

## 1. Introduction

- a) I am immensely encouraged by our recent meetings. I believe good progress is being made, not only distilling a clear vision, but also – and even more importantly – giving us a basis for recommending a practical framework for action. With this we can begin to fulfil the task we have been set by the Mayor to find solutions to the challenge of regenerating parts of Outer London.
- b) I think it is very clear what we know, what has to be achieved – the real challenge is to create a framework robust enough to make it happen. Our aspiration is to create places through both super hubs and enhancing our existing town centres which creates economic vibrancy. We aspire to 21<sup>st</sup> Century transport and a highly productive educated population. The places we are looking to create must have the ingredients to ensure people aspire to live work and play there. Our challenge is to integrate modern living with modern working and mesh residential with commercial property. The economic environment means that we have to ensure every element works which creates confidence which will allow delivery.
- c) I have spent most of my working life learning the hard way about urban regeneration, an area Berkeley moved into following the last major recession in the early 1990s. Over this time I have become passionate about the benefits of sustainable regeneration – for people, for places and for business. The process of making regeneration happen, bringing people together, feeling the energy this creates and then watching the results and benefits flow, never fails to capture my enthusiasm and imagination. I hope that the thoughts that follow will assist the deliberations of the Commission and enable us to create a portfolio of ideas for action that will inspire communities and foster the certainty that is the prerequisite for genuine regeneration. The actions we recommend will, I hope, be accepted by the Mayor and others and become the economic drivers for Outer London. They must bring clarity to a framework that has been indefinite for too long and which has, as a result, kept developers - and I believe businesses more generally – away from the outer Boroughs, which are crying out for and indeed deserve greater success and prosperity for the sake not only of themselves but for all of London.

- d) The framework needs to find alignment of interests between all the stakeholders. It needs to be able to balance the priorities and have a focus on delivery. The framework needs to be as simple as possible and address the complexities of planning. For example, the Community Infrastructure Levy has created further uncertainty and complexity which could remove alignment of interests between the stakeholders. With this point in mind, once it is agreed in London it should be capable of being used as a basis for asking national government, which is often the cause of much uncertainty, to get behind the agenda and commit to providing the necessary support (which isn't just funding).
- e) Though it is employed for the best of reasons, the term 'regeneration' is, in reality, a "catch all" for an array of elements that combine to bring new economic and social vitality to previously neglected areas. As a result, it is often either seen as an impenetrable mystery, or it becomes a slogan to hide inaction. We have a unique opportunity to change that.
- f) Our task is made easier, I feel, because we are considering London. Despite the current problems, this remains a unique City of the World. The OLC is a welcome step in bringing the dynamism and innovation that has shaped central London to bear on its Outer areas. Our aim should be not to share existing success through redistribution, but to generate more. That's what real regeneration is about.
- g) Demographic changes are a key driver for residential development; it has to happen as London's population is set to grow. Residential development can therefore be at the heart of the economic recovery of Outer London and our strategy should recognise and encourage its promotion as an essential way forward. My key philosophy is to break places down into individual small areas; each place is different and there is always a viable solution.
- h) I will now turn to some of the specific matters before us, and on which you asked for my comments.

## 2. "Super Hubs"

- a) The debate about the development of Super Hubs is, of course, ongoing within the Commission and my principal interest, as you know, and where I believe I am of most use to the OLC, relates to the more immediate drivers for suburban regeneration, which I will cover later. Nonetheless, I hope that it may be helpful for me to set out a few thoughts on Super Hubs, which flow not only from my own experience, but also from listening to the discussions you have chaired on the subject.

