



Urban Regeneration Case Studies

This article introduces the causes and consequences of urban decline and examines the successes and failures of some attempts at urban regeneration. Future Factsheets will examine individual urban regeneration initiatives in much more detail.

Causes of Urban Decline

Urban decline has many causes which often interact with each other.

Changing Industry

In recent years there has been a major decline in many of the country's traditional extractive and heavy manufacturing industries such as coal, steel, shipbuilding and railway work. As these industries tended to be located in the North and North West of England, South Wales, Central Scotland and Northern Ireland, these regions have been most affected by this decline. New replacement industries have typically been service sector with fewer restrictions on locations.

The more deprived urban regions of the country tend to have high levels of unemployment. This, it is argued perpetuates problems such as poor housing, high crime rates, vandalism, poor health and population decline. Regional variations in unemployment are shown in Table 1.

Table 1. Regional variations in unemployment and poorer households

	% of population unemployed	Lone parents (% of all households)	% of households receiving housing benefit
England	3.2	5.5	18.8
Tyne and Wear	4.4	7.0	30.7
Greater Manchester	3.2	7.2	25.7
Manchester	5.6	12.6	52.2
Merseyside	4.9	8.4	29.2
Liverpool	6.1	10.2	39.8
Sheffield	4.4	5.4	27.6
Birmingham	4.7	8.2	28.0
London	4.5	7.4	27.6
Hackney	4.5	12.4	49.3
Tower Hamlets	7.3	10.7	48.2
Bristol	0.7	6.4	22.7
Plymouth	4.4	6.3	22.8

Thus, unemployment was a particular problem in the inner city areas of former industrial regions. Unemployment rates were highest among the young, the poorly qualified and poorly skilled and amongst ethnic minorities. The average period of unemployment grew longer as cities such as Sheffield, Glasgow, Newcastle and Birmingham experienced large-scale factory closures as businesses changed their type of production, changed their locality or became bankrupt. Merseyside, for example, lost 200,000 jobs between 1973 and 1991. Parallel to this, there has been a process of **industrial suburbanisation**. The suburbs have proved attractive because of reduced congestion, greater access to motorways, increased opportunities for expansion, cheaper land and the availability of non-unionised and relatively cheap, flexible female workers.

Changing Population

Population decline has been a feature of most British cities since the 1950s. The structure of the remaining population is severely affected by the process of outward migration, as it is often the younger and more skilled members of the population which move out.

Environmental decay / derelict land

A lack of investment in poorer urban areas can lead to areas of disused land becoming derelict which, in turn, inhibits private investment in the area.

Urban Regeneration

In the 1980s and 1990s, a range of initiatives were introduced to try to regenerate inner-city areas which, as a result of the processes above, had suffered high rates of unemployment and other forms of deprivation. The ethos behind all of these initiatives was that improvements in social, environmental and economic conditions could best be achieved by encouraging private investment, often property or land-based investment, which, in turn, was expected to lead to jobs and improved services and infrastructure. As illustration, it is worth-while considering four of the most important initiatives:

1. Grants for urban regeneration projects
2. Enterprise Zones (EZs)
3. Urban Development Corporations (UDCs)
4. Competitive bidding initiatives - City Challenge (CC) and the Single Regeneration Budget (SRB)

1. Grants

Three regeneration grants have been available:

- (i) The Urban Programme - This was paid to private and voluntary sector organisations in order to improve the social and economic infrastructure of deprived areas.
- (ii) The City Grant - This was paid to private companies to generate and develop derelict land.
- (iii) The Derelict Land Grant - This was paid to the voluntary sector to regenerate physically degraded land.

2. Enterprise Zones

Introduced in 1981, EZs were small areas of land which offered special incentives to try to attract businesses, especially high-tech businesses (eg. computing) to relocate or establish there. Thus, firms were offered reduced rates, exemption from particular taxes and relaxation of planning regulations as incentives to move to areas such as Gateshead, the Isle of Dogs and Sheffield which had suffered de-industrialisation or the collapse of major industries. It was felt that, by attracting new business, the urban areas would benefit from new and diversified jobs.

