

# Enterprise Award 2015

## Shortlisted submissions

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# Enterprise Award 2015

## Entry no.1

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# **LSH Enterprise Award 2015**

Submitted By

Daniel Campbell and Peter Carstensen



“The new Government will deliver further devolution throughout the UK, aiming to empower local communities to drive growth, job creation and regeneration. How can innovative thinking from the property industry help make devolved government a success?”

# Introduction

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The property sector is likely to be one of the main beneficiaries of successful devolution. This places a burden on the property industry to provide ideas and innovative thoughts which will set the agenda in the devolution debate.

Central government, and notably the Chancellor of the Exchequer, have associated themselves with the idea of a Northern Powerhouse and other devolution projects. This provides the property industry with a once in a lifetime opportunity to reshape the tax and legislative landscape of the property sector by arguing that the proposed measures are required to drive forward a successful devolution agenda.

In broad terms, the property sector should provide the intellectual framework for reforms in the fields of taxation, planning and finance. This paper sets out policies that could be adopted to help achieve the growth and regeneration that many regional cities are so capable of. These include:

- Plans to retain skilled and educated workers who are too often lost to London.
- A reform of section 106 agreements using Local Authority pension funds.
- Leveraging the position of devolved local governments to raise both foreign and domestic investment in infrastructure and housing development.

# Driving Growth

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## Retaining a Skilled Workforce

Perhaps most fundamentally, devolved powers offer an opportunity for local governments and local businesses to drive economic growth and stimulate job creation. It empowers those who understand what their city needs most, to tailor crucial policies to meet those needs. This builds towards the goal of achieving a healthy, growing and stable economy that provides good and dependable jobs for the people in the community.

One way to achieve a solid foundation for such an economy, is to both attract and retain a highly skilled and educated workforce. For confirmation of this, we need only to look to the capital. London benefits from being by far the largest economic agglomeration in the UK. It attracts many of the best and brightest from around the world with its numerous top class universities, research institutes and enormous financial and business centres. This amassing of skills has been shown to have substantial effects on productivity, and acts as a further catalyst for drawing yet more educated workers.

A report by the Manchester Independent Economic Review titled “The Case for Agglomeration Economies” stated:

*“...productivity differences are driven by the size of the city region economy, by the availability and quality of factors of production, such as skills and access to transport ...There is some evidence that MCR productivity is lower than might be expected given its size. Skills seem to play a large part in explaining the productivity gap with the Southeast...” (MIER, April 2015, Pages 4,5)*

Manchester, Leeds, Sheffield, Newcastle and Liverpool are uniquely poised to exploit this opportunity. Each has large, world class universities that manage to attract students from around the world.

# Driving Growth

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However when it comes to retaining those students to grow the local economy, regional cities lose out to London time and time again (Morris, 2014). Devolved powers could help to reverse this swing, by offering incentives to graduates starting out on a career. These incentives should exploit a crucial disadvantage for London, which is the affordability of housing for the majority of graduates. Regional cities must make educated and skilled graduates seriously consider the improvements in their lifestyle that can be had by starting their careers outside of London. As such the following policies should be adopted:

- Stamp duty should be scrapped for first time buyers, capped to houses priced below a certain level (depending on the individual city's housing market).
- Graduates in key economic areas should receive a council tax holiday, for a certain period of time after their graduation.
- Depending on the level of devolutionary powers, temporary reductions in national insurance contributions for those graduates employed in key economic areas should also be instituted.

This would allow the regions to become more competitive with the many benefits that London has to offer, and help create a stronger more educated workforce. Economic and population growth would eventually cover the tax revenue lost by introducing these policies, however these measures are meant to be temporary. Once regional cities have started to significantly reverse the brain drain, incentives can be gradually dropped, and the natural benefits of the area can act as a draw for graduates.

## Reforming Section 106 Agreements

Another opportunity is to battle for greater power over local pension funds investment. To use Manchester as an example, the Greater Manchester Pension Fund has over £13 billion in assets (GMPF, 2014). Much more can be done by this fund to help stimulate the local economy and create local jobs, whilst still maintaining a relatively risk free and long term source of income. Specifically, the fund could be used to reform section 106 agreements for the benefit of everybody.

# Driving Growth

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Currently section 106 obligations are mostly paid in full during the development process or prior to occupation. This puts a strain on developers, especially smaller companies who may run into serious cash flow issues. However with greater control of pension funds, the fund authority could offer loans for payment of section 106 obligations and agree a ten year repayment schedule, with the funds secured by a charge over the property. On sale of the property, this loan would be passed over to the purchaser, similar to environmental improvement loans.

The purchaser would be paying a lower purchase price to reflect the lack of section 106 liabilities for the developer. Furthermore if the purchaser is buying the property as a buy-to-let investment, or for commercial reasons, interest payments will be able to be set off against the their tax liability.

In this way you receive the following benefits:

- The pension fund secures a solid long term income
- Local authorities can impose more demanding payment obligations without putting the viability of the scheme at risk. This would benefit the local community.
- Developers receive a more controlled payment schedule without cash flow issues.
- The purchaser pays less for the house initially, and sets loan repayments against their tax liabilities if it is for commercial purposes (e.g. buy-to-let).

This sort of system could help stimulate growth in the construction industry and housing markets, and create more jobs for local people. It can also go some way to offsetting a housing shortage as it encourages the construction of homes.



# Driving Growth

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## The Pitfalls of Long Term Tax Incentives

The property industry should not however support the implementation of long term tax incentives for business. With no control of monetary policy, tax policy is one of the most powerful tools the local government has for controlling the economy. However whilst tax incentives for business may lead to short term gains, they can also lead to long term isolation of the economy and potential vulnerability to crashes.

Countries like China allow us to see the benefits and difficulties that devolved powers can bring, because they have been experimenting with Special Economic Zones since the 'opening up' policies of the 1970's. The unprecedented growth seen in the early stages of these zones is not relevant to our more developed and relatively stable economy (the country was transitioning to a free market economy). However the same issues remain today, despite these zones having reached significant development levels.

One of these issues is an over-reliance on tax exemptions. Special and long term tax reductions for businesses can lead to otherwise unprofitable businesses opening up in cities like Manchester. Even perfectly profitable businesses will look to adjust their strategy to the new tax environment. This leads to the economy being over-reliant on artificially low taxes that may be unsustainable and eventually unnecessary. An April 2008 report supported by the World Bank found that:

*“...the reliance of zone programs on incentives with limited effectiveness (such as income tax holidays) imposes significant costs on government budgets with little benefit.” (FIAS, 2008, P.49)*

China has noticed this problem and recently decided that local governments must stop regional tax incentives for foreign companies, and that “local governments are no longer allowed to offer regional tax incentives or preferential land policies without permission from the State Council” (Yao, 2015). The tax incentives proposed here do not fall into this trap, as they affect a relatively small but crucial group of people. They also benefit from a viable exit strategy, as eventually economic growth will reduce the need to incentivise an educated workforce to take jobs in regional cities, rather than London.

# Creating the Infrastructure

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## Increase Foreign Investment

Just as crucial as attracting the skilled factors of production, is having the means to transport them safely and efficiently. Many regional cities such as Manchester, Liverpool or Leeds have large surrounding areas that act as a crucial talent pool. It is in the property industry's best interests to look for ways to support the building of power, transport and informational infrastructure, because better connected cities are more productive.

Sir Rod Eddington's report on his study of transport concluded that:

*"There is clear evidence that a comprehensive and high-performing transport system is an important enabler of sustained economic prosperity..." (Eddington, 2006)*

However Eddington warns of the possible problems in the future and singles out the problems of congestion in "urban areas and their catchments" (Eddington, 2006) as a point of particular concern.

The property industry should impress upon the council the importance of this issue for their city, and advise them on policies to improve infrastructure. One such route that devolution of powers opens up is the potential for more foreign investment. Business and government officials travelling abroad to pitch for investment have greatly improved bargaining power when the local government gives enforceable support to foreign investment in infrastructure.

The Chancellor of the Exchequer recently pitched many large investment opportunities from the North of England to businessmen in East Asia. If regional governments were to be given more powers on the pipeline and funding of large infrastructure projects, they would be able to give greater assurance to investors on delivery timelines and support for the project.

# Creating the Infrastructure

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Looking to the specific case of Manchester, The Greater Manchester Authority has shown itself to be fully behind improving transport in the area. They are also far less likely to see outright change of the elected positions as a national government often does. This gives confidence to investors that proposed long term infrastructure plans will be consistently supported, and won't be subject to as many political games as perhaps a project like HS2 has.

Infrastructure has long been a much politicised subject, with large projects that may benefit the majority but disadvantage the few. Devolution doesn't mean working totally independent of national government in constructing roads, railways and airports. Communication is key, and projects of national importance must still look to find their place in a national strategy.

However with greater powers for local governments, there is the potential for a much more democratic process when it comes to infrastructure. Local officials can campaign on local issues, with the confidence that they have the power to act on it. National government in turn gains reassurance that the people's voices are being heard, and that support or opposition for a project doesn't bring such great pressure upon their party. Altogether this creates a greater opportunity for democracy to decide upon what are very difficult issues.

# Increasing Housing Supply

## Easing Pressure on Local Housing Markets

All across the UK there are issues with the undersupply of housing. In fact the government conceded that there is a shortfall of approximately 230,000 homes a year in 2013 (Country Land and Business Association pg.5, 2013), and that this needs to be addressed. Housing supply dropped dramatically following the financial crash of 2007 and is now slowly rising (see fig 1). Some of the points already put forward in this paper look to address this, particularly the reforms to section 106 agreements that have been suggested. However there is more that can be done to deal with this issue directly.

**Figure 1: Trends in net additional dwellings 2000-01 to 2013-14, England**

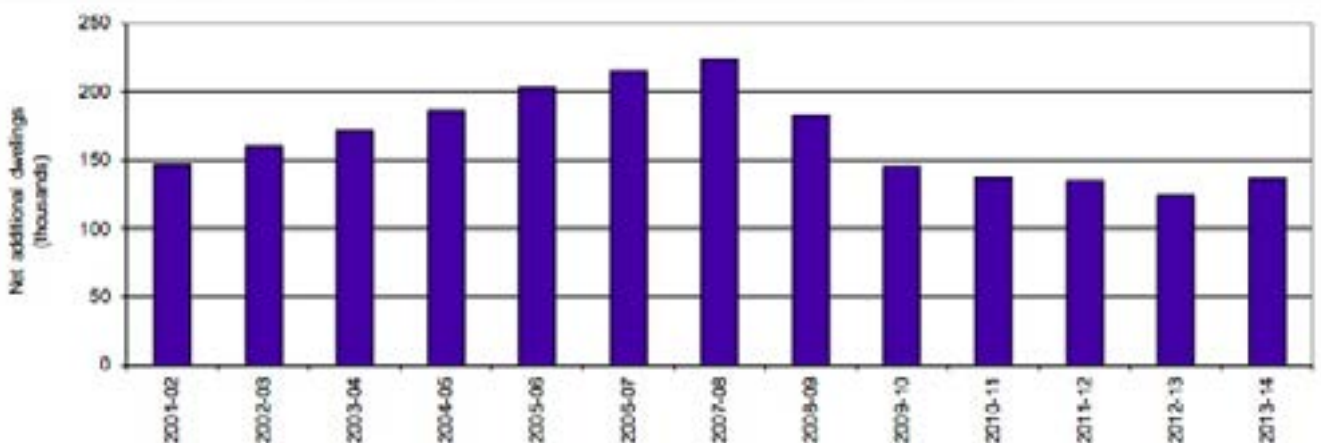


Fig 1. Taken from the [Department for Communities and Local Government's Net Supply of Housing Report 2013-2014](#)

## A More Targeted Approach To Housing Policy

Housing policy that has been set at a national level, often fails to take into account the intricacies of the different housing markets in the UK. London's housing market is not the same as Manchester's which in turn is not the same as Birmingham's. Therefore different solutions are required on a case by case basis. Devolution offers this opportunity, and gives the property sector an exciting prospect of new areas for development.

For example, Manchester was given control of a £300 million Housing Investment Fund after the signing of the devolution deal in November 2014 (HM Treasury and



# Increasing Housing Supply

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GMCA Pg.1, 2014). Correct and targeted use of these funds by the people who understand where it is most needed, could be extremely effective in securing housing supplies for the people of Manchester. However the property industry and local government must take responsibility for ensuring that this is just the beginning of funding for housing development. With the benefits of devolution for attracting foreign investment that have already been discussed, this fund and others like it should make full use of it's potential for financial leverage. Foreign and domestic investors must be actively sought to add to this fund, in return for a stable and profitable investment.

A joint venture between private investors and the Housing Investment Fund could produce many times more housing than the fund could on its own. With sensibly negotiated terms, investors would gain a long term reliable income while providing reasonably priced rented accommodation to ease pressures on the housing supply. This has the added effect of increasing the supply of housing typically sought after by graduates (rental accommodation), further decreasing the possibility of a brain drain towards London.

With devolution the local government finally has the power to enact the changes it believes the city needs, and management of the problem becomes far easier when it can be done in-house. Sensible solutions to local problems can be arrived at much more quickly, than having to report to central government for permission.