- b) I am supportive of the so-called Super Hub approach as one component of the package of measures needed to regenerate Outer London. However, these are inevitably medium to longer term initiatives, which require political and community leadership that go beyond the electoral cycle, and which must not detract from the immediate steps that I believe we need to take. Moreover, Super Hubs must not be developed at the expense of other parts of London, and we must appreciate the anxieties some Boroughs have about this possible impact and ensure it is wholly mitigated. They will therefore need genuinely to be places that attract and then drive forward new economic activity. This new element of suburbia needs to stand in its own right and at this stage I am not sure that essential characteristic is widely recognised and indeed the term 'Super Hub' may well inhibit such an understanding. It might be helpful in securing vital Borough support if a more appropriate and accurate term was found.
- c) So, Super Hubs are not a panacea. They will require great leadership and ingenuity to attract new economic and business sectors to London. One way of meeting this crucial – and most challenging – objective might be to 'theme' the Super Hubs. By this I mean a planning and investment strategy that aims to group particular types of employment in designated areas. Examples could be specific Super Hubs for new green businesses, national Government offices (of which there are a dearth in Outer London, none east of Tower Bridge at all), perhaps a Super Hub for a new University (or one moved from central London to release valuable development land in the centre) or a location for relocating some of the UK's offshore businesses back onshore (an idea which arose at one of your thought-provoking seminars).
- d) Looking outside of London, I have been especially struck by the contribution of higher education to regeneration. I wonder if this is an area where Outer London is missing out in comparison with cities such as Liverpool and Newcastle. Nationally, higher education is worth billions to the economy, when all the secondary industries that rely on universities and colleges are taken into account. It dwarfs the pharmaceutical industry and places higher education close behind the legal and financial services industries in terms of economic clout. Modern universities are of course bigger than they used to be. This means that they inevitably have more impact on their surroundings. More students means not only more people on the streets, but more demand for accommodation, shops, entertainment and transport. I sincerely believe that this is an area we should pursue as a basis for a Super Hub. ).

For example, in East London we could think about joining up a number of institutions – CEME, the proposed Institute for Sustainability on the Sustainable Industries' Park at Dagenham Dock the proposed Olympic Legacy “world class university facility” in the Olympic Park and possibly others to create a stronger and more viable HE offer than any of these places could do on their own.

- e) Of course, these are ideas for the medium to longer term, and we need to be practical about today. The current market conditions, and future public sector funding constraints, should lead us to maximise growth by building on *existing* investment – in other words focus on current town centres and building around existing transport nodes, with new residential development that is within walking distance of such facilities. The alternative is to limit growth while waiting to attract new funding from either the public or private sector for social or physical infrastructure. I do not believe that is an option for our Commission, nor for Outer London.
- f) In summary, I see what we are presently terming “Super Hubs” as being exciting long-term prospects and their continued promotion will help drive investment in transport infrastructure, IT systems and public services more generally. To deliver the kind of approach I have outlined above will need sustained vision and leadership combined with community engagement and innovative kinds of imaginative private/public partnership to bring new businesses to London. If this blend can be achieved, I am certain the confidence required for success will be generated, and all of London will be all the greater for it.

### **3. Goodwill makes change happen**

- a) This point about confidence is, I believe, crucial to all that we are considering – both in terms of the long term strategy and the more immediate actions we can take to start the process of change and regeneration. But what do I mean by confidence?
- b) I believe that we all now agree that the most effective and sustained regeneration occurs when the public and private spheres work together. The challenge is in creating partnerships which actually make things happen and are not just forums for discussion or excuses for inaction. This is going to be even more vital in the immediate future given the current dire economic outlook and the scarcity of private developers with the capital and expertise prepared to invest and take risks. I would go as far as saying that, without such partnerships, it is doubtful whether very much new development will in fact take place in a timely manner.

- c) From a purely commercial perspective it is possible to argue that Outer London will only be regenerated when developers with funding and expertise are encouraged back into London in the belief that local authorities will act as positive partners, rather than a constraint on innovation and development. From my slightly broader perspective, the right approach is to expect developers to be creative and to find market led solutions, but also meet the reasonable and clearly stated policy expectations of local Government and the needs of the existing community. These observations flow from my own experience of working in partnership with many parts of the public sector – for example, local councils, universities, hospitals, and other public landowners. Berkeley also formed a major joint venture company, St James, with Thames Water to develop its redundant land across London. So, I say this as someone who understands that partnership is sometimes easier to talk about than to achieve – but when it is achieved, the results are remarkable.

