from the independent and private sectors. The instruments available on the other hand tend to be quite limited – mainly grants and borrowing rather than bonds and equity, not an ideal combination where large risks are involved. Funds have to be brought together in complex packages where timing can be of the essence and much depends on expectations about land values. Most commentators agree that the funds available upfront for infrastructure are simply inadequate. The Community Infrastructure Levy will take time to become embedded in the system and is as likely to slow down rather than speed up development at least in the short term. Moreover CIL funds are seen as being fro local and sub-regional requirements rather than the broader based investment necessary for the Gateway. Finally the funding for the Olympics depends on being able to realise very large revenues from increased land values.

Another particularly important issue is the role of housing in the Thames Gateway. The Gateway is expected to provide a major source of land to enable government housing targets to be achieved. The government has allocated significant funding for their expanding programme but this is still not adequate without large scale additional finance from the Housing Associations. One reason for the emphasis on housing is that it has a shorter lead in time than many other types of development. However the emphasis on numbers appears to be leading to inappropriate mixes of sometimes poor quality smaller flats being built, especially for the intermediate market and often before the necessary physical and social infrastructure has been put in place.

The most immediate challenge, initially for the housing market but ultimately right across the board in terms of employment generation and infrastructure investment, is the more difficult economic environment. A turndown will slow down sales and development and remove some of the optimism necessary to maintain the impetus for the Gateway project.

Perhaps the most fundamental challenge facing the key institutions with the responsibility for delivering an improved Thames Gateway is the number of strategies, plans and institutions involved. If significant numbers of new homes and improved infrastructure are to be delivered in a consistent and effective way, it is essential there is some degree of authority and coherence to the implementation process. The new Homes and Communities Agency, working with existing players, provides a new way forward which could provide an opportunity to achieve progress by bringing different elements together. But it is an incredible long term challenge, given both the history and current circumstances – and will involve commitment over many decades.

Questions for Today

Important questions that may help to frame today's seminar include:

Is the Gateway too unwieldy – should investment be more concentrated?

Can the existing governance be made more coherent?

Can the Olympics and its legacy effectively complement the broader Gateway initiative?

Can new ways of funding large scale longer term development be brought on-stream?

Can the impetus be maintained in the face of declining land values?

Is housing being expected to bear too much of the costs of maintaining development? and most fundamentally,

How can we ensure that the types of development that are enabled over the next few years will generate the highest net benefits into the longer term?

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[1] Greater London Council (1969) *Greater London Development Plan Report of Studies*, para 9.8

[2] London Docklands Development Corporation monograph, *Initiating Urban Change*, http://www.lddc-history.org.uk/beforelddc/index.html

[3] London Docklands Development Corporation monograph, *Initiating Urban Change*, http://www.lddc-history.org.uk/beforelddc/index.html

[4] Greater London Council (1985) *The London Industrial Strategy*, Chapters 9 and 24

[5] National Audit Office (2007) *The Thames Gateway: Laying the Foundations*, HC 526, Session 2006-2007, London, The Stationery Office

[6] National Audit Office (2007) *The Thames Gateway: Laying the Foundations*, HC 526, Session 2006-2007, London, The Stationery Office, page 6