# Conclusion

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## Conclusion

Devolution comes with fantastic opportunities for regional cities in the UK, as well as a responsibility to act prudently to realise those opportunities. There is a chance to accelerate the closing of the economic gap with London, and to drive living standards up for all the people living in these regional cities and communities. Ensuring that there is a plentiful supply of skilled workers, dependable and efficient infrastructure, and opportunities to seek investment capital will go a long way to ensuring that gains made in the regions are for the long term.

The property industry has a great role to play in advising local governments, and acting upon the changes in policy to ensure growth for the city. The expertise and contacts that they have can be harnessed to improve both their individual property companies and their local communities. Regional authorities can help create the right conditions for economic stability, but it is the business community who must work hard to ensure that this stability provides jobs and homes for the people of the city.

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# Enterprise Award 2015

## Entry no.2

enterprise  
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Lambert  
Smith  
Hampton

# Submission on behalf of Harworth Estates & Sheffield Business Park

30 September 2015

“The new Government will deliver further devolution throughout the UK, aiming to empower local communities to drive growth, job creation and regeneration. How can innovative thinking from the property industry help make devolved government a success?”

Sheffield & Rotherham are two different administrative or political areas but a single highly integrated economy, located at the geographical centre of England and playing an important role in the economy of the North of England. They have a combined population of 827,000 and generate goods and services worth £14.3 billion gross value added (GVA), putting them alongside Newcastle and Liverpool in terms of scale and economic significance.

Sheffield & Rotherham are famous, not just nationally but globally, for iron and steel-making and associated heavy engineering. In addition, Sheffield is a major university city with two renowned Universities. This unusual combination has resulted in significant local investment over the past three decades in applied research, particularly into new manufacturing technologies with commercial applications. Although employment in manufacturing in Sheffield & Rotherham has fallen sharply over the past half century, capability has been developed in innovation-led advanced manufacturing that has resulted in the area becoming the UK's foremost location for the sector at both the Advanced Manufacturing Park (AMP) and Sheffield Business Park (SBP). Rolls-Royce and Boeing's presence in the area reflects its status.



That capability provides a strong basis for sustainable economic growth beyond the City, driven by knowledge transfer between high-value companies and the development of highly skilled labour to futureproof businesses. Any devolution deal for Sheffield City Region will have this proposal at its heart. **It is therefore incumbent on the property industry in the region to focus its thinking and effort in making these plans a success.**

Harworth Estates and Sheffield Business Park Ltd - the developers behind the Advanced Manufacturing Park and Sheffield Business Park – believe there are four ways in which the property industry can build on devolved government in accelerating the growth of advanced manufacturing in Sheffield City Region. Furthermore, we think that other developers and members of the property industry across the UK could apply these principles to other regeneration schemes; **we believe that increasing collaboration and openness between the public and private sector will ultimately lead to better quality, higher value regeneration.**

**METHOD 1:** Collaborate more closely with local authorities, Local Enterprise Partnerships and landowners to design regeneration programmes of scale, with new Governance arrangements to match in order to meet the challenging GVA uplift targets previously agreed with Government.

City Regions such as Sheffield have already agreed extremely challenging job and Gross Value Added (GVA) targets with Government in 2014 through their Strategic Economic Plans (SEPs); Devolution Deals will be designed to give places some of the powers and finances they need to deliver on these promises.

These interventions alone are not enough however. Where opportunities exist to deliver scale and agglomeration, property professionals must seize the initiative with other interested parties to jointly plan a way forward; bringing large schemes forward in isolation will not deliver the growth needed for the country to be economically competitive.

This approach has already been taken by Harworth Estates and Sheffield Business Park, alongside the University of Sheffield, Sheffield Hallam University, Sheffield City Council and Rotherham Council, in developing the UKs 'Advanced Manufacturing Innovation District'. All six parties are working together on a single plan for the district, covering the AMP and Sheffield Business Park in addition to longer-term sites towards Sheffield and Rotherham town centres, to deliver further commercial land to encourage original equipment manufacturers (OEMs) and their supply chains that partner with both Universities to move permanently to the area. This proposed economic growth is being matched by a residential and leisure offer as a model of sustainable mixed-use development, building on the research of Bruce Katz and the Brookings Institute that define Innovation Districts as:

“Geographic areas where leading-edge anchor institutions and companies cluster and connect with start-ups, business incubators and accelerators. They are also physically compact, transit-accessible, and technically-wired and offer mixed-use housing, office, and retail.”

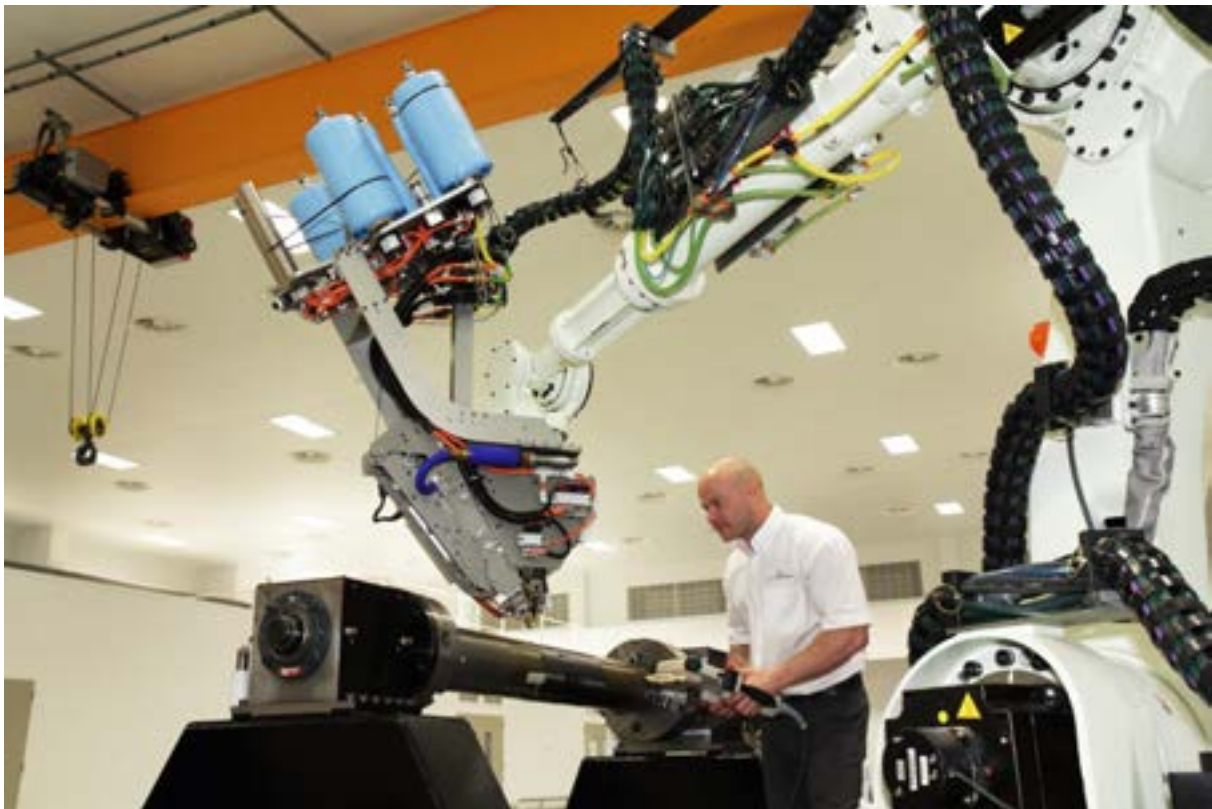
This district by definition will be more economically competitive, sustainable and resilient than if individual developments came forward over future decades. It is this level of openness, partnership working and foresight required from the property industry to make the most of devolution.



**METHOD 2:** Work more closely with Universities to develop land and property offers that encourage agglomeration and knowledge transfer to boost UK competitiveness.

Universities are front and square of devolution deals, given their role at the vanguard of improving the skill levels and employability of young people alongside their increasingly important role in forming Research & Development partnerships with leading firms to speed up industrial processes and improve the quality of products. Nowhere is this better evidenced than in Sheffield, where the University of Sheffield's decade-long collaboration with Boeing and Rolls-Royce through its Advanced Manufacturing Research Centre (AMRC) has led to a host of improvements to worldwide renowned products such as the Dreamliner and Trent Jet engines.

The property industry has a key role in supporting Universities growth ambitions by developing available land and buildings close to areas of existing technical collaboration to encourage agglomeration, further investment and the creation of high-skill occupations. This has worked extremely well for the University of Sheffield in collaboration with both Harworth Estates and Sheffield Business Park and is a model that could be replicated by other landowners/developers elsewhere.



**METHOD 3:** Co-design competitive new land and property funds with Local Enterprise Partnerships to tackle the lack of speculatively built new commercial development and open up further land for housing.

It is a commonly known fact that the UK struggles to build enough homes to meet demand every single year; similarly, the North of England suffers from a shortage of new commercial units,



particularly in classes B1, B2 and B8 under 50,000 sq. ft. This is subsequently affecting the ability of growing businesses to move into more suitable premises.

Local Enterprise Partnerships have attempted to fill the void with schemes – principally loan-based – to gap finance the construction of new commercial units, but take-up has generally been low. In addition, very few schemes have come forward to either support land regeneration or the development of new homes. The additional finance provided through devolution deals gives Local Enterprise Partnerships more latitude to develop these kinds of funds in future; it is incumbent on the property industry to give sensible advice on how funds should be designed to address this clear market failure.

**METHOD 4:** Act as ambassadors for the regions in promoting developments that result from devolved government support, including with foreign investors.

This is a subject that those in the property industry often struggle to grapple with – acting as ambassadors for schemes and plans for the region, rather than for individual developments. The property industry should not leave it solely to the public sector to promote Strategic Economic Plans or regeneration schemes that could or do result in significant economic uplifts. This is particularly true for foreign investors, who appreciate public-private partnerships in promoting development by blending commercial nous with clear evidence of Government backing for schemes.

We believe these four methods are sensible, pragmatic and can be immediately implemented by the industry across the UK. Devolved government can only be strengthened through their application.

Iain Thomson, Harworth Estates  
Graham Sadler, Sheffield Business Park  
30 September 2015

# Enterprise Award 2015

## Entry no.3

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Lambert  
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Hampton

***The Government plans to deliver further devolution throughout the UK, aiming to empower local communities to drive growth, job creation and regeneration. With this in mind, how can innovative thinking from the property industry help make devolved government a success?***

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**The Lambert Smith Hampton Enterprise Award 2015**

**Prepared by Duncan Sim, Policy and Projects Officer, ResPublica**

## 1. Introduction – how should we measure the success of the devolution agenda?

Devolution promises to reverse the trend, established for over 40 years, of centralisation within the UK's political system. Power and influence have been consolidated in the hands of the few, in a civic setting no less than with regard to questions of national significance. This trend, in conjunction with other factors, has resulted in a creeping apathy around so-called 'political' issues among the general public; the Hansard Society's Audit of Political Engagement for example has found that over 50% of its survey respondents have declared themselves 'not very interested' or 'not at all interested' in politics every year since 2012.<sup>1</sup>

Yet when it comes to the question of local self-determination on issues which matter to people, this scepticism seems to be reversed. The number of people who would like to see greater autonomy over public service provision devolved to the local level for instance is surprisingly high, given the apparent cynicism noted above – for example, research conducted by Locality has found that 72% of people feel that public services should be run and delivered by locally-based organisations.<sup>2</sup>

Statistics such as these demonstrate not merely dissatisfaction with a centralised vision of politics, but also a positive demand for a return to a more local and participative debate over the issues which affect their lives. For devolution to be a success therefore, we believe that it must empower local people to bring about this vision of a state and society which is responsive to local concerns and ambitions, and must redress the imbalance between people's attitudes towards local and national questions of 'politics' (broadly defined) by facilitating local decision-making.

Devolution should be judged on how far it increases the public's capacity to shape their experience of local services and communal life. If it fails to accomplish this, it will not reverse the damage done to our democracy by decades of centralisation, which has deprived people of the confidence that their voice will be heard on issues which matter to them, and has contributed to the detrimental trend of alienation and disenfranchisement. Devolution can be considered a success only if communities feel that, as a result of the new institutional arrangements, they have the opportunity to make a difference in the surroundings and the neighbourhoods they experience.

For this to be achieved will require more than merely shifting power from the state in its national guise to its local form. We believe other actors – communities, businesses, families, and others – must be allowed true freedom to contribute towards the achievement of the outcomes local people wish to see realised in their vicinity in ways which extend beyond simply their interaction with local institutions of government. And if it is accepted that the shape of the local built environment is one such issue where local people will have ambitions and opinions as to the future direction taken in their locality, the property industry becomes another important part of this local extra-state tapestry.

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<sup>1</sup> Hansard Society (2015), *Audit of Political Engagement 12: The 2015 Report* [Online]. Available at: <http://www.auditofpoliticalengagement.org/media/reports/Audit-of-Political-Engagement-12-2015.pdf> [Accessed 27th September 2015]

<sup>2</sup> Locality (March 2015), *British people being failed by public services and want a new, local approach* [Online]. Available at: <http://locality.org.uk/news/british-people-failed-public-services-local-approach/> [Accessed 27th September 2015]



We therefore set out below a number of recommendations to facilitate interaction between firms within the property industry and the public at a local level, as well as to better integrate the industry into local communities – since we believe it is at this level that decisions over the local built environment are best taken. Such local influence can help to promote positive outcomes on instrumental criteria, particularly in regard to economic and health outcomes, but also provides a wider opportunity to bridge the gap between mistrust of national ‘politics’ and the demand for local autonomy.

