A comparison of public-private partnership development of previously used land in the UK

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1. Project Background and Introduction

PARCOUR is a three-year ESRC funded international Research Project (2015-2018). The project involves a comparative analysis of urban development (of previously used land) led by public-private partnerships. The research includes nine case studies, three per country, of regeneration projects in Brazil, the Netherlands and the United Kingdom (UK). The following paper provides the background and summary of the initial findings of the UK case studies in the first year of the research project.

The aim of the PARCOUR project is to study how governance forms associated with the use of contracts affect public accountability and the public interest in urban regeneration projects. The project seeks to understand whether the public can benefit from public-private contractual arrangements and if so how this differs in each country. Contracts are increasingly used as planning tools to regulate the actions of public, private, and civil actors involved in urban regeneration. The contractual relationships between these actors instigate a specific form of governance and potentially there are important implications of contractual planning for sustainable urban development, and for the public interest at large. The objective of the research is therefore to provide greater understanding of the governance arrangements in each country, how these differ and what lessons can be learnt.

In the UK public-private partnerships are currently the only method of developing previously used land. This approach has been firmly established since the early 1990s and has become the standard modus operandi of urban regeneration/development (Atkinson, 1999a; Atkinson, 1999b; McCarthy, 2007). At the time of selecting the UK case studies there were over 600 regeneration projects taking place in the country and these are predominantly focused in the south and south west, which are the most affluent areas of the country. Many of the large-scale regeneration schemes such as London Docklands have been studied extensively (e.g. Bownill, 1990; Foster, 1999; Minton, 2009), and it was decided that the UK case studies should focus on one region, with developments in settlements of different sizes, as redevelopments in smaller towns potentially have a greater impact on the whole town and this impact is currently under-researched in academic literature.

The three cases were therefore selected that provide an excellent overview of the planning system in the country, the challenges faced, the role of public-private partnerships, and the different regulatory instruments have been deployed. The three case studies are: Harbourside in Bristol; Gloucester Quays; and Firepool in Taunton. In many ways these three cases are...
emblematic examples of how urban development projects are (and have been) carried out in the UK over the last two decades.

This paper provides a background summary of each of the three case studies, details of the methodology used for this research and a summary of the initial findings that will be investigated further in years two and three of the research project.

2. PARCOUR UK Case Studies

2.1 Harbourside, Bristol

Bristol is the eighth largest city in the UK and as such is a key driver of economic development in the South West region as well as having a ‘global footprint’, albeit in a small number of sectors. The city has a long maritime history, with the dock playing a significant role in the discovery of the Americas, and the more nefarious trades of slavery, tobacco and alcohol. Due to the decline of the docks the city had and still has considerable development potential based around central area brownfield sites that have remained undeveloped for several decades. The local authority also has extensive experience of partnership working with the private sector since the 1990s. All of this offers potential to investigate the issues PARCOUR focuses on. One of these sites is the focus of a case study for the PARCOUR project: Bristol Harbourside.

Bristol Harbourside is a 7ha mixed-use development in central Bristol, to the west of the city centre in an area known locally as Canon’s Marsh. The site’s 2001 masterplan included 664 dwellings, up to 34,500m² of office space and a 21,000m² leisure development (Edward Cullinan Architects, 2004). The redevelopment was led by developers Crest Nicholson, with the masterplan completed by Edward Cullinan Architects and was delivered over the 14 years, between 2001 and 2015.

This area of city docks was initially developed in the 19th and early 20th century and included warehouses (called bonds) for the tobacco industry, as well as other dockside activities (Greed, 1996). The docks closed in the 1960s leaving areas of the land contaminated by previous industrial use (Heurkens et al., 2015), most notably the land owned by British Gas (see Figure 2.1). Several schemes had been proposed to redevelop the land between the late 1960s to the late 1990s, including using the site as part of a ring road in the 1970s (Tallon, 2006). The use of the site as a mixed-use development was identified by Bristol City Council as far back as 1983 (City of Bristol, 1983).

