

# **Towards an urban renaissance: report of the Urban Task Force - executive summary**

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## **Mission statement**

The Urban Task Force will identify causes of urban decline in England and recommend practical solutions to bring people back into our cities, towns and urban neighbourhoods. It will establish a new vision for urban regeneration founded on the principles of design excellence, social well-being and environmental responsibility within a viable economic and legislative framework.

## **Introduction**

How can we improve the quality of both our towns and countryside while at the same time providing homes for almost 4 million additional households in England over a 25 year period?

We calculate that, on current policy assumptions, the Government is unlikely to meet its own target that 60% of new dwellings should be built on previously developed land. Achieving this target is fundamental to the health of society. Failure to do so will lead to fragmentation of the city and erosion of the countryside. It will also increase traffic congestion and air pollution, accelerate the depletion of natural resources, damage biodiversity and increase social deprivation.

Achieving an urban renaissance is not only about numbers and percentages. It is about creating the quality of life and vitality that makes urban living desirable. We must bring about a change in urban attitudes so that towns and cities once again become attractive places to live, work and socialise.

Since the industrial revolution we have lost ownership of our towns and cities, allowing them to become spoilt by poor design, economic dispersal and social polarisation. The beginning of the 21st century is a moment of change. There are three main drivers which offer us the opportunity for an urban renaissance:

- the technical revolution - centred on information technology and exchange;
- the ecological threat - based on greater understanding of the implications of our rapid consumption of natural resources and the importance of sustainable development;
- the social transformation - flowing from increased life-expectancy and new lifestyle choices.

Towns and cities should be well designed, be more compact and connected, support a range of diverse uses within a sustainable urban environment which is well integrated with public transport and adaptable to change.

The process of change should combine strengthened democratic local leadership with an increased commitment to public participation. There must be an increase in investment in our urban areas, using public finance to attract the market. All government initiatives which affect towns and cities should demonstrate a shared commitment to an urban renaissance.

The renaissance will require a change of culture - through education, debate, information and participation. It is about skills, beliefs and values, not just policies.

The Task Force's report contains over 100 recommendations for change. They cover design, transport, management, regeneration, skills, planning and investment. This Executive Summary presents our main findings and recommendations.

## Urban factfile

- Urban areas in England account for 90% of population, 91% of economic output and 89% of jobs.
- The public sector spends over £200 billion a year in English towns and cities and the people who live there- almost 60% of total UK public expenditure.
- Government projections estimate that 3.8million
- extra households will form between 1996 and 2021 - a 19% increase.
- One in four people living in urban neighbourhoods think their area has got worse in recent years, compared with only one in ten who think it has got better.
- More than 90% of the urban buildings and infrastructure that will exist in 30 years time, has already been built.
- Car traffic is predicted to grow by a third in the next 20 years. Average commuting time is 40% higher than 20 years ago.
- Unemployment in inner cities runs at more than double the rate elsewhere
- Forty per cent of inner-urban housing stock is subsidised 'social' housing
- Around 1.3million residential and commercial buildings are currently empty.

## **The key themes and measures**

### **Recycling land and buildings**

To enable the Government to meet its 60% target for accommodating new dwellings on previously developed land we must make best use of derelict, vacant and under-used land and buildings before we develop on greenfield sites. To achieve this, we should:

- limit greenfield land releases and channel development into redeveloping urban brownfield sites
- require public bodies and utilities to release redundant urban land and buildings for regeneration
- launch a national campaign to bring all contaminated land back into beneficial use by 2030
- introduce an empty property strategy in every borough
- harmonise VAT on new build and residential conversions.