I therefore hope the OLC can show leadership in encouraging more partnerships that deliver, based on genuine goodwill between developers and local, regional and national authorities, and which are not shackled with outdated regulations.

- d) One specific area that often delays development, and in which more innovation is needed, relates to Section 106 agreements. In the context of the OLC, I believe that we should recognise that the greatest benefits to the community of significant regeneration schemes do not lie in the S106 contributions extracted from developers, but in the actual regeneration itself. This might include opening up new areas to the public, the creation of tow paths and river and canal walks, the building of new squares and parks – possibilities are endless.
- e) I would suggest that local authorities be encouraged to look at the overall benefit that a development brings to the community; and the resulting economic viability, and then determine their Section 106 requirements. It might be the case that, for instance, a mixed use scheme incorporates a business centre for home working, or small shops for local retailers. Business centres in particular could be transferred to the borough and thus help activity and employment. This would be a positive use of Section 106 contributions, which should appeal to both the Borough and the developer. It is right that both parties should act as facilitators.

- f) Partnerships are most effective when there is a clear initial agreement on shared objectives and a genuine alignment of interests. Where there are rough edges to be smoothed, which is inevitable with such complex matters, there must be an approach to leadership that nurtures goodwill. From this commitment to achievement flows an excitement, a genuine opportunity for all parties to learn, the results of which everyone can be proud. I can offer some examples from Berkeley, but I wonder if we should recommend the creation of 'best practice' papers for partnership, with leaders from the public and private sectors encouraged to mentor new partnerships and indeed the next generation of professionals who will have to take this work forward. We have all learned so much in this area over the last twenty years, and where it has been applied we can see real success. Let's find a way of spreading the word and tearing down the remaining barriers to true partnership.

#### **4. Building on Existing Town Centres**

- a) As I said before, I am – with the provisos mentioned - in favour of us working to develop strategies to make the Super Hub concept a success. But we also need more immediate action.
- b) In my view, the most practical and timely way to have a positive impact on Outer London is to build on existing successful (or not so successful) town centres, and neighbourhood centres. We should also take advantage of recent improvements to transport infrastructure, identify brownfield sites near such areas and prioritise action. It is through addressing a wide range of these opportunities that we can have a major impact on making Outer London a more attractive place in which to live. By enhancing them and creating a "sense of place" we can restore pride in local communities and encourage social improvement. They are the lifeblood of Outer London and it is through such progress that the earliest impact can be achieved. I should add that I have some sympathy with the arguments put forward by East London about fuzzy boundaries; we should be prepared to say that the recommendations we make for town centres in what is defined as Outer London should be considered for places technically in inner London where it looks as if they would justify the same approach.
- c) Looking ahead, the coming decade will see a revolution in the prerequisites for a successful town centre. Internet shopping, the dominance of superstores and the reduction in the number of commercial users, banks, building societies, Post Offices and estate agents will lead to more empty space, especially in a time of austerity. This must be turned to London's advantage.

- d) The likely key factor will be mixed-use development, most probably through residential-led schemes. Local authorities will have an important role in the development of business centres, giving encouragement to SME's and home working. New homes, in or close to town centres, will greatly assist the local economy and prevent those semi-urban areas from spiralling into decline.
- e) This strategy will enable results to be delivered in a much shorter time scale, but it also has the benefit of providing a platform to build the confidence, goodwill and partnerships that are essential as we move forward. It puts these objectives in the driving seat, which is where they should be and gives an incentive to the local planning authorities to achieve quantum improvements in their areas. What we need to do is build the confidence to move forward, create partnerships that deliver and nurture support in communities for regeneration as part of a framework for Outer London's growth.
- f) As a first step, the focus should be on using existing brownfield sites abutting town centres for high density mixed use developments which will bring additional spending power and add economic strength. Such brownfield sites will invariably be redundant or obsolete employment sites, with many owned by a variety of owners including the public sector, Network Rail or the Royal Mail, and we could usefully undertake some work to identify these sites and establish their ownership.
- g) Secondly, we should see where there is scope to create new places near where recent investment in infrastructure has taken place. Such sites should also command high density mixed-use developments.
- h) The development process will need to be fast tracked as a way of building confidence in the private sector, and I would hope that the planning authorities will embrace this challenge as a way of achieving real improvements in their area's prospects, and that local authorities will speed the release of their land for development by finding fair ways of accelerating often restrictive and overly time-consuming tendering procedures.
- j) The Commission could perhaps recommend ways of reducing delays in the planning system and productive ways of using local authorities' land banks and statutory powers of land assembly.