Canon’s Marsh has seen four distinct phases of regeneration. The first involved the conversion of the former transit sheds into the Watershed media centre in 1982 (City of Bristol, 1984). The second occurred in the late 1980s, when the existing Tobacco Bonds were destroyed and Lloyds Bank relocated their headquarters to the site (Greed, 1996). The third phase was the result of a combination of developer and ‘Millennium’ funding that was used
to develop Millennium Square, @Bristol and an IMAX cinema (now the Aquarium) in the late 1990s (Bassett et al., 2001). The aim of phase three was to provide a public good for the city through the development of cultural facilities that reflected the city’s heritage. The commercial and housing development of phase four was designed to fund this development.

Figure 2.1 – Land Ownership at Bristol Harbourside/Canon’s Marsh (Bristol City Council, 1998).
Redevelopment of the site had always been difficult due to the mix of landowners at the site. To combat this and other issues, such as land contamination, the Harbourside Sponsors’ Group was set up in 1993 to promote and facilitate the regeneration of the Harbourside (CABE, 2001; Clement, 2009; Huerkens et al., 2015). This group included all the major owners of land holdings in the wider-harbourside area, as shown in Figure 2.1. The Sponsors’ Group signed a non-legally binding agreement called the Harbourside Accord where they agreed to work together to regenerate the wider-harbourside area.

In 1997, Bristol City Council confirmed Crest Nicholson, initially in partnership with British Land, as the development to the west of the Millennium Development area. Crest Nicholson’s original two applications encountered issues, due to a lack of public consultation and the designs met with a significant level of public opposition (Rashleigh, 2001), primarily due to the aesthetic qualities of the original design and “the lack of any distinctive ‘Bristolian’ favour to the designs” (Basset et al., 2001). The public gave a near unanimous vote of no confidence to the initial development, with 300 local residents turning up to the planning meeting to register their vote against the scheme (Fairs, 1999). A protest group called ‘The Friends of Canon’s Marsh’ had been set up to challenge the original design (Slavid, 1999). The lack of effective consultation and questions about the quality of the design led to the City Council eventually refusing the application.

Due to the contract signed by Bristol City Council and Crest Nicholson in 1997, the developers were offered a third opportunity to deliver a new planning application for the site in 2000 (Bassett et al., 2001). Crest Nicholson took an alternative approach to creating the masterplan for the site rather than appealing the decision. The then Project Director acknowledged that the development was a problematic site, so in an unusual move for a developer, passed the process of selecting a company’s masterplan to a community consultative group: the Canon’s Marsh Consultative Group (CMCG) (Bassett et al., 2001; Young, 2003). The CMCG included:

- Councillors from all three parties;
- The landowners (British Gas and British Rail [Railtrack]);
- Key officers from a variety of council departments; and
- Most of the key interest-groups who had either been for or against the previous plans, such as the Civic Society, the BCCI, the Bristol Society of Architects and the Cathedral authorities (Bassett et al., 2001).

This approach led to a significant reduction in opposition to the third outline planning application, which was eventually passed by Bristol City Council.

The development of the Harbourside site is relevant to the PARCOUR project, as it identifies a site where the developers encountered considerable public opposition and used an alternative method of public consultation in inclusion of interest groups in the design process. The developers actively engaged with the opposition to the scheme at the master-planning
stage to help mitigate potential issues before they arose and to assist with gaining approval for the scheme. The development was granted planning permission in 2001.

The particular case was selected because it is a redevelopment in a key city centre location. Canon’s Marsh/Harbourside had been awaiting redevelopment for a number of decades and sat at the centre of the city and was contentious at the time of being approved. The development entailed a private developer and the development has already been delivered, completed in 2015, providing an opportunity to investigate the issues PARCOUR is focusing on relating to the inclusion of public interest in the contractual processes.

2.2 Gloucester Quays, Gloucester

Gloucester city is the County Town (administrative centre) of the County of Gloucestershire and sits on the River Severn and is bound by the Cotswolds to the east and the Forest of Dean to the west, two areas of outstanding natural beauty. In terms of the South West Region it was designated as a Principal Urban Area by the former South West of England Regional Development Agency (SWRDA). Like Bristol Harbourside, Gloucester Quays involves the redevelopment of the City’s docks, which opened in the 1820s and closed in the 1980s. The redevelopment formed part of a wider redevelopment of the city of Gloucester called the ‘Magnificent Seven’, seven brownfield areas in the city. The Gloucester Heritage Urban Regeneration Company (GHURC) was set up by the local authorities and South West Region Development Agency (SWRDA) to facilitate the redevelopment of these sites in 2004, having completed a masterplan for the regeneration of the docks in 2003 (GHURC, 2004). The GHURC was created in response to the potential conflict of interest of Gloucester City Council as both a land owner/developer and the planning authority.