Many believed that EZs failed; few succeeded in creating many new jobs and those which were created tended to be in the old or existing rather than new industries. The areas which were immediately outside the EZs were at a clear disadvantage; they had none of the inducements of the land just 50 metres away which was in the EZ and such areas frequently became derelict in what became known as "the shadow effect".

3. Urban Development Corporations

UDCs were launched in 1980 and between 1981 and 1993 13 UDCs were designated. UDCs were government agencies who were given responsibility for the regeneration of a particular area. They were run by appointed boards who were mostly made up of people from the local business community. Their aim was to regenerate the area, improving the use of land, buildings and people. The expenditure and targets for jobs, housing and land reclamation for each UDC are shown in Table 2.

Table 2. Urban Development Corporations - expenditure and targets

Location	date started	expenditure (£ million)		Lifetime targets		
		92 - 3	95 - 6	Land reclaimed	Housing (units)	Jobs
London Docklands	1981	293.9	88	846.5	24036	75458
Merseyside	1981	42.1	34	384.0	3544	23357
Trafford Park	1987	61.3	29.7	400.6	3774	21440
Black Country	1987	68.0	36.6	525.3	1403	10212
Teeside	1987	34.5	47.5	210.8	311	25618
Tyne and Wear	1987	50.2	43.5	517.7	4842	34043
Central Manchester	1988	20.5	13.7	60.0	661	4590
Leeds	1988	9.6		35.3	2581	5074
Sheffield	1988	15.9	11.6	68.0	561	8369
Bristol	1989	20.4	8.7	259.6	0	17616
Birmingham Heartlands	1992	5.0	11.7	129.1	878	5983
Plymouth	1993	n/a	10.6	12.7	93	491

UDCs had wide planning responsibilities, freedom from local authority controls and were asked to seek out market opportunities and private sector investment. UDCs had sweeping powers and were able, for example, to compulsorily purchase land and buildings. In the early years, UDCs operated independently of their corresponding local authorities, sometimes ignoring existing plans and creating conflict. More recently, there has been more co-operation between the UDCs and the local authorities. Most UDCs were scheduled to finish in the mid 1990s.

Five main criticisms have been leveled at UDCs:

1. They were very expensive
2. They did not create enough jobs
3. They were too dependent or focused on property speculation and lost huge sums of money through buying land whose value subsequently fell.
4. By dramatically reducing the power of local authorities, they removed democratic accountability. Local people often complained that they had no involvement and that UDCs were physically or socially excluding them from their own areas (many UDC projects brought high-cost homes or introduced office space into previously working-class areas)
5. They used public monies to encourage private investment.

Case Study:

Central Manchester Development Corporation (CMDC)

Set up in June 1988 to regenerate 500 acres of land and buildings in the southern sector of the City Centre. The area included decaying warehouses, offices, mills, contaminated land and neglected waterways. Some buildings were able to be refurbished for a range of activities including housing. For example, in the Whitworth Street area, many listed warehouses and sites were converted and redeveloped to create a village in the city of more than 1,000 homes, serviced by pubs, bars, restaurants, a doctor, a dentist and a 24 hour shop. The CMDC rejected speculative office schemes for this area, earmarking it for residential use.

The CMDC engaged in widespread consultation and formulated a development strategy which complemented the **1984 City Centre Local Plan of Manchester City Council**. Historic canals, rivers and their surroundings have been rescued from decay and disuse. Castlefield, which was once an area of disused canals and wharves, has successfully mixed housing, office developments and leisure facilities, attracting over 2 million leisure visitors per year. The Bridgewater Concert Hall and Great Bridgewater office complex were developed in partnership with the City Council and represent a major extension of the central business district. The CMDC was disbanded in 1996 and planning powers for the designated area have reverted to the City Council.