A concerted effort by the property industry to work towards this latter outcome would, in our view, represent truly innovative thinking, and would represent a genuine contribution towards the success of devolution – since it would recognise that at its core, devolution demands more than the reallocation of power between different levels of the state. In offering local people a stake in their community in this way, the property industry has the opportunity to re-connect people’s hopes and aspirations for their neighbourhood to the outcomes they see delivered around them, at least within its own sphere of influence.

Without this vision at its heart, the devolution project will surely fail, and is likely to instead collapse into reductive debates around how best to further progress on different measures of economic success. We believe instead that devolution should, and must, be seen as an opportunity to undo the legacy of political alienation the creeping centralisation of power into the hands of the few has produced.

## 2. The relationship between communities, the property industry, and the built environment

The work undertaken by firms within the property industry has a decisive and visible impact on the places where people live; as such, it represents a sector where local self-determination is inherently valuable. Furthermore, local influence of this kind is also increasingly germane in the context of the decentralisation of power from a national level.

A rejuvenation of local democracy should go hand in hand with the return of democracy to the process of planning, designing and realising the local environment; indeed, the importance of the built environment in people's everyday lives means that one could go so far as to argue that the latter is a necessary condition for the former. Moreover, we believe that debate over the appearance of a neighbourhood or wider area is one of the issues where local engagement will be most readily forthcoming, as is evidenced by the popularity of neighbourhood planning, explored further below.

The current devolution agenda offers an opportunity to see this vision realised. However, there is a risk that the focus on economically-driven agendas such as the Northern Powerhouse, and the exclusive attention paid so far to cities as the recipients of devolved power, misses the vital contribution which communities can make. Devolution, as currently envisaged, is not sufficiently transformative, instead simply threatening to recreate national departmental and bureaucratic silos at a municipal level, shutting out input from the public as a whole and not realising a true model of popular engagement.

In order to avert this conclusion, we believe that local communities must be given the opportunity to directly involve themselves in local decision-making and the delivery of schemes aiming to improve their locality. In particular, it is vital that communities can shape their local environs not only in a figurative sense, with greater say over the running of schools, hospitals, and other public services, but also in a physical sense. Greater control over the look and feel of an area is one of the most important areas of policy where local control could be increased, with the potential for enormous associated benefits in terms of local health, economic, and community engagement outcomes where people are more satisfied with the area in which they are living.

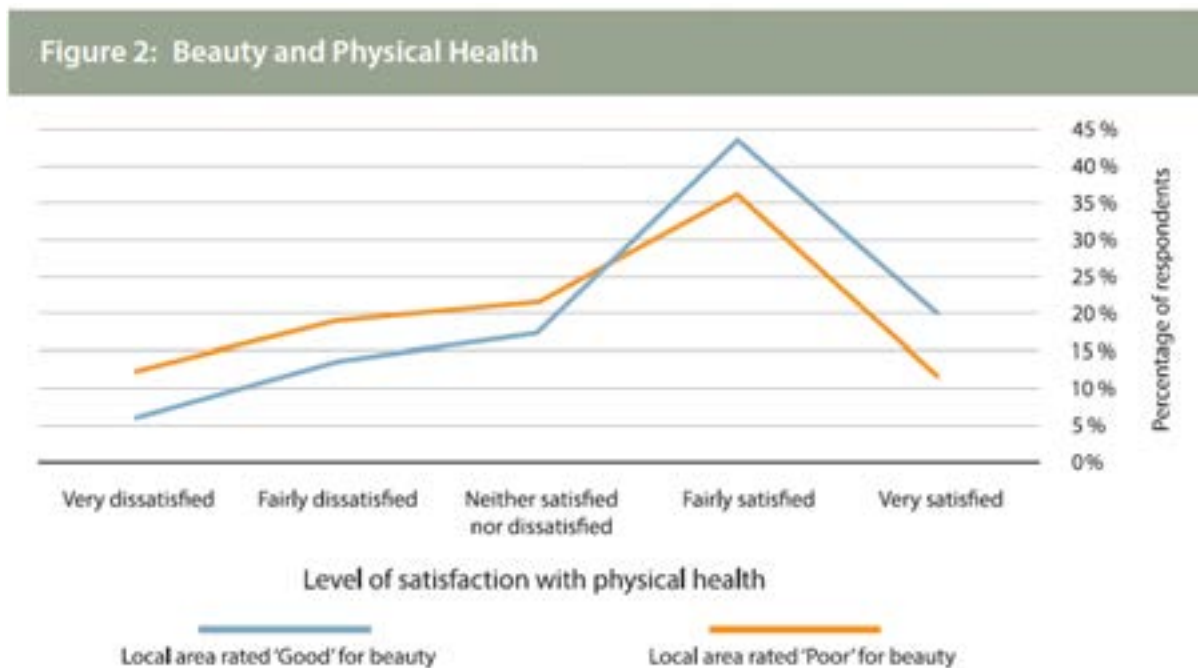
For example, ResPublica's July 2015 report, *A Community Right to Beauty*, included original polling conducted in conjunction with the polling company Ipsos MORI, which demonstrated that residents who ranked their local area as 'good' or 'very good' for being a beautiful place to live perceive greater street cleanliness and experience lower crime levels in their locality. Residents in areas seen as beautiful were also found to be more likely to be satisfied with both their physical and mental health, as detailed in Figures 1 and 2 below.<sup>3</sup> The report also cited research previously undertaken which demonstrated that over 70% of people would support the construction of more homes if these were well-designed and in keeping with their local area.<sup>4</sup>

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<sup>3</sup> For more detail, see C. Julian & A. Harvey, ResPublica (July 2015), *A Community Right to Beauty* [Online]. Available at: [www.respublica.org.uk/our-work/publications/a-community-right-to-beauty-giving-communities-the-power-to-shape-enhance-and-create-beautiful-places-developments-and-spaces/](http://www.respublica.org.uk/our-work/publications/a-community-right-to-beauty-giving-communities-the-power-to-shape-enhance-and-create-beautiful-places-developments-and-spaces/) [Accessed 27<sup>th</sup> September 2015]

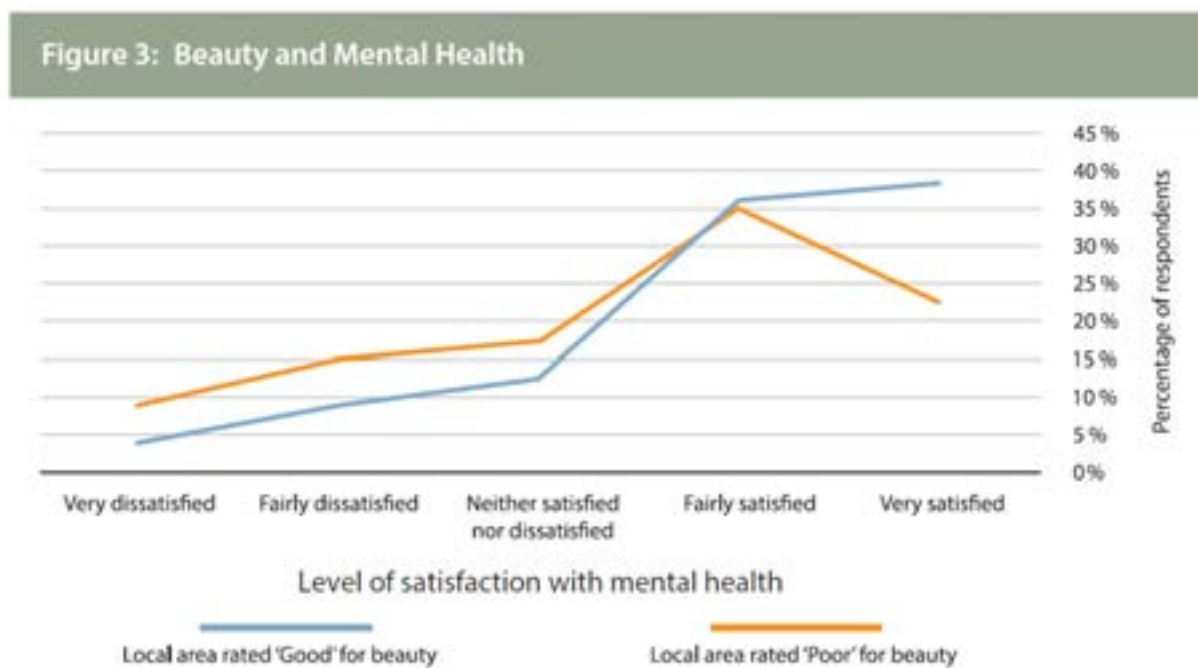
<sup>4</sup> National Housing and Planning Advice Unit (2010), *Public Attitudes to Housing*. London: The Stationary Office

**Figure 1: Beauty and Physical Health**



Source: ResPublica / Ipsos MORI

**Figure 2: Beauty and Mental Health**



Source: ResPublica / Ipsos MORI

Moreover, the appearance of local neighbourhoods is also one of the areas where people are most eager to see more local influence, with the success of neighbourhood planning a key indicator of the desire among local people to take greater control over the look of their area. Nearly 1400 communities, encompassing almost six million people, were engaged at various stages of the neighbourhood planning process as of February 2015, and all of the 52 referendums on neighbourhood plans which had been held to that date had resulted in the plans being approved locally.<sup>5</sup>

Statistics from the Department for Communities and Local Government in July 2015 found that the average support for the plans in these votes was 88%, on an average turnout of 32%, meaning that the average backing for the plans among the entirety of the local population was around 28%.<sup>6</sup> This compares to a turnout at the May 2015 General Election of 66%, where support for the Conservative Party totalled 37%. This means that the current national government, backed by only 24% of the whole UK population, received less popular support among its relevant constituency than the average neighbourhood plan – a fact which, in the interests of democracy, surely represents an argument in favour of further influence over local affairs being handed to local people.

The proportion of people who feel they have influence over their local area is nonetheless exceptionally low, with only 20% of respondents in the Hansard Society's 2015 Audit of Political Engagement feeling that they had at least 'some influence' over local decision-making.<sup>7</sup> Clearly then, there is a wealth of local interest around the physical appearance and character of localities all around the country, and significant popular engagement which can be tapped – and which it would deliver significant benefits to exploit in this way. We believe therefore that community empowerment within this agenda should be a primary feature of devolution in the UK.

Yet the physical appearance of an area is shaped by many factors and subject to many inputs, a number of which are outside of the hands of the state, whether it is acting at a local or national level. Devolution of powers and responsibilities to local government cannot on its own therefore give individuals and communities at the local level the capacity to create places where they would like to live. A multiplicity of other actors are involved, not least of which are private firms involved in the planning, design and construction of the local built environment.

We therefore believe that the property industry must engage in innovative thinking about how it can best connect with and serve the needs and desires of communities at a local level. While the industry of course already makes significant efforts to seek community input in its work, we believe that new thinking could produce a deeper relationship, and greater benefits. The industry has an opportunity to embed itself in communities, working with local people to shape a consensual vision of a neighbourhood's future to mutual benefit.

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<sup>5</sup> UK Parliament, *Neighbourhood Development Plans: Written Question – 220919* [Online]. Available at: <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2015-01-15/220919/> [Accessed 27th September 2015]

<sup>6</sup> Department for Communities and Local Government (February 2015), *Notes on Neighbourhood Planning: The Story So Far* [Online]. Available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/424111/Notes\\_on\\_NP\\_14.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/424111/Notes_on_NP_14.pdf) [Accessed 27th September 2015]

<sup>7</sup> Hansard Society (2015), *op. cit.*

For the industry, consensus would mean decreased local opposition to new housing and infrastructure, marking a particular move away from the current appeals-dominated planning system and helping to motivate not only new housebuilding but also wider urban regeneration, together with the associated economic growth and job creation which accompanies this. For communities meanwhile, engagement of this kind (which represents of course a responsibility on the community as much as the industry) would allow them to win for themselves a greater stake in the future of their neighbourhood, of the kind which they have previously been denied in any practical sense and which evidence suggests they are eager to take on.

As with any business, the property industry cannot exist independently of the areas and the people it serves. It should therefore acknowledge the demand for greater influence among these people and capitalise on the decentralising spirit motivating the devolution agenda by moving beyond models of community consultation toward a more transformative social vision. The next section sets out our recommendations as to how it should aim to do so.

### 3. Recommendations to the property industry

There exists a significant body of research, including ResPublica's own original findings as detailed above, which sets out the economic, social, and health benefits of creating places in which people are happy to live, and which they consider 'beautiful'. The property industry, needless to say, is among the most influential groups in the process of shaping the nation's built environment, and procedures to ensure the voices of the local population receive appropriate attention where development is anticipated are commonplace. However, as argued above, we believe devolution offers an opportunity for the industry to consider how it can engage more deeply with the communities whose lives its work so fundamentally influences.

ResPublica has made a number of recommendations aimed at assisting the process of "place-making", and the "democratic discernment" of what can be done at the local level to make a place more beautiful, most notably in our July 2015 report *A Community Right to Beauty*. Many of these recommendations were targeted at local and national government, and so are not within the capacity of the property industry to directly enact; we highlight here those suggestions which we believe it is within the industry's power to deliver, and which will increase local communities' capacity to shape their local area for themselves. As set out above, we believe this capacity is crucial to the eventual success, or otherwise, of the devolution project.