The initial agreement to redevelopment the docks fitted with the GHURC’s ideas for regeneration and in 2006 the GHURC produced an Area Regeneration Framework that outlined the 21 areas of previously developed land within seven key areas of the city that would be earmarked for redevelopment as part of a £1bn regeneration programme. The Bakers Quay at Gloucester Docks that were to be redeveloped into a shopping area, with accommodation located above the shops. The scheme was delivered by a partnership of Peel Developments and British Waterways (now the Canals and River Trust), with Peel Developments responsible for running the shopping area as a designer clothes outlet (selling clothes at a discount) after it was developed. The development, shown in Figure 2.2, also included a new campus for the Gloucester College, a food superstore, a 90 bed hotel, office space, car parking and 1,000 dwellings. The agreement between Peel Holdings and British Waterways to work together in regenerating the docks preceded the setting up of the GHURC.
Due to a change of Government in 2010, and the closure of the SWRDA, the company was restructured in 2011 and funded by the City and County Council, before being wound up in 2013 and replaced by the Gloucester City Regeneration Advisory Board. The Regeneration Advisory Board is continuing to seek funding for the redevelopment of the

Figure 2.2 – Peel Holdings and British Waterways’ Outline Plan for Gloucester Quays (Gloucester City Council, 2002)

Gloucester Quays was selected as a case study because it is in a medium-sized city that fulfils a wide range of functions within the surrounding area (a ‘hub’ town in the sub-region and the county). The city itself had a considerable quantity of previously-used land in a central location that had been awaiting redevelopment for a number of years and had been identified by the local authority as a key site in the economic development of the town.

Gloucester Quays is the site of the former Gloucester Heritage Urban Regeneration Company’s (GHURC) largest regeneration project, although the project’s inception predated the GHURC. Unlike Bristol the city does not have a long history of partnership working to redevelop areas and thus offers an interesting example of a city learning ‘how to do things’. The development included the setting up of a company (GHURC) to facilitate the redevelopment and with a significant part of the development has already been delivered.

2.3 Firepool, Taunton

Like Gloucester, Taunton is also a County Town (administrative centre), of the County of Somerset in the South West of England; it is a small to medium-sized town with an expanding population. The town has a long history, dating back over 1,000 years. In 2006, Taunton was named as a ‘Strategically Important Town or City’ by the then Government that allowed the County Council to win funding to undertake large-scale redevelopment of the town centre. Taunton is the location of the County Council’s offices, the United Kingdom Hydrographic Office (UKHO) and the head offices of several large UK companies.

The Firepool redevelopment is formed of nine different areas close to Taunton railway station, as show in Figure 3. The Riverside section of the redevelopment (Fp1 and Fp2) north of the river is currently under negotiation between developers St Modwen and the Taunton Deane Borough Council, although initial outline planning for this site was rejected on 31 August 2016. The reasons for this were related to design and flooding issues associated with this site. Both the Borough Council, as the land owners, and St Modwen are expected to resubmit revised plans for the site in early 2017. The planning application for this site includes the development of office space, retail space and up to 400 dwellings. Firepool Lock (Fp3) is currently being constructed in parallel with the new road (Northern Inner Distributor Road [NIDR]) and provided office space and 500 dwellings. This site is being delivered by Crest Nicholson and Knightstone housing.
In addition to the new housing and retail developments significant improvements are being made to both the highway and rail facilities in the town. Somerset County Council is in the process of completing the NIDR. This new road included funding from the Department of Transport. The NIDR was due to open in 2015, but it is now expected to open in 2017. In addition the Local Enterprise Partnership was awarded £4.6m as part of Local Growth Deal 1 to fund improvements to the station. These improvements cover areas Fp4 and Fp7 and include improved bus/train links, additional station parking and public realm works. At present Fp8 and Fp9 are expected to be used for residential or light industry, whilst the futures of Fp5 and Fp6 are uncertain.