### **Improving the urban environment**

Urban neighbourhoods should be attractive places to live. This can be achieved by improving the quality of design and movement, creating compact developments, with a mix of uses, better public transport and a density which supports local services and fosters a strong sense of community and public safety. To achieve this, we should:

- introduce a national campaign to improve urban design, based on better education and training, area demonstration projects, use of spatial masterplans and competitions, and development of Local Architecture Centres
- use planning and funding guidance to ensure developments are built at a suitable density
- target 65% of transport public expenditure on projects that benefit pedestrians, cyclists and public transport users
- create Home Zones that put the pedestrian first in residential areas.

### **Achieving excellence in leadership, participation and management**

Local authorities will lead the urban renaissance. They should be strengthened in powers, resources and democratic legitimacy to undertake this role in partnership with the citizens and communities they represent. We have to manage our urban areas more effectively and respond to the special needs of council estates and other deprived neighbourhoods. To achieve this, we should:

- change the ethos of our planning system to make it more positive in securing urban change, devolving detailed planning to the level of the neighbourhood where local people can get more involved in the decision-making process
- strengthen the strategic management and enforcement roles of local authorities over the whole of the urban environment
- create neighbourhoods with a mix of tenures and incomes, including opening up council housing to more of the population
- introduce Regional Resource Centres for Urban Development to help politician, professional and public to gain the skills needed to lead and manage an urban renaissance.

## **Delivering regeneration**

Local authorities and their partners should be given more freedom to target long term resources on areas in need of regeneration. Public investment should be used to lever larger amounts of institutional investment into the process of regenerating our towns and cities. To achieve this, we should:

- introduce Urban Priority Areas where regeneration can be undertaken by dedicated companies, assisted by streamlined planning decisions, easier land acquisition, tax incentives and additional resources
- make the need for an urban renaissance a key objective in allocating public expenditure across government
- establish a Renaissance Fund for local groups to improve their own neighbourhoods.

## **Designing the urban environment**

The quality of the built environment in our towns and cities has a crucial impact on the way they function. Well-designed buildings, streets, neighbourhoods and districts are essential for successful social, economic and environmental regeneration. Recent experience in Dutch, German and Scandinavian cities show that we have fallen a long way behind in quality of urban life.

New urban developments, on brownfield or greenfield land, must be designed to much higher standards if they are to attract people back into our towns and cities. Urban developments should be integrated with their surroundings, optimise access to public transport and maximise their potential by increasing density in appropriate conditions. They should seek diversity; encouraging a mix of activities, services, incomes and tenures within neighbourhoods. Land must be used efficiently, local traditions respected and negative environmental impacts kept to a minimum. Priority should be given to high architectural standards and to the design of public spaces between buildings where people meet and move about.

Quality of design is not just about creating new developments. It is also about how we make the best of our existing urban environments, from historic urban districts to low density suburbs.

The Government should prepare a national urban design framework, defining the core principles of urban design, and setting out non-prescriptive guidelines showing how good design can support local plans and regeneration strategies. The use of spatial 'masterplans' - a three-dimensional strategy that explores how a new development will work in its wider urban context - is encouraged. This would not only bring greater rigour to the way that public funders and planners assess the likely impact of development, but also create a valuable tool for improving urban design.

Public authorities and regeneration partnerships can help raise the quality of urban design by producing more detailed and comprehensive development briefs. As a further step, we propose that regeneration projects should be made the subject of design competitions. Our site visits to cities in the Netherlands, Spain and Germany have underlined the benefits of well-managed, public competitions in securing better design, as well as value for money.

Public participation is crucial to the design process. We recommend the creation of Local Architecture Centres in our major cities, to encourage stronger public involvement in design issues by sponsoring community projects, exhibitions and seminars.

### **Main recommendations**

- Introduce a national urban design framework, disseminating key design principles through planning and funding guidance, supported by a new series of best practice guidelines.
- Undertake a series of Government-sponsored demonstration projects, adopting an integrated approach to design-led regeneration of different types of urban neighbourhood.
- Require local authorities to prepare a single strategy for their public realm and open space, dealing with provision, design, management, maintenance and funding.
- Amend planning and funding guidance to improve the use of density standards and to prevent urban development proposals with densities too low to support a sustainable and viable mixed use environment.