## 5. Mixed-use development

- a) This approach to regeneration is powered by the creation of homes in places where people choose to live. This necessitates developments which are mixed use schemes providing for jobs, leisure and homes. We all recognise the importance of creating such places. This lifts a community and if 'a sense of place' is created, then there is somewhere where people want to come and where they enjoy being.
- b) According to GLA data, for every 1000 new residents, 230 jobs are created and vital employment opportunities covering retail, leisure and offices are provided, with developers of mixed use schemes creating spaces for small businesses and also live/work spaces, which I am sure are going to be increasingly popular in the years to come.
- c) True regeneration needs to link housing, work and leisure and will provide people with the choice to work close to where they live and enjoy their leisure, shopping, social and cultural facilities without major dependency on the car and without having to commute. It will therefore be important to create a 'sense of place' and so reinforce existing settlements – not replace them - by stitching the suburban fabric back together, and taking full advantage of existing investment in transport and other infrastructure.
- d) In recent years there has been much said about the type, mix and size of new housing, with a recognition that much of the growth in London will be for single person households, but balanced with a concern to protect and improve the housing options for families as well. These discussions will, I am sure, continue, but I hope we will be able to cut through much of this and maintain focus on what will drive the regeneration of these suburban sites. They are not places that are short of housing for families and we should therefore allow the demands of the market to remain the main determinant of policy, recognising that single person households will be a crucial driver of regeneration in Outer London and that in time these are also places where new families will wish to establish their homes.
- e) For that reason, the initial objective should be to attract the economically active 20-35 year olds into Outer London neighbourhoods, thus creating vibrancy and activity in the evenings and weekends. By encouraging this young, skilled, upwardly mobile and energetic generation it is much more likely that refreshed town centres and mixed use developed will be sustained.

This should also enhance the critical mass of demand for civic services and help existing local retail and leisure sectors. It will also help kick-start purchases by first-time buyers in London, who are so crucial to the overall condition of the housing market.

- f) There is a great deal to be done in terms of the regeneration of public housing estates, with a review of existing social rented housing stock, as much is undoubtedly under occupied and in very poor condition. In my view new student accommodation should be reclassified as affordable housing to free up family homes presently occupied by students. Within the affordable housing provision there needs to be a wide range of tenures, including shared equity and discount market sale. This will add economically active purchasers to a scheme, helping the overall vitality and viability. These are simple steps, which will build confidence in the private sector about the local authorities' commitment to press forward with the regeneration of Outer London.
- g) Good management has a key role in improving the environment of town centres, mixed use neighbourhoods, public realms and estates at all levels. It is vital that there is higher quality estate management for successful neighbourhoods to be created and sustained and a true sense of civic pride to be encouraged.

## **6. Transport and infrastructure**

- a) In terms of infrastructure and transport, we need to learn from the lessons of history. This tells us that Canary Wharf happened because Government, through the LDDC, sponsored the key infrastructure of the Isle of Dogs / Docklands. Then, with a light touch planning framework, private enterprise largely took over and, as a consequence, London is the financial centre of Europe, while Frankfurt has lagged.
- b) Another example is the Jubilee Line, which opened up Southwark and led to the regeneration of the area south of the Thames from Tower Bridge eastwards. The conclusion from all of this is, I believe, that the Outer London Commission should focus on those critical infrastructure and transport projects which can make a major difference. On large scale projects, the private sector needs the confidence that comes from the long-term certainty that has been missing in so much of UK transport policy for so many years. We cannot ignore the example of CrossRail which, on any measure, will provide an immense and much needed stimulus to the economic opportunities for the eastern Outer London boroughs in particular and indeed the whole of London.