Firepool in Taunton was selected because it is in a small to medium-sized town that like Gloucester fulfils a wide range of functions within the surrounding area (a ‘hub’ town in the sub-region and the county). The town itself had a considerable quantity of previously-used land in a central location, the relevant site is the location of a former livestock market and old railyards that had been awaiting redevelopment for a number of years and had been identified by the local authority as a key site in the economic development of the town. The development entails a property-led, public-private partnership and a significant part of the development has started to be delivered alongside the development of a new highway link and improvements to the railway station.
2.4 Case Study Summary

The three case studies have been selected as they each provide the project with a different, arguably representative of a particular ‘type’ of partnership, approach to development within the UK. The case studies of Gloucester and Taunton are also of particular interest, as the redevelopment of previously used land in small to medium towns and cities in the UK is currently under researched.

The three cases which have been selected for the UK provide valuable insights into the planning system in the country, the challenges faced, the role of public-private partnerships, the different regulatory instruments deployed, the use and the role of contracts between the public and private sectors and the opportunity to explore how public interest was included within the process. In many ways these three cases are emblematic examples of how urban development projects are (and have been) carried out in the UK over the last two decades.

Bristol has considerable experience of public-private partnership working. The development of Harbourside involves a ‘direct’, albeit complex, relationship between the city council (and other interested partners – e.g. key landowners) with private developers. In addition it provides an example of a situation where the developer, after receiving a significant level of public opposition to the scheme decided to take an alternative approach to the consultation process. The Gloucester case provides an example of the use of an Urban Regeneration Company (URC) to oversee the development while Taunton, a council with relatively little experience of public-private partnership working, represents a more ‘traditional’ public-private partnership in which the local authority worked directly with private partners. The latter two cases demonstrate alternative means undertaken by local authorities in ensuring development of previously used land is undertaken to provide new facilities. The research will therefore seek to add to provide an understanding of the various approaches to redeveloping brownfield sites that currently exist in the UK.

3. Project Methodology

The PARCOUR project uses a general framework for qualitative comparative analysis whereby each case study provides a contextual and historic basis for the research. This enables the research team to identify the key elements to study as part of the research. This is an inductive approach, based on a grounded theory approach and involves the collection of qualitative data that will be generated through interviews with the key people involved within the redevelopment of each site. The interviews are expected to be completed in two phases, with the initial phase to include approximately 10 interviews. The data gathered will be analysed using NVIVO software to help identify themes and issues that relate to each individual case study and where comparisons can be made between each of them.
Face-to-face interviews were the preferred method of completing the interviews, as this approach allows the interviewee to interpret both the language the interviewee uses, as well as the non-verbal language used when discussing the subject (Denzin, 2009). At present 18 interviews have been conducted (7 for Harbourside, 7 for Gloucester Quays and 4 for Firepool). The interviews were semi-structured, as this allowed the interviewees to relax (Willis, 2007), whilst the interviewer retained control of the topics discussed. This allows the interviews to be dynamic and gather data on areas that were new to the interviewer’s knowledge of the case study.

The second phase of interviews will seek to identify the ‘missing pieces’ of each case study. This will involve interviewing some of the interviewees from the first phase, along with other people who can provide information for the study.

A list of key people for each case study was identified through a desktop study and each individual was contacted by email and asked to participate.

4. Early Findings

The initial findings show that all three case studies are model/typical post 1980s-style property-led, mixed use brownfield regeneration sites. All three case studies include a public-private partnership. In Bristol and Taunton this was through the redevelopment of the landholdings by Bristol City Council and Taunton Deane Borough Council respectively. Bristol City Council, along with their partners in the Harbourside Sponsors Group signed a deal with developers Crest Nicholson to deliver the regeneration project, whilst Taunton Deane Borough Council agreed a deal with developers St Modwens. Part of the Firepool development, Fp3 Firepool Lock, is on the former Network Rail depot adjacent to the railway. Although Taunton Deane Borough Council did not have a specific role in this agreement, their role as the local planning authority meant that they signed off the project and the spending of the Section 106 funding for the construction of an access road to the site that is now being incorporated into the NIDR. Gloucester Quays differs slightly in that the public sector organisation was not the local authority, but British Waterways (now the Canal and River Trust), an organisation responsible for maintain the UK’s waterways and adjacent land. This required both parties to sign an agreement to work together to redevelop the site initially for retail purposes, but also for housing and a new college.