We recommend firstly that those parts of the industry involved in the design of new or regenerated buildings should make it a priority to publically physically display their plans, models and proposals for any new local developments, in order to give the public the best possible opportunity to conceptualise the possible future shape of their area. The public should then be able to provide feedback for formal consideration by those involved in the design process, to be integrated as far as possible.

Wherever possible, different or competing designs by one or more firms or architects should be displayed and local people allowed to express a preference, in order to provide the most meaningful opportunity possible for community input into this process. These firms and architects should then commit themselves to holding a local vote on the final potential designs, and agree in advance of the vote's outcome to be bound by the result.

Similarly, firms and architects involved in the design of new or regenerated buildings or sites should make clear their willingness to engage in exercises such as charrette processes, and where necessary provide the resources required to make these consultative exercises possible. A charrette process sees participants undertake an intensive, iterative procedure in order to reach consensus on the design of a particular development; it is a model of community engagement which has already been used in locations such as St Albans, where it was used to give the community a stronger voice in deciding the future shape of a new housing development. The outcome of the process was subsequently incorporated into a planning application by architects.<sup>8</sup>

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<sup>8</sup> St Albans City and District Council (21 November 2014), *Public shape new design for buildings at Museum of St Albans site* [Online]. Available at: <http://www.stalbans.gov.uk/council-and-democracy/press-room/items/2014/november/public-shape-new-design-for-buildings-at-museum-of-st-albans-site.aspx> [Accessed 27th September 2015]



Where community engagement of this kind fails to deliver consensus, or where local votes on a preferred design are especially tight, the firms and architects involved in the development should support calls for (or initiate the process of establishing) a Citizens' Jury to be used to come to a final decision on the appropriate details of the development. This model of decision-making is used in Australia and elsewhere to draw together a representative group of people from a given neighbourhood via a stratified sample of those on the electoral roll. These representatives would then have access to experienced experts and skilled professionals, who would play an advisory but not executive role in the decision-making process.

Finally, we suggest that firms which purchase a building for management or investment purposes, where that building has benefitted from an injection of community or public funding (or other resources) to alter the building in line with a community-led vision of the local area, should offer the community a stake in the ownership of that building proportional to the level of community input – both financial and consultative – in the redesign of the building. This would reflect the added value this community involvement has produced for the local area, and would be a way for the private sector to publically recognise the importance of community buy-in of this kind.

Moreover, such a move would be the clearest possible statement from the industry that it values the contribution communities can make in determining the shape of the local built environment. It would signal its commitment to ongoing engagement with local people, rather than one-off consultative exercises, which – while clearly valuable – fail to truly achieve the vision of local popular empowerment set out above, since they leave the public's capacity to offer input at the industry's discretion.

These suggestions may seem too obvious or too small-scale to be considered genuinely 'innovative'. Yet if the industry genuinely buys into these and similar reforms, committing wholeheartedly to the principle of prioritising the views of the local community, this will represent a sea change in terms of potential local grassroots influence. We outline here only a few examples of what could be done; the cumulative effect of interventions which may seem meagre at first glance will produce a far more comprehensive impact.

Furthermore, by moving beyond thinking purely in terms of the economic benefit it can deliver in the context of devolution, and focusing on less tangible criteria of achievement such as popular engagement and empowerment, the property industry has an opportunity to help evolve the criteria on which the success or otherwise of the devolution agenda will be measured. Factors such as economic growth, job creation, and urban regeneration are all important, but are fundamentally one-dimensional.

Seeking to advance an agenda which measures success in wider criteria would represent truly pioneering thinking, but would also be of significant value to the devolution project – even if that value is less easily quantifiable. It would serve as a reminder that devolution is ultimately a human exercise, the rationale underpinning which lies not primarily in the attempt to drive prosperity but in the attempt to re-connect people with a sense that their opinion can drive change in their experience of their surroundings.

Schemes such as these have yet to be rolled out at any significant level anywhere in the country; a concerted move by the industry as a whole to implement these or other early-stage, and subsequently ongoing, community engagement programmes would signal a move towards a new understanding of the community's role in the activities undertaken by the property industry. This, we would argue, does represent genuinely innovative thinking; yet it could also serve as an example of the contribution communities could make to the devolution project more widely, and spark valuable debate over the role of the community and other extra-state actors in the new constitutional settlement which is emerging. We therefore call on the property industry to take the lead in delivering innovation of this kind.

#### 4. Conclusion

For devolution to be a success, it is not enough to release people from the influence of the national level politicians in whom they have lost trust. It must also facilitate the realisation of the related desire for decisions on local matters to be made at a local level, and for individuals and communities to be an integral part of that decision-making process. Moreover, it must ensure that the public too feel that this change has occurred – not just policy-makers. The property industry can therefore help to make devolved government a success by showing its willingness to involve local people in this way; and it can do this most effectively by seeking their input into the shape of their local built environment.

This move would represent a response not only to the desire which exists at the local level for greater involvement specifically in determining the future physical shape of their neighbourhood, but also to the gap between people's hopes and experiences of their influence over local decision-making more generally. As argued above, it is the closure of this gap which is fundamental to the success or otherwise of the devolution project. This shift would moreover also bring benefits on more widely accepted criteria of accomplishment, including increased housebuilding and better physical and mental health outcomes, the achievement of which are already to a greater or lesser extent embedded in the rationale for devolution. We have outlined above our recommendations as to how the industry might achieve this.

The property industry can be a powerful vehicle for community involvement in local decision-making across the country. In accepting this responsibility, the industry can help to rescue devolution from the narrow city-level, municipally bureaucratic, and economically-focused agenda which has emerged to date. Devolution presents a rare opportunity to enable the social and economic outcomes that communities so desperately wish to see realised, yet which we do not believe can be achieved without their substantive involvement. We believe our suggestions represent a practical yet innovative opportunity for the industry to play its part in this mission, and we urge it to embrace them fully.

# Enterprise Award 2015

## Entry no.4

enterprise  
award

Lambert  
Smith  
Hampton

# Green Belt Community Trusts

## Protecting Beauty, Building Communities

August 2015

# Shelter

# Executive Summary

In England we don't build the homes we need. Year after year, this shortage ratchets up the pressure in the housing system. There is no silver bullet to get us building the homes we need. It will take a comprehensive reform effort and upfront investment, but it is achievable within a Parliament.<sup>1</sup>

The government's drive to devolve power to cities and local communities, including through the Cities and Devolution Bill 2015, offers the opportunity to tackle this dramatic shortage of homes. Shelter would argue that devolution from Westminster could not only increase the volume of homes built, but also their quality, affordability and access to green space. However there are currently significant barriers to local communities growing in this way, particularly around access to land.

In many of England's cities, a major constraint on using land for homes are the historic green belts. While these belts have served an important function in preventing sprawl, they need to be re-imagined for the 21st Century. We must strike a better balance between the need for new sustainable communities and protection for beautiful, public green spaces.

In order to do this, we suggest a new idea, working with the grain of local devolution: **Green Belt Community Trusts**.

Like Community Land Trusts, these Trusts would be non-profit, community-based organisations that can commission new housing, community facilities or other assets that meet the needs of the community.

Setting up these Trusts would give the local community long term stewardship of their green belt, such as choosing which areas to protect permanently from development. By identifying places suitable within the green belt for homes, with maximum democratic input from local people, Trusts can provide much needed new homes and community facilities in appropriate places close to transport links.

Green Belt Community Trusts have four aims:

**To preserve** – and be seen to preserve – quality open and green space around cities, preventing unsightly and unsustainable 'creeping development' at the urban fringe.

**To improve** local people's access to and stewardship of high quality green space, giving them a real stake in its ownership.

**To concentrate** new homes into a small number of the most appropriate locations.

**To reinvest** the huge gains in land value that development creates for local benefit, for infrastructure and affordable housing

By releasing land for development at low prices, Green Belt Community Trusts could generate billions of pounds to invest in the things local communities want, like improved transport links, schools, healthcare facilities, affordable homes – and accessible countryside.

The role of national government would be to give local communities the power to set up a Green Belt Community Trust within a Neighbourhood Plan, while the role of local government would be to support communities by adopting the Trust in their Local Plan and providing advice and resource for planning and commissioning.

Our proposal builds on the winning entries to the Wolfson Economics Prize 2014 to design new garden cities, and the lessons of successful developments in continental European countries like France, Germany and Holland.<sup>2</sup> It is similar to the approach recently proposed by Policy Exchange and Lord Matthew Taylor for creating new Garden Villages, but is designed specifically to meet the challenges of England's major green belts.<sup>3</sup>

Too often the debate about green belts is split between those who want to freeze them in aspic and those who want to tear them up entirely. Neither choice is attractive when we need to protect beauty and build new communities for our children.

Green Belt Community Trusts offer local communities a positive choice on the future of their green belts: balance, long term thinking and the protection of beauty.

1. KPMG and Shelter, Building the homes we need: a programme for the 2015 government, 2015

2. Shelter, Entry to the Wolfson Economics Prize 2014 and URBED Entry to the Wolfson Economics Prize 2014

3. Policy Exchange, Garden Villages: empowering localism to solve the housing crisis, 2015



## Green belts contain beautiful places to protect, but also places appropriate for homes

Brownfield land on the green belt land, Dagenham, London<sup>4</sup>



Green belt land, Waltham Abbey, near London



Green belt land, near Cambridge



## How do historic green belts affect house building now?

Modern green belts were introduced as part of the new planning system created after the Second World War, in response to the “metro-land” urban sprawl of the 1930s. They have grown rapidly in recent decades, doubling their size from 1979 to 2011 to cover around 13% of all land in England.

This is much more than the 9% taken up by all urban areas combined (which includes gardens and urban green space), and a significant chunk of the 90% of England that is non-urban green space.<sup>5</sup>

### Green belts in England<sup>6</sup>



Green belt policies strongly restrict new development. While the National Planning Policy Framework allows local authorities to review their green belts, more recent National Planning Guidance effectively prevents building on green belt land in almost all cases.

Green belts exist for a variety of reasons, none of which is explicitly to protect beautiful countryside, which is often protected by other planning rules like National Parks, Areas of Outstanding Natural Beauty, or Sites of Special Scientific Interest.

Green belts have five roles in planning policy:

- To check the unrestricted sprawl of large built-up areas;

- To prevent neighbouring towns merging into one another;

- To assist in safeguarding the countryside from encroachment;

- To preserve the setting and special character of historic towns; and

- To assist in urban regeneration, by encouraging the recycling of derelict and other urban land.

Green belts are therefore not a greenfield protection policy, but an urban containment policy. They are very successful in this aim. Before the green belt, London's housing stock increased 25% in the 1930s alone – almost entirely in the outer boroughs – but after the metropolitan green belt was introduced through the 1940s and 1950s, growth in outer London slowed significantly. Today's London is largely within the same boundaries as 50 years ago.<sup>7</sup>

Rather than help create green growth, green belts all too often displace new housing, creating a much greater negative environmental impact from increased commuting and car dependency. For example, in Cambridge over 40,000 daily work journeys are made over the green belt into the city.

Sir Peter Hall has argued that London now represents a new urban form entirely because of its green belt: a “poly-centric mega-city region” with the central city and hundreds of physically separate orbital towns and cities in the South East which are dependent on it.

While green belts have successfully prevented urban sprawl and its associated problems, they have contributed to the failure to build enough new homes. By restricting the amount of land available for homes in the highest demand areas, they contribute to very high land (and house) prices. High land prices shape the development market, creating competitive pressures on developers to minimise their contribution to affordable housing and infrastructure, and encouraging them to build and sell at a slow rate in order to maximise sales prices.

Green belts are not the sole cause of these structural problems, but they do exacerbate and reinforce them.

4. All images Copyright of Google

5. Green Belts, Common Standard Library Note, 2014

6. Wikicommons

## What are the barriers to reform?

### (a) Political incentives

Some change of green belt designation is already happening. Cambridge and York have recently either approved or are about to approve housing development on their green belt.

But the process is time consuming and politically sensitive, especially where the green belt is located across multiple local authorities, creating strong incentives for politicians to oppose any re-designation. At the same time, the local political, economic and social benefits from green belt release can be too weak and too uncertain to provide a countervailing incentive. The primary winners from green belt release under the current system are landowners – who can walk off with multiple million pound payments from the change in planning designation.

Central government is rightly unlikely to weaken the strength of green belt policy across the board. But it makes good sense to give authorities who are already reviewing their own green belts the tools they need to make it a much more effective and popular exercise.

### (b) Land speculation

Under current market conditions, green belt release is likely to trigger speculative land trading, as the market value of green belt land would increase dramatically. Such windfall gains for landowners and their agents would undermine the potential community benefits of releasing additional land for development, and further weaken public support for re-designation.

Green belt re-designation therefore needs to be combined with a new mechanism for securing the land at low cost and harnessing the uplift in value for the benefit of the local community.