- Introduce a mandatory double performance rating for houses, combining an environmental and a running cost rating, so house-buyers know what level of building performance they are getting for their money.
- Make public funding and planning permissions for area regeneration schemes conditional upon the production an integrated spatial masterplan.
- Establish Local Architecture Centres in each of our major cities.

## **Making the connections**

Cities, towns and urban neighbourhoods need the right transport and other infrastructure to function as strong economic and social units. But we cannot ignore the environmental and health damage, as well as increasing congestion, caused by growth in car traffic. Our recommendations recognise that one of the best ways to attract and absorb more people into urban areas is to reduce the need for car travel. This requires policies that discriminate in favour of walking, cycling and public transport.

Government must ensure that planners and developers take full account of the types of movement that any new development will generate. Local Transport Plans should be placed on a statutory footing, and required to set specific targets for reducing the length and number of car journeys.

There is no reason why limits of 20mph should not become normal in residential areas and high streets. In addition, we propose legislation enabling residents to have their neighbourhood designated a 'Home Zone' where pedestrians are given priority and cars move at little more than walking pace. We want to see further encouragement for walking by reclaiming space for pedestrians and encouraging street facilities that make walking attractive. Development of comprehensive cycle networks must be another local priority, with clearly defined cycle lanes on busy streets. Local Transport Plans should be required to demonstrate year on year improvement in maximising local access on foot and by bicycle. No urban development or highway project should receive public funding unless it prioritises the needs of pedestrians and cyclists.

Public transport is currently not good enough to persuade enough people to get out of their cars. Transforming urban transport provision, including better bus services and innovative solutions such as light railways, and trams, will require clear central guidance and a commitment to increasing resources. We may only be able to improve the quality of bus services by moving to well-regulated, franchised services such as those that operate in London.

The Government should commit at least 65% of its transport expenditure over the next ten years to walking, cycling and public transport. Local Transport Plans should set targets for increasing the accessibility and use of public transport. Low income neighbourhoods in particular need access to frequent and affordable bus services.

We can persuade more commuters to leave their cars at home by making public transport routes more accessible, and by prioritising work destinations. We also need to overcome the peak-time congestion caused by growing numbers of school-children being driven to school each day.

Car parking space absorbs vast tracts of urban land that could be better used to improve urban services and the environment. Residential parking in new urban developments should be kept down to one space per dwelling. Where people do wish to drive and park, then the environmental costs of this choice should be reflected in car parking charges.

## **Main recommendations**

- Introduce Home Zones, using tested street designs, reduced speed limits and traffic-calming measures.
- Place Local Transport Plans on a statutory footing, with targets for reducing car journeys, and increasing year on year the proportion of trips made on foot, bicycle and public transport.
- Commit a minimum of 65% of transport public expenditure to walking, cycling and public transport over the next ten years.

- Extend a well-regulated franchise system for bus services to all English towns and cities if services have not improved substantially within five years.
- Set a maximum standard of one car parking space per dwelling for all new urban residential development.

## **Managing the urban environment**

Urban renaissance is concerned with the way we manage our existing assets. Ninety per cent of the buildings that will be in use in 30 years time already exist. How we look after them will determine the quality of the urban environment inherited by the next generation of citizens.

Poor environmental management and insecurity are key reasons why so many people have moved away from our towns and cities. Strong preventive measures are required to stem the decline and establish services that respond quickly and flexibly to the needs of local people. Such measures require the investment of adequate resources. At present, the formula for allocating central funding to urban local authorities gives insufficient weight to environmental management services.

More coherent management would follow if local authorities had strategic responsibility for the whole of the urban environment, not just the areas that they own or manage themselves. Stronger legislation would give them powers to ensure that - irrespective of ownership - land, buildings and public space were properly maintained.