4. City Challenge

This was announced in 1991 and represented a major switch of funding mechanisms towards **competitive bidding**. In other words, local authorities had to come up with imaginative projects and only the winners would gain financial assistance to undertake the regeneration projects. City Challenge was meant to encourage an integrated approach and aimed to include economic development, housing, training, environmental improvement and social programmes. City Challenge was the first major initiative to encourage competitive bidding and is considered in detail in the Case Study on page 3.

The Single Regeneration Budget

One of the major criticisms of earlier urban regeneration planning was that there had been too many initiatives going on at any one time, with too little cooperation; urban regeneration projects were fragmented and confusing. The SRB was introduced in order to pull together more than 20 different sources of urban regeneration funding in order to make a coherent regeneration programme.

Funds for the SRB are decided by competition i.e. all local authorities had to submit urban regeneration proposals, but only some of these are successful and are given funding. Thus, SRB (along with City Challenge) encourages local authorities to compete with each other for the available funding.

As with City Challenge, the SRB has been criticised by those people who object to the allocation of public money through competition between local authorities. The SRB replaced the urban programme which allocated funds according to clearly defined levels of deprivation - the more deprived the area the more funds the area received. SRB reduced the importance of this factor and, as a result, some areas which had previously received generous funding and which most agreed were needy, eg. parts of Nottingham and Leicester, now received much less funding.

City Challenge

The City Challenge initiative aimed to encourage self-sustaining regeneration of carefully designated areas.

In 1991, 15 local authorities, chosen because they were already in a position to establish new projects quickly, were invited to compete with each other for the funds; the eleven winners, or “**Pacemakers**” were those local authorities who put forward the most imaginative and potentially successful projects. The winners were then expected to enter into five year agreements with the Department of the Environment to improve social conditions in their urban areas. In the first year eleven of the bidders were successful and each received £7.5m annually for five years. In 1993, Round Two of the “competition” began and all 57 Urban Programme authorities were invited to take part. 54 areas submitted bids, 20 were chosen as winners. City Challenge partnerships are shown in Table 3.

Table 3. City Challenge - Winners in funding competition

Bidding round	Successful partnerships
1	<i>Bradford, Dearne Valley Partnership (led by Barnsley, but also working with Doncaster and Rotherham), Lewisham, Liverpool, Manchester, Middlesborough, Newcastle, Nottingham, Tower Hamlets, Wirral and Wolverhampton</i>
2	<i>Barnsley, Birmingham, Blackburn, Bolton, Brent, Derby, Hackney, Hartlepool, Kensington & Chelsea, Kirklees, Lambeth, Leicester, Newham, North Tyneside, Sandwell, Sefton, Stockton on Tees, Sunderland, Walsall and Wigan</i>

The City Challenge initiative was designed to address some of the weaknesses of earlier urban regeneration initiatives. These were:

1. Often, urban regeneration projects had involved several different groups or agencies working together, who frequently did not do so.
2. Local Authorities had frequently left participating groups - particularly voluntary groups - to sort problems out for themselves and it was thought that more help was needed.
3. Existing projects had often been “forced” on local communities and did not effectively involve the community from the beginning. Frequently urban regeneration programmes which had been solely concerned with **areas** had not resulted in much benefit flowing to people. It was explicitly stated that CC projects should tackle the problems which residents had identified as important.
4. Because some initiatives involved different government departments - which had conflicting priorities - there was a feeling that cooperation had not always been achieved.
5. Urban regeneration projects were often developed in isolation from other projects in the community, when great benefit could have been achieved in working together.

Many earlier initiatives had concentrated on improving buildings, City Challenge gave equal importance to buildings, people and values. Cooperation between local authorities and the various groups, either private, public or voluntary was prioritised.