### (c) Perceived loss of beauty

There is a strong public perception the green belt should be protected from development because it represents green open spaces and natural beauty, and prevents ‘concreting over the countryside’. This perception has encouraged successive governments to re-iterate a ‘brownfield’ first policy, despite this continually failing to deliver enough new homes and

evidence that there is not enough brownfield land to meet housing need.<sup>8</sup>

There is a strong rational case against the view that all green belt land is beautiful and in need of protection – much of the green belt is not rolling fields but golf courses, pony paddocks or even brownfield land. But ‘myth busting’ or denigrating the green belt is unlikely to shift public attitudes: instead, our approach is to work with the grain of public perception.<sup>9</sup>

Green Belt Community Trusts treat green belts as something that needs protecting and stewarding for the next generation: we therefore need to think long term about their management, and to prevent them being eroded by incremental development. Thinking long term means protecting beautiful places, but also building sustainable communities in the less beautiful and better connected areas.

## How would Green Belt Community Trusts work?

Green Belt Community Trusts would be established under law as non-profit bodies with the objective of managing the balance of preservation, access to and development of land within a defined area of the local green belt. The area under the authority of the Trust would be proposed by a local community in a Neighbourhood Plan. Local authorities, businesses and local communities themselves could all be represented on the Trust board – much as they are in Community Land Trusts.

### The Process

Our proposal is designed to work with the grain of existing planning policy as far as possible. However, recent changes by DCLG have made it harder for local communities to consider the future of their green belt land in the round. At the national planning level therefore, there are only two changes required:

Redraft the National Planning Guidance that was revised in October 2014, to restore the status of green belts to that set out in the National Planning Policy Framework of 2012. This enabled local authorities to take a balanced view of how to best use green belt land, and to allow green belt swaps, although under our proposal this power would be at the Neighbourhood level.

7. Planning for a Better Future, Planning Officers Society 2015. GLA, Housing in London 2014; London Green Belt Council “Story of London Green Belt”

8. NLP, Brownfield Land Solution? 2014

9. See for example British Futures work on shifting attitudes to migration and the weaknesses of myth busting as an approach. British Futures, How to Talk About Immigration, 2014



Amend National Planning Guidance to strongly encourage planning authorities to support the creation and planning proposals of Trusts as part of their Local Plan making process. When established, Trusts must set out:

1. Which land they most want to see permanently protected within their local green belt.
2. Which land they want to be given greater public access and amenity value (e.g. to become a Country Park)
3. Which land they think might be appropriate for homes
4. Which land might be added to the green belt as part of a swap

These changes would enable and encourage green belt communities struggling to identify sufficient land for new homes in their plans to conduct full green belt reviews. Once a review is conducted, the community should have identified most of the land in their green belt as suitable for continued green belt protection, and some areas of particularly high quality for stronger, permanent local green space designation. They should also have identified a small number of areas which would be appropriate for homes, because they are in the right locations and have low public value as green space.

In some cases it may be appropriate to conduct a green belt swap, perhaps with another local authority area, adding to a city's green belt elsewhere to compensate for the release of land on an appropriate site.

For the small number of sites identified as suitable for development, the newly established Green Belt Community Trust should produce (or commissioning) comprehensive masterplans, with the proper engagement of local people.<sup>10</sup> Masterplans would include residential neighbourhoods, infrastructure, commercial uses, affordable housing, community services and public open spaces, which could take the form of new Country Parks made up of high quality green belt land.

Specific development vehicles could then be established and owned by the Trust, in a partnership or JV model where appropriate, to hold land assets and lead development.

Land would be cheaper than in conventional development because:

Landowners of green belt designated land would only be able to sell to Green Belt Community Trusts, there would be no option for them to hold out and sell to other developers

Masterplanning an ambitious scheme for the community benefit would lower the residual land value

In most cases, landowners would be willing to sell to a Green Belt Community Trust as they would gain uplift in the value of their land compared to its existing use value. However, a further option would be to devolve the New Towns Act powers of compulsory purchase to Green Belt Community Trusts as a back-stop.<sup>11</sup>

As in modern European models, having acquired the land, masterplanned the site and set the terms of development, the Trust could then parcel out serviced plots of land for home building by local SME firms or custom builders. For these firms, planning and land risk would be eliminated, meaning that they could operate on a lower margin, driving efficiencies. The Green Belt Community Trust would retain ownership of freeholds and many of the commercial and community assets created, ensuring that any development profits or annual rents are reinvested for community benefit.<sup>12</sup>

## Making savings from cheaper land

One of the major advantages of Green Belt Community Trusts is that they can secure land at lower prices than developers can normally do. By making big savings on the cost of land, the development model will free up huge amounts of investment for affordable housing or better local infrastructure. A hectare of land (80 homes) in Cambridge's green belt that gains planning permission creates £2.9 million of extra land value, while in Oxford's green belt it's closer to £4m. For a new suburb, the amount of extra value generated could be billions – most of which could be invested in infrastructure or affordable homes.<sup>13</sup>

It is vital that landowners are only allowed to sell to the Trust, rather than to third parties. Otherwise speculative land trading will quickly push up the price of land designated for development, wiping out the potential land savings.

10. In practice it may be preferable for a time-limited development partnership or corporation to lead the delivery phase, and then pass the assets on to a permanent Green Belt Community Trust once the development is complete. This, for example, was the model used for the Olympic Park in London, and the building of Letchworth Garden City.
11. Policy Network, The Challenge of Accelerating UK Housebuilding. 2015
12. This development model is set out in detail in Shelter's prize-winning entry to the Wolfson Economics Prize 2014, in which we propose a new garden city. The model was created with input from Legal & General, KPMG, Laing O'Rourke and PRP architects.
13. IPPR and Shelter, Growing Cities, 2015

## What might the new development look like?

If Green Belt Community Trusts were introduced, what sort of development might we see?

While of course development will be locally led, it is possible to get a sense of the quality that could be possible if the Trust model is used both to keep land prices low in the development phase and to provide annual returns to the community for investment in local services.

### Case Study 1: Letchworth Garden City and Heritage Foundation

The UK has a rich history of community based development, most famously in the garden city movement founded by Ebenezer Howard over 100 years ago. Letchworth in North Hertfordshire was the world's first garden city, beginning construction in the early 1900s. The garden city development company built the infrastructure and homes, and then sold them at prices affordable to residents on a variety of incomes. That tradition of community-led development continues today: the original assets of the development company (such as land and buildings) are now owned by the Garden City Heritage Foundation, which reinvests over £4m of its income into the local community each year. This provides services additional to those provided by the local authority, including a local cinema, art centre, community hub, sports teams and a minibus service.<sup>14</sup>

### Case Study 2: The green suburb: Vauban in Freiburg

Germany and Holland have produced some of the best recent examples of high quality, affordable and popular development in the world. Freiburg, a city with a population of around 230,000, is often cited as the best example of a city successfully tackling its housing, environmental and employment needs. The city focuses first on brownfield redevelopment but has also expanded beyond the urban boundary with a major suburb called Vauban, built on the site of a former army barracks. The local authority acquired the site at a low cost and was able to invest the savings into the quality of the scheme.

The principles of the master-plan in Vauban (agreed by the city authority) were straightforward and centred on delivering for local people. There are small local shops, green spaces designed to bring people together and strict rules on maximum building heights. As with Letchworth, community facilities funded from the value created by the development process. Going beyond what we've seen in the UK, Vauban also encourages community groups to become small developers by parcelling out plots of land for co-operative and community building.<sup>15</sup>

Letchworth Garden City (left) and Vauban in Freiburg (right)



14. All information and photo courtesy of Letchworth Garden City Heritage Foundation

15. All information taken from Good Cities, Better Lives, Hall and Falk, 2014. Photo courtesy of Nick Falk.



# Enterprise Award 2015

## Entry no.5

enterprise  
award

Lambert  
Smith  
Hampton

# TOWN TRUST TECHNOLOGY



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## EXECUTIVE SUMMARY

Town Trust Technology (TTT) has the potential to:

- save high streets, town centres and green belt
- deliver low cost and low-carbon housing and lifestyles
- support better health, transport and economies
- create stronger communities

TTT does this by highlighting these benefits and enabling local residents and businesses to invest in, own and develop their town centres and high streets via a web enabled platform of:

1. informed and compelling strategy (shared mainly via video)
2. purpose designed collaborative ownership structures (ie legal templates)
3. crowd sourced funding model designed specifically for property development and investment
4. advanced digital communications platform

Town Trust Technology will provide the confidence not just for devolution, but 'double-devolution' from Westminster directly to neighbourhoods.

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## INTRODUCTION

This island's population is growing. Its land mass is not. Our economy is experiencing the biggest change since the industrial revolution as we move further into the digital age. We have genuine crises in housing affordability and health with 2/3 of Britons overweight or obese. Meanwhile the planet warms up.

Property holds many of the solutions if the silos across the built environment profession can work together to create a template for locally directed polycentric development in our towns and cities. There is the opportunity to create hundreds and perhaps thousands of virtuous development circles that save our failing high streets, increase housing supply and create places attractive to 21<sup>st</sup>C businesses and residents whilst using less carbon.

TTT makes the case and provides the information to make it happen in terms by overlaying urban regeneration on the 4 fundamentals of any significant change process:

1. accessible and well presented ideas and information for sound **strategies**
2. 'Town Trust' legal templates as **structures** that underpin collaborative locally based ownership and decision making
3. a specialist crowd **funding** model to raise investment from local residents and business owners to invest in their local area in the way Kickstarter etc has revolutionized venture capital
4. and a platform for improved **communications** between the myriad of stakeholders affected by urban development.



The potential to create the desire and incentive for change and the tools to implement are significantly enhanced by the advance in online technology that has not yet been embraced by the property industry as it has in other sectors.

In urban regeneration circles these are not new ideas, however their synthesis is, particularly for the average layperson (and importantly for the typical 'nimby' who often for lack of understanding or access to the right information holds development back).

**TOWN TRUST TECHNOLOGY MAKES THE CASE AND MAKES IT HAPPEN**



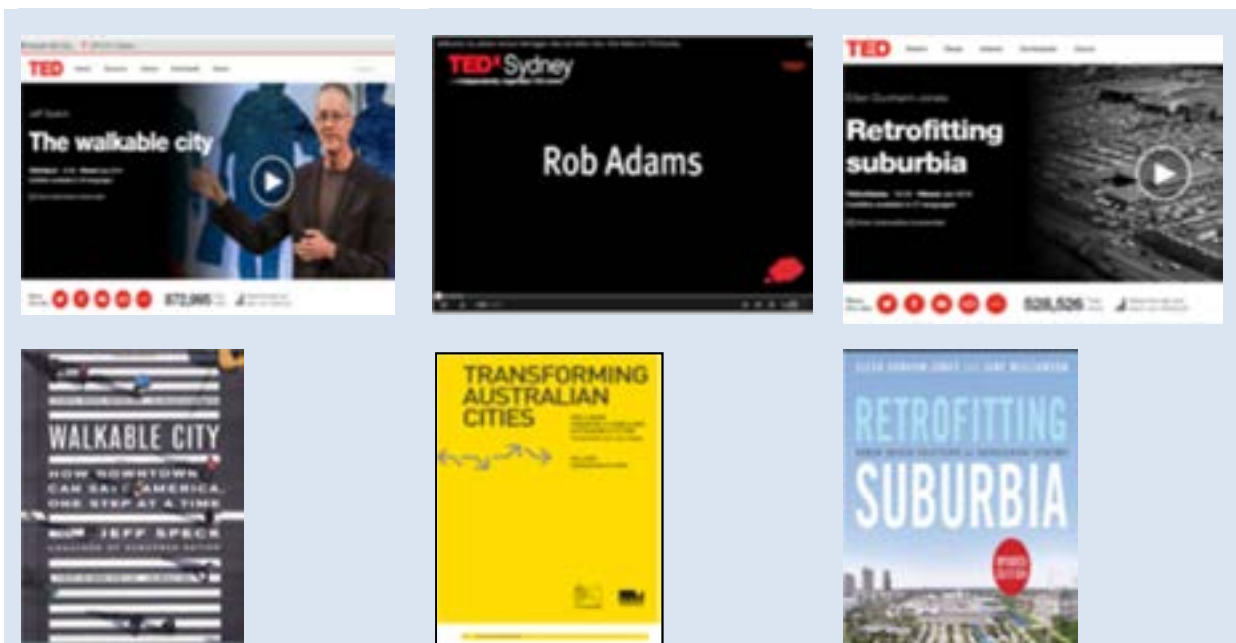
# MAKING THE CASE

## 1. STRATEGIES

### COMPELLING IDEAS AND ACCESSIBLE, WELL PRESENTED INFORMATION

Compelling? To be frank, town planning and regeneration can be a grey enough read for those inside the industry... for those outside it is often impenetrable. We need an Al Gore moment – Gore revolutionised understanding and perspective on global warming with *An Inconvenient Truth*. The power of cold clear logic and reason presented in a calm, authoritative and crisp manner through accessible facts, figures and images made it impossible for anyone to honestly ignore the truth. The public, governments and industry were strongly influenced<sup>1</sup>.