At the same time, councils can improve access to their own services by creating 'one-stop shops' where staff exercise devolved authority to meet the everyday needs of residents. Greater business involvement can be secured through the creation of Town Improvement Zones where the cost of extra management and maintenance is shared between the public and private sectors.

In some urban areas, particularly council estates, the scale of environmental and social problems requires sustained and intensive public management. The case for devolved management structures that involve local people may be especially compelling in these areas. The types of body that can do this range from local management boards with seats for local representatives to neighbourhood management companies, owned by residents and other partners.

Persuading people and organisations to care for their urban environment is partly a matter of re-awakening civic pride. Community involvement needs to be supported by strong enforcement action to deal with vandalism, graffiti, intimidation, noise pollution and other anti-social behaviour. Proceeds from fines for criminal damage should be recycled to pay for repair and maintenance of the local environment.

### **Main recommendations**

- Assign a strategic role to local authorities in ensuring management of the whole urban environment, with powers to require other property owners to maintain their land and premises to an acceptable standard.
- Provide an above-inflation increase in central resources allocated to local authorities for managing and maintaining the urban environment in each of the next seven years.
- Place Town Improvement Zones on a statutory footing, enabling local authorities to work with local businesses to establish jointly-funded management arrangements for town centres and other commercial districts.
- Pilot different models of neighbourhood management, that give local people a stake in the decision-making process.
- Strengthen enforcement powers and sanctions against individuals or organisations that breach regulations related to planning conditions, noise pollution, littering, fly-tipping and other forms of anti-social behaviour.

## **Delivering urban regeneration**

There are neighbourhoods where regeneration can only be achieved through comprehensive packages of measures to tackle not just the physical environment, but also the economic and social needs of local people. These areas include inner-urban ex-industrial districts with large amounts of derelict, vacant and under-used land and buildings; and more built-up areas, including many publicly owned housing estates, suffering from concentrated social deprivation.

Local authorities must have freedom to work with their local and regional partners to establish long-term regeneration strategies, confident that the necessary powers and resources will be available. Central government should strengthen the strategic role that it has identified for local authorities in the New Commitment to Regeneration initiative. It should combine existing spending powers across departments, make regeneration funds available on a longer timescale, and become joint signatories to local strategies where they accord with national and regional policy objectives.

Given that resources for tackling urban problems will always be limited, we need new mechanisms that will enable local partnerships to target their investment effectively. We propose a new package of powers and incentives for local authorities and their partners, including:

- streamlined planning consents;
- speedier compulsory purchase orders;
- tax incentives for developers, investors, owners and tenants;
- access to targeted public: private investment funds;
- awarded priority to particular public funding programmes;
- retention of a higher proportion of local taxation for management and maintenance purposes.

Neighbourhood regeneration partnerships that successfully applied for the new status would be designated Urban Priority Areas (UPAs). We envisage a rolling programme of designations, each lasting long enough to maximise the chances of achieving self-sustaining property values.

All publicly-funded proposals for regeneration should include a 'handover' strategy describing arrangements for maintaining the assets created by regeneration. Government can help by relaxing current 'clawback' provisions under the Single Regeneration Budget, so that part of the sale receipts from new and renovated properties can be retained for long-term management purposes

The pace of regeneration could be increased if responsibility for delivering area programmes was placed in the hands of 'arms length' organisations, owned by local partnerships. Urban Regeneration Companies (and Housing Regeneration Companies on similar lines) could not only oversee work to completion, but also raise private finance and undertake direct development where necessary.

### **Main recommendations**

- Create designated Urban Priority Areas, enabling local authorities and their partners in regeneration, including local people, to apply for special packages of powers and incentives to assist neighbourhood renewal.
- Strengthen the New Commitment to Regeneration between central and local government.
- Enable Urban Regeneration Companies and Housing Regeneration Companies to co-ordinate or deliver area regeneration projects.