It was anticipated that **City Action Trusts (CATs)** would coordinate the activities of the urban regeneration initiatives, helping to ensure maximum cooperation and effectiveness. In addition, as Round 2 of competitive

bidding was introduced, so too were new **Task Forces** who it was thought would help the successful bidders.

All of the City Challenge areas suffered from high local unemployment, youth and long-term unemployment, a low skills base, poor levels of educational attainment, environmental deterioration, growing areas of derelict land and increasing commercial property vacancy. Public sector housing was deteriorating in almost all of the City Challenge areas, usually because of a combination of poor initial design and inadequate maintenance. The population of City Challenge areas usually had higher than national average incidence of health care problems, high levels of crime and fear of crime, high proportions of single parent families and households dependent upon Social Security.

In those City Challenge areas which had large ethnic populations, it was clear that some groups were substantially disadvantaged in terms of employment opportunities. In **Batley**, for example, only 40% of Asian males had jobs, compared with 70% of white males. In **Blackburn**, unemployment for those of Asian origin was three and a half times higher than the district employment level. Similarly, in **Wolverhampton**, over 90% of black workers and 84% of Asian workers were in unskilled manual occupations, whereas for the white workers this proportion was less than 50%.

The type of projects undertaken in City Challenge areas were, however, very varied. Some City Challenge areas such as **Liverpool**, concentrated on improving vacant and derelict land around the perimeter of the city. **Wolverhampton City Challenge** included major development projects such as the Science Park. **Harlesdon City Challenge** became one part of the Park Royal Partnership to develop the Park Royal Industrial Estate where 3,000 manufacturing jobs had been lost in the last three years. Others, such as **Hulme City Challenge** concentrated on improving housing stock (See Case Study). However, City Challenge participants were generally agreed on the most important potential benefits which would accrue from the initiative (Table 4).

Table 4. City Challenge - Intended benefits

Benefits	% respondents
Jobs	84%
Improved housing	59%
Investment	56%
Environmental improvements	55%
Greater confidence amongst local people	53%
Training opportunities	51%
Reduced crime/fear of crime	42%
Greater community participation Improved	41%
Business confidence	37%
Agencies working together better	32%

Assessment of City Challenge

In introducing an element of competition for bidding, it is believed that City Challenge improved the overall quality of proposals and encouraged new thinking and more imaginative ideas. The private sector, in particular, found the competitive principle attractive and argued that competition had encouraged local authorities to try to suggest solutions as well as merely identify the problems. City Challenge also stimulated much more effective public-private partnership and, in areas such as **Batley**, entirely new partnerships were developed.

However, the competition was heavily criticised by other observers. Many felt that the basis for allocating such huge sums of money should not be

based upon competition but upon need and it was felt that competition had divided neighbouring, disadvantaged areas which otherwise could potentially have worked together. The policy that all successful bidders should receive exactly the same sum of money - despite the fact that some areas were more deprived than others - was also criticised. Equally, as many bidders pointed out, one of the objectives had an inherent conflict - it was unlikely that the urban priorities as identified by residents and potential investors would be the same, and so it proved. The first round bids were overwhelmingly concerned with infrastructure, environmental works and site preparation for the private sector. Finally, competing authorities were given little clear idea of the criteria on which their application was to be judged and many did not understand the relative significance of the different criteria.

However, City Challenge did make significant achievements. Between 1992 and 1997, 40,000 houses were improved, a total of 53,000 jobs were created, 1,800 hectares of derelict land were reclaimed or improved, 1.2 million square metres of floor space were created or improved and 3,200 businesses were established. Some City Challenges were perceived to be much more successful than others (this will be the focus of a future Factsheet), but in general terms, the underlying principles of City Challenge appear likely to be repeated in future urban regeneration initiatives.

Case Study:

Hulme City Challenge, Manchester (1992)

The Hulme area of Manchester was redeveloped in the 1960s and 70s with high rise flats. Of the 5,400 dwellings, 98% were Council owned. Over half were deck access flats with all the features of bad planning, design and construction. The area had a low level of families with children and a disproportionate number of single person households, partly because of its proximity to higher education institutions. There were also many single parents and other vulnerable groups.