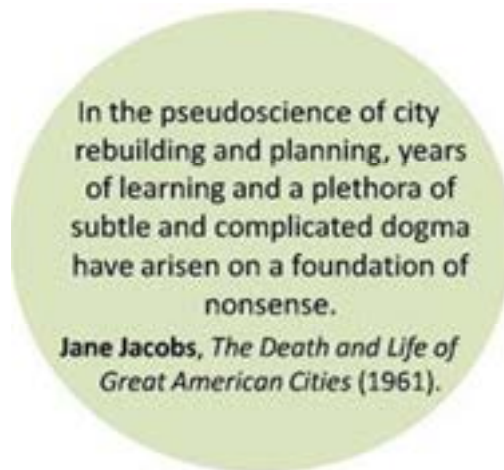
Our industry does not have an Al Gore. However across the globe there are a number of highly eloquent individuals writing books and more pertinently presenting videos and bringing this subject to life. See in particular on TED.COM Jeff Speck, Rob Adams and Ellen Dunham-Jones and their corresponding publications.



<sup>1</sup> In a July 2007, a 47-country Internet survey conducted by [The Nielsen Company](#) and [Oxford University](#), 66% of those respondents who said they had seen *An Inconvenient Truth* stated that it had “changed their mind” about global warming and 89% said it had made them more aware of the problem. Three out of four (74%) said they had changed some of their habits because of seeing the film ([Global Consumers Vote Al Gore, Oprah Winfrey and Kofi Annan Most Influential to Champion Global Warming Cause: Nielsen Survey](#). Nielsen. 2007-07-02. Retrieved 2009-10-27.)

In summary, Speck, Adams etc are making the case for more intensive development in existing urban and suburban locations. They build on ideas first presented over half a century ago by the visionary Jane Jacobs<sup>2</sup> and their synthesis provide the strategic case for:

1. Low cost housing, living and carbon
2. Better health, transport and economies
3. Save high streets and greenbelt/countryside



#### **TOO OFTEN GOOD DESIGN AND URBAN DEVELOPMENT IS FRITTERED AWAY BY DETAIL**

**... SIMPLIFY, SIMPLIFY, SIMPLIFY<sup>3</sup>**

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<sup>2</sup> Jacobs seminal work *The Death and Life of Great American Cities* (1961) was the first credible voice to challenge the excesses of modernism – the book boils down to four key ingredients for successful city place making and is as fresh today as it was in the 1960s;

- Mixed uses
- Small blocks for permeability
- Aged buildings in order low economic value users may be accommodated (eg start ups)
- Concentration, ie density

<sup>3</sup> Our life is frittered away by detail... simplify, simplify. Henry David Thoreau

## 1A: LOW COST HOUSING, LIVING AND CARBON

To maintain the quality of life enjoyed in the UK over the past fifty years it is necessary to understand the costs and challenges to urban life. Climate change and population growth is already impacting UK city life. Climate change is causing more extreme weather, sea levels are projected to rise 1-2m in the next 100 years and future rapid growth if poorly located will lead to inefficient and unsustainable city living.

Many studies<sup>4</sup> have exposed the unfortunate ('inconvenient') truth that costs for fringe developments are twice as much as for infill developments as a result of hard infrastructure such as power and water etc. The research adds tangible financial benefits to the emotional and justified concerns about urban sprawl and protecting the countryside. If UK cities are to meet future demands of population growth without repeating the past practices of expanding the fringe, a new approach is required that stimulates development within the city boundaries to the greatest extent and benefits possible including serving affordability needs (in terms of both development and subsequent living styles).

In *Transforming Australian Cities*, Professor Rob Adams – one of the key proponents behind Melbourne transforming from 'empty, useless' to the world's most livable city, found six key ingredients:

- Mixed use
- Density
- Connectivity
- High quality public realm
- Local character
- Adaptability



Whilst all of these are important, one is critical. Compact cities with higher densities are providing clear evidence they provide the most robust challenge to climate change and in numerous instances provide wonderful places to live. Cities such as Barcelona house 200 persons per hectare – around 5x that of English core cities such as Bristol (Bristol UA approximately 40 persons per hectare<sup>5</sup>). Higher densities do not require high rise towers, rather a mid-rise compromise as illustrated by these buildings in Vancouver and Vienna (both cities coincidentally habitually occupying the best cities in the world in which to live:

<sup>4</sup> Eg Curtin University (Australia)

<sup>5</sup> [https://www.bristol.gov.uk/committee/2013/sc/sc024/0620\\_11.pdf](https://www.bristol.gov.uk/committee/2013/sc/sc024/0620_11.pdf)



Source: Transforming Australian Cities

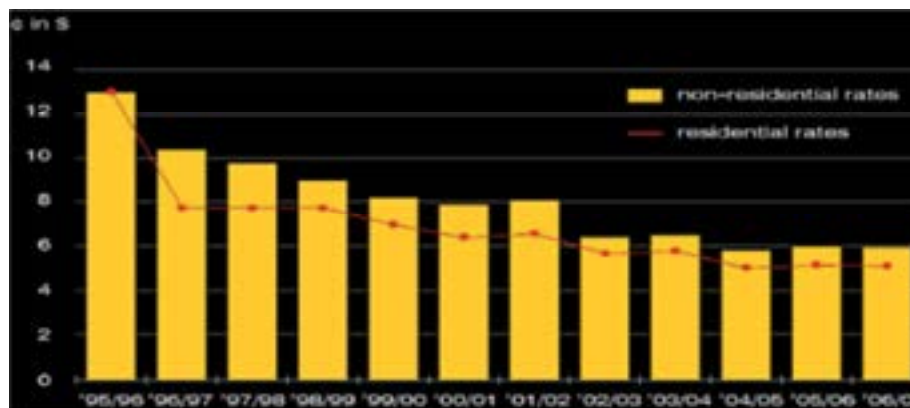
**Best cities**  
Based on liveability index\*

Rank	City	Country
1	Melbourne	Australia
2	Vienna	Austria
3	Vancouver	Canada
4	Toronto	Canada
5	Calgary	Canada
5	Adelaide	Australia
7	Sydney	Australia
8	Helsinki	Finland
9	Perth	Australia
10	Auckland	New Zealand

\*Based on 30 factors spread across five areas: stability, infrastructure, education, health care and environment

Source: Economist Intelligence Unit

A fortuitous side-effect of denser city living is it is also more efficient in terms of provision of public services and thus taxes paid by residents. In Melbourne the inner city resident's property taxes fell by 50% in a decade as residential densities increased:



Inner Melbourne property taxes halved in ten years as the area was developed (Source: Transforming Australian Cities)

Further incentives could be created through the devolution (*double devolution*) to the neighbourhood or the Town Trust of elements such as:

- applying property taxes on a finer geographic basis, ie based on cost of services provided in order an area benefits from the reduced public costs serving a denser location (as witnessed in Melbourne)
- local decision making over the finance raised from new development (s106, Community Infrastructure Levy and New Homes Bonus etc) by delegating to a combination of the Town Trust and business and resident groups (such as BIDs and trader groups) to commission unique locally inspired place making initiatives

- priority of new affordable housing or council housing given to family members of existing members of the community would also create further local incentive in favour of development and help families and established communities stay closer for longer

With regard to sustainability, it is well documented that cities provide a more sustainable way of living for most people as they offer the opportunity to use foot or pedal power (or public transport) rather than the car to get from A-B, with A-B being much shorter. Indeed some commentators such as Jeff Speck believe this moving to a denser development model is the single biggest way to combat carbon and all its implications.

## 1B: BETTER HEALTH TRANSPORT AND ECONOMIES

### BETTER HEALTH

Sedentary lifestyles of the suburbs have driven the obesity crisis and growing concerns around diabetes which now costs the UK £1.5m every hour (Diabetes UK). There are a number of causes however amongst them is poor town planning as increasingly recognized and reported by



RIBA and others. RIBA's recent report 'City Health Check' found that it was the quality not the quantity of parks and streets that was most important to 'invite' them to walk rather than drive. By concentrating development in high streets and town centres – many of which have been neglected for decades – a stronger civic pride and impetus will emerge and gather momentum towards improvement whilst at same time linking centrally located facilities within walking distance of more people.

Less tangible but no less important is creating attractive places in which people want to live to create health through happiness. A quick image web-search of 'best beautiful cities and streets' also confirms that mid-rise development is the ideal unit of development as do lists of the UK's most best cities, ie Cambridge, Bath, York, London, Edinburgh<sup>6</sup>

<sup>6</sup> Daily Telegraph's Ten Best UK Cities (Telegraph Travel Awards, almost 100,000 readers nominated their best cities)



Web search 'best beautiful cities and streets'

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## BETTER TRANSPORT

Future development in cities should be directed around existing centres and the road based public transport corridors established by bus patterns. This would provide increased demand for existing services, future proofing them and making any subsidy paid by councils to bus companies (as happens on many lines) unnecessary. The frequency of buses would also increase as residents living within easy walking distance of these routes increases creating a virtuous circle of more passenger demand being met by more buses without public subsidy.

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## BETTER ECONOMIES

Research<sup>7</sup> indicates that urban centres whilst only accounting for 20% of London's geographic area catalyse 80% of wealth generation activities'. Whilst all cities are different there are parallels to be made and lessons to be learnt, especially given the preeminence of London as an economic engine. This 80/20 principle should at the heart of not only the Department of Communities and Local Government inform much of Treasury decision making.

Unfortunately this is not the case with a paltry £3m made available across the whole of England by central government in their highest profile high street initiative, the 'Portas Town Team Pilots'. The wealth generating activities alone of urban centres is a strong case for much greater investment.

Further evidence – if needed – is provided by Richard Florida, arguably the most influential thinker on geo-economics over the past decade.

Florida coined the phrase 'Creative Class' (the group of workers and businesses which comprise c30% of a developed countries workforce ranging from engineering, education, computer programming, research to arts, design, and media workers) and concludes it will be the leading force for growth in western economies for decades. A defining characteristic of this group is to locate in urban locations that have a thriving 'street level culture', ie 'a teeming blend of cafes, sidewalk musicians, and small galleries and bistros, where it is hard to draw the line between participant and observer, or between creativity and its creators. Members of the Creative Class enjoy a wide variety of activities (e.g.,



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<sup>7</sup> Spatial Centrality, Economic Vitality/Viability - Compositional and Spatial Effects in Greater London. In recent years spatial economics has focused on the spatial location of economic activities and its determinants. At the city-region level a significant part of the analysis has been concerned with the concept of agglomeration as a source of economies of scale, productivity growth, and the role of transport: the spatial accessibility economies.

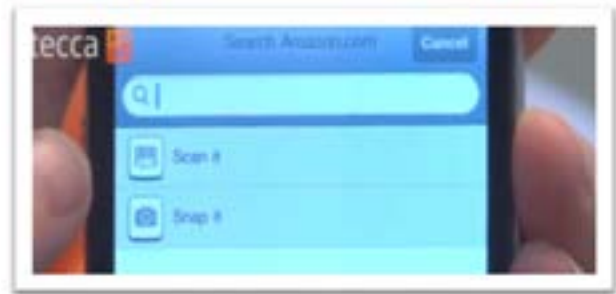


traveling, antique shopping, bike riding, and running) that highlight the collective interest in being participants and not spectators' (The Creative Class, Richard Florida, 2002).

## 1C: SAVE HIGH STREETS AND GREENBELT/COUNTRYSIDE

### SAVE HIGH STREETS

The continuing threat to high streets and town centres as retail distribution goes through an epoch ending restructuring is well documented. However not many fully appreciate that we are merely at the end of the beginning of the negative impact the internet will have on comparison goods shopping in particular. Take for example innovations such as Amazon's mobile scanning app that enables shoppers to scan other retailers goods and immediately compare prices with Amazon.



Whilst 'bricks and mortar' will increasingly be unable to compete in the comparison goods sector there is the prospect of prosperous future for businesses offering convenience and services locally. However it is predicated on sufficient quantum of local demand within easy walking distance. In most instances this means increasing residential densities in and around high streets and town centres.

### SAVE GREENBELT/COUNTRYSIDE

Clearly refocusing housing and other development in polycentric development of existing towns and cities will serve to protect the countryside.

Drawing on similar studies elsewhere (eg Melbourne), core cities such as Bristol (population 430,000) have the potential for around one hundred thousand people accommodated in medium density development in these centres and connecting arteries, affecting less than 10% of the land leaving over 90% in its current form. On this basis Bristol could increase its residential population by over 20% without impacting on the character of its suburbs or heritage.

# MAKING IT HAPPEN

## 2. STRUCTURE

### 'TOWN TRUST' LEGAL TEMPLATES FOR COLLABORATIVE OWNERSHIP

High street and town centre regeneration is difficult – ask Mary Portas! The biggest single challenge is the sheer fragmentation of ownership, occupation, interest and stakeholders.

There are so many stakeholders – sometimes conflicting – in central locations it is very difficult to move things forward without adopting the best and most thoughtful collaborative principles and techniques. Lessons that can be drawn from other sectors that have managed to change their approach from pure competition to more collaborative methods must be studied more closely – see for example Visa in the banking sector in the 1970s (see box below) and the Apple app platform over the past decade.