## **Investing in skills and innovation**

Policy changes will only deliver the desired urban renaissance if they are implemented by people with the skills to make them work. In many aspects of urban development, we have let our skills-base decline to unacceptable levels. The quality of urban design, the ability to assemble development sites, the standards of project management and long-term maintenance have all suffered as a consequence.

We urgently need more people with expertise in urban design, planning and property development within central and local government. We also require a steady flow of new professionals to push forward urban development in the future. Career training for relevant professions currently lacks a sufficient inter-disciplinary dimension. In the short term, we propose a new training and attachment programme so that policy makers in central, regional and local government can learn from urban development organisations and partnerships on the ground. In the longer term, we urge the Government to work with academic and professional institutions to eliminate the current skills gap over the next five to seven years.

We further propose a network of centres to co-ordinate training in cross-professional skills and to disseminate evidence of best practice and innovation. These Regional Resource Centres for Urban Development would take a holistic approach, covering construction and development issues, partnership and management arrangements and wider strategic issues, including community involvement. Access to training would benefit community representatives involved in area regeneration, as well as professionals.

We can also learn from international best practice. We propose an intensive secondment programme for professionals and policy makers to work in other European countries.

### **Main recommendations**

- Establish joint working between professional, institutions, education providers and employers to develop a plan of action for improving the skills-base in urban development over the next five to seven years.
- Develop a network of Regional Resource Centres for Urban Development, promoting innovation and good practice, co-ordinating urban development training, and encouraging community participation in the regeneration process.
- Establish a five year programme of international secondments - 'Urban 2000' - with the aim that at least 2,000 professional staff and trainees benefit from the exposure to international best practice.

## The 60% target: our assessment

Greater wealth and changing lifestyles, including longer life-expectancy, mean increasing demand for housing. Government projections for England point to a net rise of 3.8 million in the number of households between 1996 and 2021. If this increase is to be accommodated without substantial further loss of countryside, then most new development will have to take place in towns and cities on previously developed land. The Government has set a ten-year target for 60 per cent of new homes to be built on these recycled 'brownfield' sites. The Task Force has assessed the likely availability of suitable brownfield land on the basis of currently available evidence, including a new inventory of vacant or derelict sites and buildings, the National Land Use Database (NLUD).

The results of our investigation are summarised in Table 1. The first column gives the present and projected area of currently derelict or vacant land. The second column identifies the estimated area that might be suitable for housing and which could be brought on stream between now and 2021. The third column shows how the available land area converts into actual housing units, using density assumptions based on current average densities, and including the potential use of vacant buildings.

Our model leads us to estimate that on the basis of current policies, just over two million dwellings will be developed on recycled sites over the 25-year period of the housing projections. This equates to 55% of the projected 3.8 million extra households being accommodated on brownfield sites. In other words, if we continue on the current path, we will fall short of the Government's target. Moreover, an analysis of these figures on a regional basis suggests that the greatest potential for increasing development on recycled land is in the Midlands and North, where the projected demand for new housing is relatively low. In the North East and North West, the potential to maximise the re-use of brownfield sites is undermined by the amount of virgin 'greenfield' land that planners have already earmarked or released for development.

At present, there is a real danger that too much greenfield land will be released in regions where it is not really needed, while excess demand for housing in London and the South East will lead to 'overheating' in the housing market and yet more countryside being annexed for development. Yet it need not happen that way provided we choose to manage our land and building assets in different, more imaginative ways. The remaining sections of the report focus on how the necessary changes can be made before it is too late.

<b>Type of land</b>	<b>Total area (hectares)</b>	<b>Area suitable for housing (hectares)</b>	<b>Number of housing units</b>
Existing supply of:			
Derelict land	28,800	5,600	164,000
Vacant land	16,200	5,300	150,000
Vacant buildings	n/a	n/a	247,000
Projected additional supply of:			
All sources	n/a	n/a	1,526,000
<b>Total</b>	<b>45,000</b>	<b>10,900</b>	<b>2,087,000</b>



## **Planning for change**

The land use planning system could play a vital part in securing positive change in our towns and cities. At present, it is not attuned to the complexity and diversity of the urban condition. It often takes too long to reach decisions and there is too great an emphasis on controlling development. We need urban planning arrangements that are more coherent, more streamlined and more actively committed to making things happen.