Plans were drawn up to build 3,000 new homes, shops, roads, offices and community facilities. There was an overall aim to achieve close integration of economic and social activities. A more traditional pattern of development has been created with streets, squares and a variety of buildings. By 1995, Hulme had radically altered - 1,400 properties had been demolished and 108 acres of land had been reclaimed. Over 600 homes for rent had been built and 415 homes had been improved internally.

Inner City Task Forces were launched in 1986. They are small teams which operate in some of the most deprived urban areas in England and concentrate on the economic regeneration of designated inner city areas. Since 1986, Task Forces have helped to create over 48,000 jobs, provide over 200,000 training places, helped 67,000 businesses in their areas and supported over 50,000 educational opportunities. As Task Forces are temporary in nature, they work closely with other key partners to ensure that the community can sustain the regeneration of the area after the Task Force leaves.

Estate Action was formed in 1985 to encourage and assist local authorities to develop a range of measures to revitalise run-down estates. These measures were intended to tackle not only the physical condition of the estates but also to improve housing management, involve tenants, provide variety and choice in housing; and create opportunities for training and economic and social development. Estate Action funding is allocated on a competitive basis.

Housing Action Trusts (HATs) were launched in 1987 by the Housing Act (1988) and operate by transferring the control of a local authority housing estate to the private sector. HATs were launched to deal with estates whose problems were too severe for estate action.

HATs can only be set up with the consent of a majority of tenants. Funding was first allocated in 1988, but there was considerable delay in getting the first HATs started due to fierce opposition - local authorities were concerned about loss of control to the private sector and tenants feared increased rents and reduced availability of housing. There are now six HATs whose main aim is to achieve a sustainable and long-lasting improvement in the living conditions in their areas. The activities of both Estate Action and HATs were eventually to be coordinated by City Challenge. The achievement of the Housing Action Trusts are summarised in Table 5.

Table 5. Housing Action Trust achievements

	93 / 94	94 / 95	95 / 96	96 / 97	97 / 98 forecast
homes improved	430	688	466	581	408
new homes built	163	327	643	391	516
training places provided	263	486	2573	1340	510
jobs retained / created	679	947	1912	803	377

Case Study:

Castle Vale HAT, Birmingham

Castle Vale HAT was set up in 1993. It has completed demolition of eight tower blocks and has started its new build programme. In 1996, the HAT arranged employment for 120 residents, training for over 300 residents and had over 500 residents on its skills register.

The New Labour Government - a change of direction for urban regeneration?

In July 1997, the Government announced that the Single Regeneration Budget Challenge fund would place a greater emphasis on local priorities, local involvement and on tackling the needs of the most deprived areas. The priorities for expenditure will be tackling unemployment, crime and poor housing with an emphasis on areas which the greatest needs.

In October 1997 a new **Task Force** was announced with the aim of revitalising the former coalfield communities. It will report its recommendations to the Government by March 1998. One of the key goals of the Task Force will be to identify the extent to which existing Government programmes might better support the regeneration of the coalfield areas.

One of the key urban schemes to be set up by the new Government will be the **Regional Development Agencies (RDAs)**, which will be given the task of co-ordinating economic development, helping to attract investment and supporting the small business sector. A framework will be set up giving the agencies basic powers and it will be for each region to decide how best to make use of the RDA in order to reflect the needs of their area.

Conclusion

Urban renewal schemes have changed considerably in approach over the last thirty years. One of the key changes has been the move towards using partnerships for the delivery of urban projects, and more recently, the competition for funding. There has also been a move towards more involvement of local people in the areas affected by urban decline and regeneration projects. This involvement needs to be maintained and possibly increased if urban regeneration projects are to be successful and if benefits are to be brought to those local people most in need.

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