In order to navigate this fragmentation, Town Trust Technology would provide a bespoke web-based IT package that enables town centres and high streets to organise all of the data around the myriad of stakeholder groups and then create collaborative partnership platforms for and between the groups. There is a range of partnerships and benefits that could be built into the platform:

- capture landowners details (in conjunction with the Land Registry) to enable the setting up of a voluntary landlord partnership or landlord led BID<sup>8</sup>
- captures business occupier data (from local council rates bills), map and enable analysis and setting up of a Business Improvement District
- integrates with local neighbourhood partnerships - ie resident stakeholder groups
- provides consultation and 'voting systems' so that the above stakeholder groups can be easily and properly asked what they want, think and support

<sup>8</sup> This assumes that enabling legislation extends this option from London currently to the rest of the country

- provides a portal to a library of information that is peer reviewed as the most intelligent thinking on high streets and town centre turnarounds, management and innovation (ie section 1 strategy above)
- collection/sharing of non confidential performance metrics for the location such as footfall, sales trends, cleanliness, safety etc.
- enable crowd funding for community share offers, in which local people can buy into property development investments and energy companies – creating a virtuous circle of local investment, local patronage and local returns (see section 3 below)

#### Visa and the banking sector in the 1970s-

The best collaboration business story – perhaps ever - has many lessons for property owners, developers and investors in town centres.

How many business organisations have grown by over 10,000% since the 1970s? Visa has. And it did it through collaboration. Visa was conceived as a non-stock, for-profit membership corporation with ownership in the form of nontransferable rights of participation. The founders designed the organisation to be highly decentralized and highly collaborative. Authority, initiative, decision making, wealth -- everything possible is pushed out to the periphery of the organization, to the members. This design resulted from the need to reconcile a fundamental tension.

On the one hand, the member financial institutions and banks are fierce competitors: they – not Visa – issue the cards (eg a Barclaycard), which means they are constantly going after each other's customers. On the other hand, the members also have to cooperate with each other: for the system to work, participating merchants must be able to take any Visa card issued by any bank, anywhere. That means that the banks abide by certain standards on issues such as card layout. Even more important, they participate in a common clearing-house operation, the system that reconciles all the accounts and makes sure merchants get paid for each purchase. Visa by-laws encourage members to compete and innovate as much as possible.

"Members are free to create, price, market, and service their own products... At the same time, in a narrow band of activity essential to the success of the whole, they engage in the most intense cooperation."

This harmonious blend of cooperation and competition is what allowed the system to expand worldwide in the face of different currencies, languages, legal codes, customs, cultures, and political philosophies.

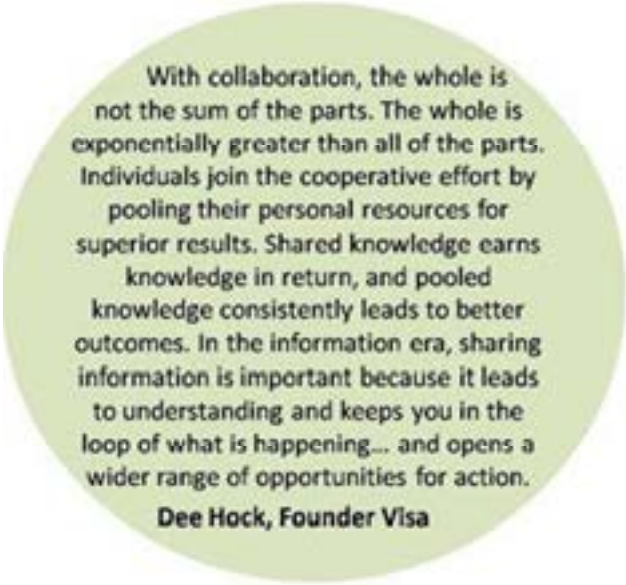
#### Paddington Waterside - a unique example of developer collaboration

One of the best examples of collaboration in the UK property sector is [Paddington Waterside Partnership](#), launched in 1998 with a small handful of founding developer members, now c20 members involving over a dozen separate major development projects in different land ownership across 80 acres. It is this fragmentation of ownership that provides the very reason for Paddington Waterside Partnership's existence.

Members of Paddington Waterside Partnership subscribe on an annual, voluntary basis. The Partnership is not-for-profit and operates as a company limited by guarantee. Subscription levels for developers are determined by scale of development (typically around £15,000pa), and for occupiers by staff numbers/floorspace occupied. Together with s106 contributions this creates a financial platform to employ a small executive team and implement projects.

The Partnership employs a small executive team to perform a number of distinct functions on behalf of all of the partners including a regular mechanism for exchange of development information and best practice through its Developer Forum; produce composite marketing and communications voice for the entire 'place'; a link between the developments/developers and the local community; operating a recruitment service to match local jobseekers with vacancies in the new developments; assisting companies with corporate social responsibility (CSR) activities at a local level; catalysing and managing Paddington Business Improvement District (BID).

Achievements are impressive, including two flagship Hilton hotels, over 1000 residential units, c3m sq ft of commercial space (including M&S HQ), extensive public realm improvements (including 1,000 metres of canal towpath open for first time in 200 years), c£3 billion of investment, creation of a local labour market support unit placing nearly 10,000 people and catalyst for a Business Improvement District (BID).



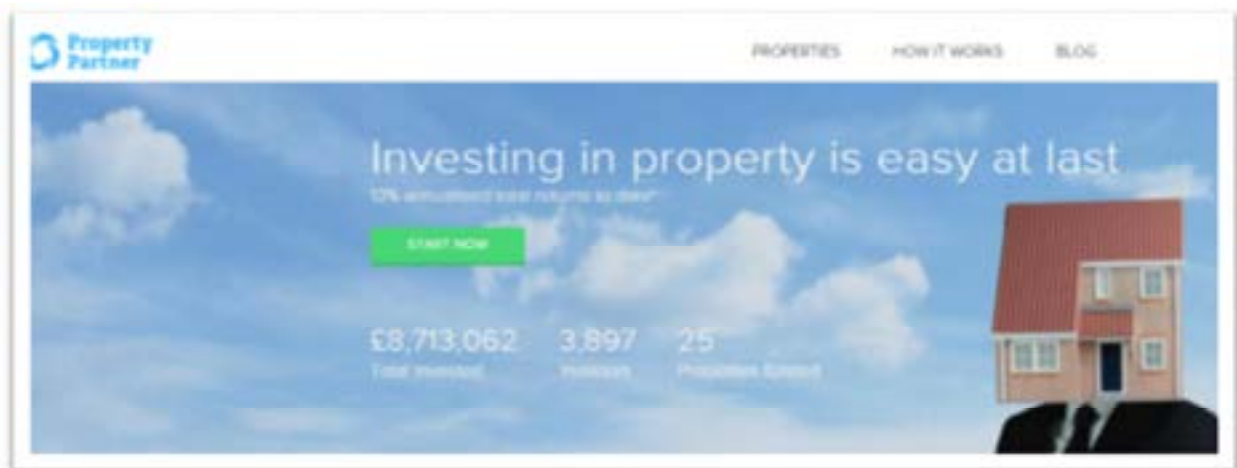
With collaboration, the whole is not the sum of the parts. The whole is exponentially greater than all of the parts. Individuals join the cooperative effort by pooling their personal resources for superior results. Shared knowledge earns knowledge in return, and pooled knowledge consistently leads to better outcomes. In the information era, sharing information is important because it leads to understanding and keeps you in the loop of what is happening... and opens a wider range of opportunities for action.

**Dee Hock, Founder Visa**

### 3. FUNDING

#### SPECIALIST CROWD FUNDING MODEL TO RAISE INVESTMENT AND CREATE INCENTIVES FOR LOCAL RESIDENTS

Venture capital has been transformed in the past decade via technology with online packages such as *Kickstarter* introducing entrepreneurs to investors. This is spreading into the property world through initiatives such as Property Partner ([www.propertypartner.co](http://www.propertypartner.co)): 'Property crowdfunding is the process of multiple investors coming together to buy a property. Investors receive their returns through monthly rental income and movement in house prices'.



Town Trusts would provide an online funding mechanism that enabled local people to invest in their local 'Town Trust' – ie a property investment and development company limited geographically to the local urban centre with a constitution seeking to balance financial, economic, social and sustainable returns. Most of this technology is already available and simply requires fairly modest 'tweaking' to suit the precise investment circumstances outlined here.

'Local' interest and incentive is important as this is the ingredient that has been lost with the onset of globalization and many investors having purely a financial interest in a property rather than a more balanced financial, social and perhaps emotional interest. The nearest example of this sort of local civic pride manifesting itself in investment for financial and social returns is the investment of 'patient capital' by individuals and corporations in Cincinnati's Center City Development Corporation which is 'nothing short of remarkable...The area was as depressed as any in the country. Now it is one of the best in America. The quality of development 3CDC is doing and the scale are pretty remarkable. 3CDC is not only physically changing the neighborhood but culturally as well and financing it creatively using public/private financing driven by the private sector'<sup>9</sup>.

<sup>9</sup> Urban Land Institute - <http://urbanland.uli.org/capital-markets/cincinnati-s-3cdc-a-model-for-urban-transformation/>





**Cincinatti's 3CDC**

Further incentive will be provided by the positive impact a thriving high street can have on local house prices. To leverage this incentive and create momentum for change awareness of successful high street and town centre turnarounds will have to be understood and highlighted. One example is Marylebone High Street, London which in the 1980s suffered from circa 1/3 vacancy rates yet today is a hive of activity where adjacent residential enjoys 20-30% premium (according to Savills<sup>10</sup>).

#### **Tangible Turnaround – Marylebone High Street, London**

It's hard to believe that Marylebone High St was 1/3 empty in the 90s. Today it is one of the most wannabee alternative live and shop locations. One of the drivers of change was the significant lead property owner who allowing for long leases had a start position of owning circa 1/3 of the high street. The street had lost its way in the 1960s and sadly went into a long and gradual decline throughout the '70s and '80s before finally collapsing during the recession of the early '90s. In 1995 a third of the shops were either vacant or occupied by temporary charity shops who paid no rent at all but were there to reduce the rates liability: a fairly desperate commercial situation.

Howard de Walden Estates, owned most of the freehold shops in the High Street, but because of the grant of head-leases, actually controlled only about a third of the shops. New management at the Estate recognised that if the traditional values of the High Street were restored, this would dramatically improve the quality of the retail offering and would lift the area as a whole, including the office and residential values of the Estate's adjoining properties. However, the Estate's efforts were not just confined to improving the High Street but importantly, the provision of schools and other community uses along with the refurbishment of our residential and commercial buildings.

A key step was to improve the quality of the retailers of the smaller shops. Many units were occupied by photocopying shops, travel agents and retailers who had lost their way. Many of these retailers had statutory rights and could renew their leases at a market rent. However with offers of alternative accommodation in side streets were persuaded to move and make way for an injection of fresh retail ideas into the High Street. Removing the 'inappropriate' tenants was the hardest phase of the project as there were limited legal powers to move these tenants and during this phase there was bad press as many remained sceptical about the stated ambition of improving the High Street. Ironically some of the worst comments came from publications which are now some of our strongest supporters.

After gaining possession of some of the smaller units, many these were extended as they were awkward in shape, damp and uneconomic in size. A typical Victorian shop may comprise only 350 sq ft of trading space with a light-well at the rear

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<sup>10</sup> See *London Property Review* – 'Live near a good high street for added value'. New research from Savills showing that living close to a thriving high street could add 20 per cent to your home's value. "We're selling two-bedroom flats right on Marylebone High Street, with a 20 per cent premium added to the price because of their location," says Claire Reynolds at Savills' new Marylebone office".

[www.londonpropertyreview.co.uk/live-near-good-high-street-added-value/](http://www.londonpropertyreview.co.uk/live-near-good-high-street-added-value/)

of the trading area and a small corridor through to a small storage room. In the majority of instances, the light-well was covered over and the shop knocked through so that it contained approximately 700 sq ft or so of relatively open retail accommodation, which was far more economical. The basement would always provide sufficient storage and ancillary staff accommodation. In some cases the basement has also been opened up to provide retail space, although with limited success.

The tenant selection avoided multiples who frequented Oxford Street just 800 metres away, and the exclusively expensive retailers who occupied Bond Street just a little further, and would not bring a sense of community. Retailers who had a point of difference were sought, were exclusive in terms of their merchandise but not price point and would service the needs of the majority of our residents and the local working population and would support the vision of a friendly urban village which had a uniqueness whilst also recognising that the area was in the West End and accordingly was reasonably affluent.

Some retailers were put in the more affordable side streets as there was concern that if the High Street became too successful, the nature of their business would be unable to afford the High Street rents. An example of the success of this has been in Moxon Street which has become a niche specialist food street complementing the High Street.

Improving footfall in the quietest areas was important thus new retailers who provided everyday essentials such as sandwiches, coffee etc to these poorer pitches. Tenant selection was not entirely right as some of the new retailers gave outstanding presentations but turned out to be a disappointment. On the other hand, others surpassed all expectations. This was an inevitable consequence of dealing with independent retailers who did not have a track record.

Most of the landlords who controlled the other shops, which could not be bought in, became enthusiastic supporters of the Estate's policy using the same letting agents and consulting on who they should let their shops to when they become vacant in effect creating a club of mutual admiration of our collective work.

Public relations and marketing also played its part, however, the High Street began to get some very positive press reaction and after a while a momentum grew and that negated any need to promote the Street, as its unique tenant mix did this itself. The landlords continue to heavily subsidise the Christmas Lights and fund and organise the annual Summer Fayre as community events in which circa 30,000 people visited a very enjoyable and relaxed Summer Fayre on a glorious, sunny summer's day.