- c) Having said that, and wanting to focus on immediate actions, one lesson from the past 20 years is that we should stop waiting for such substantial transport plans to become reality – however necessary they are - and start instead with what we have and work to improve it.
- d) In recent years, there has been a great deal of both public and private investment in London's transport infrastructure, which has brought forward regeneration and stimulated economic growth. I think that it is important that local authorities look at this investment and identify how it can be used as an economic driver and a catalyst to stimulate further growth. Clearly, where transport investment has already been made, new development to bring both additional homes and jobs should be encouraged as a priority.
- e) London has some 600 railway stations covering both underground and overland trains. Many are dirty, unloved and intimidating places, particularly at night. There should be a plan, led and funded by the public sector, to make these more user friendly by sprucing them up, improving the lighting, improving the security and thus ensuring that they are better used, particularly during off-peak periods. What are needed are stations that are safe, secure, bright and friendly, that people are happy to use and come home to, so giving confidence to both residents and businesses.
- f) There are other improvements suggested in the TFL business plan and the London plan and these are based mainly on improving or extending the existing network. These include, for example, significant upgrades to the London Underground network and the extension of the DLR, together with a capacity enhancement programme. These should all be considered, with certainty of action being vital to the confidence so necessary for regeneration.
- g) The current market conditions, and future public sector funding constraints, should lead us to maximise growth by building on existing investment. In this way, growth is not constrained, while it waits to attract new funding from either the public or private sector, for social or physical infrastructure. In the last 5 years, there has been a great deal of both public and private investment in Outer London that has brought forward regeneration and stimulated economic growth. I think it important that local authorities look at this investment and identify how it can be used as an economic driver and a catalyst to stimulate further growth. Clearly where transport investment has been made, such as in White City alongside the Westfield retail complex and at Imperial Wharf, where the new railway station is nearing completion, new mixed use development, to bring both additional homes and jobs, should be encouraged as a priority.

## 7. Conclusion

- a) By setting out my thoughts here, I hope that I have demonstrated that the work of the Commission may need to divide into two parts. There are initiatives we can recommend – that will have real short term value and benefit, particularly as much of Outer London is struggling with the horror of the recession. There are other issues – including where much greater strategic planning is going to be essential. Our deliberations – and eventually our Report – need to cover both of those. And getting the immediate actions right can only help the development of Outer London in the longer term,
- b) You emphasise that the Commission's report should be evidence based, so I have included some real life examples supporting some of the points made. I am sorry that these are Berkeley Group examples, but clearly these are best known to me. The best success stories within Berkeley are what we have achieved and successfully delivered. Examples include Barnes Waterside (our partnership with Thames Water that created Barnes Wetlands), Gunwharf Quays in Portsmouth (a mixed use scheme that created over 7000 jobs and has become a major tourist destination as well as a centre for residential living), Imperial Wharf in Fulham (where a new railway station and ten acre park has been created) and Beaufort Park in Barnet (which has created new homes and facilities for a new suburban demographic building on the existing transport network). We are currently working on four new large scale developments where their very success is dependent on the strong partnership we have built up with the local authorities continuing. They are Woodberry Down in Hackney, The Royal Arsenal at Woolwich, Kidbrooke in Greenwich and Dickens Yard, Ealing.

These projects have taken over 5 years before construction can commence and then they will be developed over the next 10-20 years and longer.

- c) If we can create places that meet the aspirations of people by providing for all their needs as locally as possible, and also help inspire new economic activity around this great City of ours, then I believe we will have made a sustainable contribution towards helping Outer London fulfil its potential.