The findings from the first wave of interviews also highlight the complexity of delivering a redevelopment scheme. For example, the Harbourside redevelopment took over 20 years from the setting up of the Harbourside Sponsors Group and the signing of the Harbourside Accord by the various to the development being completed. Both the Harbourside and Gloucester Quays developments required the land owners to sign an agreement to work together to maximise the financial benefits in the long-term. Despite the land being put forward by private developers to be regenerated a significant level of funding was required from government organisations such as the DFT, SWRDA and English Partnerships to

provide the infrastructure to enable access to the sites. This includes £6m for the construction of the High Orchard Bridge in Gloucester from English Partnerships and £15m towards the new road in Taunton.

In all three case studies an arms-length organisation was created to reduce the impact of party politics and in theory speed up the development process. The three organisations were:

- The Harbourside Sponsors Group (land owners, the Bristol Initiative [local business leaders], SWRDA and English Partnerships;
- The Gloucester Heritage Urban Regeneration Company (GHURC); and
- Project Taunton (Taunton Deane Borough Council and SWRDA).

Each of the groups had varying degrees of success and none of the saw the projects through to completion, as the revenue funding ran out for Gloucester and Taunton, whilst the accord was broken by Network Rail in Bristol. All three included SWRDA and English Partnerships, who facilitated the development process. With SWRDA being disbanded in 2011, this regional role is no longer present. The replacement organisations Local Enterprise Partnerships (LEPs) focus on a smaller area and do not own any land holdings. They were described by one interviewee as a ‘bidding vehicle’ for central government funding, rather than a strategic organisation for the whole of the area.

All three developments have continued to be completed and the roles of the arms-length organisations being bought back ‘in-house’ by the City and Borough Councils. There has also been a significant reduction in revenue funding to pay for staff and marketing within these roles.

Both Harbourside, Bristol and Firepool, Taunton schemes saw the initial outline planning applications rejected on quality and design grounds. The Gloucester Quays scheme was successful with the initial planning permission and the scheme sought to reuse existing buildings on the site, so that the site adapts to the existing surroundings. This option was not available in the other two case studies, where the sites were derelict. Several interviewees have mentioned the build quality of the college in Gloucester and its suitability in the area, as it is located next to a historic priory site. However, this issue did not prevent the site being developed.

The final finding relates to the delivery of a ‘public good’ at each site. Perceptions of those involved of what was incorporated as ‘public good’ were not always clear, with the majority of interviewees highlighting physical infrastructure as part of the public good. These findings are similar to the work of Murphy and Fox-Rogers (2015), whose research explored the Irish planning system and the collapse of the sector in 2008. The difficulty in defining the public or common good in terms of development appears to be difficult to define, other than in tangible assets such as new infrastructure.
In all cases the public good relates to improved accessibility both to and within the site itself. All three schemes include enhance public realm works, with the GHURC spending £7m on improving the links between Gloucester Quays and the existing city centre. One non-physical ‘public good’ identified in Bristol related to the economic benefits of the new dwellings and the associated council tax paid by owners and tenants. The level of social or affordable housing also varied on the sites. In Bristol the social housing blocks were two of the first buildings to be constructed. In Taunton Knightstone Housing constructed two blocks of flats on the Firepool Lock site. At present no housing has been constructed at Gloucester Quays and the level of social housing is expected to be between 0 and 10 percent.

5. Future Work

At the present time it has been possible to draw out several themes that are either unique to the individual sites or comparable between the three case studies. Each of these themes will be drawn out and reviewed in more detail moving forward. At present it has not been possible to speak to the developers at any of the three sites, this is due to several reasons including: workload, controversial schemes and commercial confidentiality. It is hoped that this issue will be remedied either at the end of phase one of the interviews or within phase two.

In year three a comparative analysis will be undertaken with the findings of the Netherlands and Brazilian case studies to identify any emerging themes that appear to be similar between each of the countries.
References