Footfall is now 3 times greater than it was 12 years ago we first commissioned independent footfall counts. During the last 12 months, there has only been one shop to let and 10 offers were received within a matter of weeks. The High Street has won numerous awards including being voted by Radio 4 listeners as London's favourite street in a survey commissioned by CABA. In its inaugural year, the Estate won The Academy of Urbanism's top award for the best street project in Britain and Ireland.

You can look down Marylebone High Street and see and feel the wonderful community atmosphere with a good balance of shops. It is also satisfying that traditional retail theory has been confounded by creating best value, not by letting to blue chip multiples but by doing the very opposite and creating a community and genuine urban village.

(This is This is an amended extract from the Howard De Walden's Estate website).

**TOWN TEAM TECHNOLOGY OFFERS THE OPPORTUNITY TO CREATE THOUSANDS OF VIRTUOUS  
CIRCLES OF LOCAL INVESTMENT, DEVELOPMENT, CUSTOM AND RETURNS**

#### 4. COMMUNICATIONS

##### BETWEEN THE MYRIAD OF INTERESTS AFFECTED BY URBAN CHANGE

Communication – bringing it altogether and sustaining momentum. Along with the funding element of Town Trusts, the ongoing efficiency and impact of online technology to support effective communications is clear. In the strategy section above we touched on the use of videos to impart key concepts and referenced the TED video series (over a billion viewers by 2012) through to MOOCs (massive open online courses) and more obvious ‘social’ networks such as Facebook and local networks such as [www.streetlife.com](http://www.streetlife.com). Indeed the latter is perhaps an ideal collaborator for Town Trusts.



This level of communication will help with the political and public acceptance of change which is such an obstacle currently ('nimbys' etc). Principles will need to be developed that enable communities to feel secure that these corridors and centres are fixed and will not spill over into the surrounding areas between and adjacent. This will be helped by creation of good quality visualisation to overcome concerns that high density does not equate to high rise instead provide the solution to vibrant high streets, abundant public transport and other public services, and more affordable housing:



Before and After Projections from Transforming Australian Cities

Clearly communicating the fact that more intense development of urban corridors would utilise a very small percentage of the existing city would be key. Based on the Melbourne study, by focusing development in these areas over 90% of most cities could be designated as non-development areas and protected from high density development and encouraged to be the 'lungs' of the city through more greening.

The success of these higher density corridors will rely on clear communication and a widely understood implementation strategy. The lessons from past development initiatives are that unless the parameters and benefits of engagement are clearly understood by the affected parties, little will happen in reality. In particular town planning will need to clearly identify the transport corridors and the appropriate nature of development:

- eg 4-8 floors given in advance subject to engagement with adjacent properties (around overlooking conditions etc)
- a high quality of public realm
- active frontage at ground floor level (vehicle access from the rear or side)
- low car parking ratios (given the accessibility to public transport)

## IN CONCLUSION

Urban centres and transport arteries should not be suffering to the degree that they are given their inherent strengths and 'competitive advantages' – as highlighted by renowned business strategist and Harvard Professor Michael Porter who applied his competitive advantage model to business and nations initially and subsequently the inner city via his 'Initiative for a Competitive Inner City'.



The challenge is largely one of managing property issues given fragmentation of ownership, conflict of interests, politicking and lack of resources. This short paper provides the briefest of outlines. The detail needs to be worked through and ideally a property sector Al Gore to step forward. Perhaps Kevin Mcloud could make a TV series out of it...

*In my new series I will be looking at our town centres and high streets. When you think about it, they are quite simply the biggest expression of community there is. They make living in this country a bit special. However we have taken them for granted. And now many of them are suffering and if allowed to entirely fail will disappear.*

*Something has to be done. Watch my new series to find out how you can take hold of matters in your local centre. I'm not saying it will be easy but I am saying its possible - and the benefits... well the benefits are very very significant:*

- you could help save your local high street or town centre whilst saving the green belt and country side
- you could help supply low cost and affordable housing
- you could help people enjoy low-carbon and healthier lifestyles
- you can support public transport and stimulate the local economy to create high quality jobs
- you will help create a stronger community



# Enterprise Award 2015

## Entry no.6

enterprise  
award

Lambert  
Smith  
Hampton

# LSH Enterprise Award Submission

## Development Bid Database

Entry Submission of: Thaddaeus Jackson-Browne

Email: [tjackson-browne@lsh.co.uk](mailto:tjackson-browne@lsh.co.uk)

### DEVELOPMENT BID DATASE

#### 1.0 Introduction

- 1.1 The concept of the Development Bid Database is to provide a new platform for local development ideas to be recognised and linked with the relevant professional services, suppliers and investors to see local ideas as seeds come to fruition. The aim is for root aspirations at the local level to utilise the Development Bid Database as a bridge to link concept development ideas (however grand or small) with the relevant professionals and investors within the industry.
- 1.2 This platform could enhance the sustainable and locally appropriate growth that can be achieved at a devolved level of governance, benefiting from the work done to date on devolution and localism, with a view towards a more development friendly framework that might be realised by new provisions outlined within the Cities and Local Government Devolution Bill 2015/2016 along with other relevant recent and proposed changes to legislation.
- 1.3 To summarise and answer the brief in short; with innovative thinking (at all levels of involvement), in utilising this proposed Development Bid Database, the property industry coupled with the investment industry can help make devolved government a success by providing the relevant localised expertise and professional services to facilitate new development on underperforming land, or on any land with potential for redevelopment.
- 1.4 Whilst not reliant on devolved systems of governance, the Development Bid Database proposed in this submission has been juxtaposed against this general theme, with the future prospect of greater decision-making controls afforded to Combined Authorities with directly-elected mayors.

## **2.0 The Development Bid Database**

- 2.1 The Development Bid Database system would allow development to be proposed in any given, designated area of localised/devolved power to be tailored towards the needs and aspirations of the specific area by means of attracting a whole range of proposals (some of which will be entirely unrealistic and some absolutely viable and achievable), then filtering out the best option(s) for the land in a manner which would attract the appropriate investment for delivery by way of natural selection.
- 2.2 Prospective investors would be saved from the seemingly one dimensional approach to property development that currently exists, whereby concept designs are only given oxygen and attention through a timely, complicated and limited range of narratives and closed networks.
- 2.3 Under this proposed system, any group, individual or consortium could put forth a proposed development idea for any plot of land and this would be logged into a database for review from prospective investors.
- 2.4 For arguments sake, an investor could be any man or woman in the town, or any multi-national conglomerate or corporation that has paid the respective devolved authority a subscription to the Database.
- 2.5 For arguments sake, a development proposer could be any boy, girl, man or woman, or national conglomerate or corporation that has paid to have their proposal uploaded onto the Database.
- 2.6 The Development Bid Database should serve as a similar function to the online planning application databases currently used by Local Planning Authorities across the United Kingdom. They would be maintained, monitored and managed in a similar manner, but the difference being that these would be available to investors on a subscription basis and development proposers on an upload fee basis.
- 2.7 Applicants would submit an application in a similar manner to how planning applications are submitted via the nationally administered Planning Portal web application and appropriate fees would be paid in order for any entries to be recorded and made valid for entry onto the respective database.
- 2.8 Applications uploaded could be anything from simple annotated maps or hand-drawn sketches to high quality scaled plans, elevation drawings and sectional drawings with details of materials and floorspaces. Ultimately, the quality of an uploaded proposal would be relevant to the audience and intended target investors.
- 2.9 In some instances, even a sketched drawing might invite interest from prospective investors and as such open the beginnings of negotiations between the proposer and the investor(s).

- 2.10 Similarly, in some instances a consortium of specialist professionals could put together a full package of development proposal plans.
- 2.11 In such instances, a full package might include detailed architectural drawings, sustainability information, transport and traffic modelling, details of material procurement and construction programmes etc. which would provide investors with a clear indication of how a proposed development scheme could be delivered from initial concept, through the procurement and construction phase, with input from local agents on intended rent targets and end sales.

### **3.0 Rationale behind this system**

- 3.1 The notion that any individual, no matter what his profession, no matter what access or lack thereof to capital, even if without a professional property and investment-based network could within his own time and thoughts identify a plot of land and dream up an efficient, sustainable and profitable means of its use should be explored and invested in.
- 3.2 Under this concept, the most fantastical ideas which might in today's modus operandi only be a 'pipe dream' could become a reality by providing a new link and bridge between great ideas and the requisite expertise, materials and capital to make grand ideas become realities.
- 3.3 Not only does this create the opportunity for incredible ideas to be realised, the economics of it make sense in that investment will be attracted to places where otherwise the desired means of access and entry into the development arena are neither obvious nor inviting.
- 3.4 Any respectable proposals can be assessed by any prospective investors, which would ultimately lead to competition over which proposed development in association with whatever investment package and agreement/arrangement might be realised as the optimal use of the land.

### **4.0 Example Scenario**

- 4.1 'Joe Blogger', hereafter referred to as 'JB' is a second year university student (studying architecture and urban planning ) at 'University X' in a Combined Authority, hereafter referred to as 'Combined Authority X' within which there is now a directly-elected mayor with powers over strategic planning.
- 4.2 As part of the devolution arrangement, land previously under the ownership of the combined authority's individual constituent authorities has been transferred across to Combined Authority X. Combined Authority X is receptive to bids to acquire under-utilised land within the body's estate with the intention of welcoming inward investment, through growth and development.

- 4.3 JB passes by many plots of under-utilised, and derelict land, much of which is within local authority or public body ownership. Examples include disused railway sidings and former parks, playing fields and opens spaces.
- 4.4 The current urban and economic landscape across vast swathes of Combined Authority X looks bleak, under-utilised and in need of investment and new development. Under the Development Bid Database system, much of this under-utilised land now has numerous proposals for development schemes drawn up and uploaded onto the Development Bid Database awaiting investor interest and assessment.
- 4.5 Under devolved powers, Combined Authority X is operating within a more streamlined planning legislation and policy framework, whereby strategic planning decisions and land use matters are no longer made by the individual, fragmented constituent authorities within which strategic planning decisions would have been made. This allows large site decisions to be made at a city regional level, rather than at the previously isolated borough level.
- 4.6 Under the previous system, any notion of a 'duty to cooperate' across authority boundaries was hampered by the fractured political relationships and conflicting borough aspirations for growth and development.
- 4.7 As a student that has not practiced professionally, JB does not have access to capital, nor does he have a network of professionals whose expertise would normally be required for his concept designed development to be taken seriously.
- 4.8 In this instance however, under this system, JB's skills using Computer Aided Design (CAD) software for designing buildings and landscapes and his own initiative are enough. For a relatively small fee (to be confirmed), JB has uploaded his concept CAD drawings for development of Land Holding X onto the Development Bid Database.
- 4.9 Investor X has identified this plot of land, noting the good access to public transport and relatively central location in proximity to the core commercial area of the city. As a subscriber to the Development Bid Database, Investor X is able to view all proposals uploaded onto the land parcel.
- 4.10 Due to the nature of the system, whereby any local interests or stakeholders can upload proposals, there are also unrealistic or less viable development proposals uploaded, some of which are concentrated on re-use of the land for public recreational use, others for less viable development aspirations, but ultimately JB's CAD designed proposal is considered by Investor X to be economically viable, profitable and appropriate for the land.
- 4.11 As a result of this, Investor X enters into contract with JB to progress the scheme through the planning process.



- 4.12 Local suppliers also subscribed to the database have also plugged their advertisements onto a side section of the Database entry which allows goods, services and material supplier providers to offer tailored quotes based on uploaded schemes. To avoid nuisance spam advertising, providers are required to pay a fee to the development proposer for whose scheme they are offering their goods and or services.

## **5.0 Conclusion**

- 5.1 At this localised level, JB has used his skills learnt locally within the city region's university and his knowledge of local land here to propose an ambitious development scheme which would bring a distressed asset into an economically viable, sustainable new use providing a considerable amount of housing with supporting employment generating uses.
- 5.2 Other stakeholders and locally vested parties have benefitted and prospered in some of the following ways:
- Combined Authority X benefits from the fees generated by all uploaded schemes onto the databases and by the investor subscriptions;
  - Staff are employed at Combined Authority X to manage and monitor the database;
  - JB is paid by local suppliers providing tailored advertising for the materials and associated services that would be locally procured for the development;
  - JB has entered into contract with Investor X for the rights to progress his scheme and for ongoing consultancy as the development proposals are tweaked and evolved;
  - Local builders, contractors and suppliers have a targeted platform which offers a direct link between their services and the end developer (Investor X), thus avoiding the need to do mass spam email advertising to win this kind of work;
  - Local estate agents that have subscribed are able to enter into agreements with Investor X to assist and benefit from rentals and end sales
  - Investor X benefits from local knowledge, skills and suppliers through this development process;
  - The local community reap the rewards and benefits associated with the development (financial contributions paid towards local public realm upgrades, public transport infrastructure upgrades and an affordable housing provision as part of the scheme)
- 5.3 In other instances, someone similar to JB may be outdone by a consortium of local professionals benefitting from their network and contacts, but the concept remains the same. Any prospective development scheme can be uploaded and realised if the link between a development proposer and an appropriate investor(s) is made.
- 5.4 In smaller devolved authority settlements, development proposers could be local groups creating a fund for a community use development. In larger urban communities, investment may more often take the shape of large scale proposals for residential and or commercial uses. Either way, the concept is open and the opportunities endless.