Government can take a lead by reviewing its Policy Planning Guidance (PPG) to deal specifically with urban regeneration and development issues and achieve greater consistency. The role of Regional Planning Guidance must also change to provide clearer policy options and to specify targets for urban land use and transport. Local planning authorities should review their local rules, standards and procedures, revising or removing those that stand in the way of positive change.

We want to see a more flexible approach to planning. Too many authorities adhere rigidly to employment and other non-residential zoning for sites with no demand. The future emphasis within local development plans should be on flexible designations that facilitate mixed work, home and leisure uses that can be adapted over time. Development plans must become less detailed and more strategic in their outlook. They should be integrated with local transport, economic and housing strategies to provide a comprehensive planning statement.

The necessary shift from greenfield to brownfield development can be accelerated by streamlining planning permissions for recycled land. Simpler development plans, supported by neighbourhood 'masterplans' and design guidance, will enable faster decision making. Authorities can also speed up the process through devolved planning implementation teams in regeneration areas. The Secretary of State should have new powers in Urban Priority Areas to take action against authorities that fail to deliver planning permissions within a reasonable period.

We support the use of planning agreements to secure additional benefits from developers, such as service roads or community facilities (known as 'planning gain'). But we are concerned that many agreements take too long to process and that the process is not being applied consistently. Reforms should include clearer Government guidance and the levying of standardised impact fees as a substitute for 'planning gain' agreements for smaller developments.

### **Main recommendations**

- Produce dedicated Planning Policy guidance to support the drive for an urban renaissance.
- Simplify local development plans with an emphasis on strategy to create a more flexible basis for planning. The plans should avoid including detailed site-level policies.
- Devolve detailed planning policies for neighbourhood regeneration into more flexible and targeted area plans, based upon the production of a spatial masterplan and the full participation of local people.
- Review designations of employment sites in local development plans, accelerating the release of land which is no longer needed for employment purposes, for housing development.
- Require local planning authorities to conduct a review of all local rules, standards and procedures to consider whether they can be revised or removed to enhance urban development.
- Replace the negotiation of 'planning gain' for smaller urban development schemes with a standardised system of impact fees.

## **Managing the land supply**

We must do all we can to recycle previously developed land for housing wherever this represents the most sustainable option.

In our search for incentives to encourage brownfield development, we have been unable to define a 'greenfield tax' we could confidently recommend as a means of shifting the balance away from use of greenfield sites. Instead, we have concluded that the planning system offers the most productive tool for managing land, with economic instruments used in support. We especially endorse the proposed movement in draft Planning Policy Guidance (PPG3) towards a 'plan, monitor and manage' approach to housing provision. We, likewise, recommend a 'sequential' approach to the release of land for new housing, so that undeveloped greenfield sites are not released when alternative brownfield land is available

However, the new approach will only work if there is consistency across local planning authorities and clear procedures for tackling an under-supply or over-supply of housing. We propose a requirement on local authorities to co-operate across their boundaries in producing urban capacity studies to determine how much additional development each area can absorb.

Other measures are needed to ensure there is not too much greenfield land within the planning system at any one time. This will include requiring planning authorities to remove allocations of greenfield land from development plans where those allocations are no longer consistent with national and regional policy objectives. The general presumption against development on specially designated Green Belt areas should remain, and we should consider designating valuable urban green space in a similar way.

Instead of a tax on greenfield development, we see scope for a more general planning levy on developers, in the form of environmental impact fees to compensate for environmental damage.

We recommend new partnerships between the public sector and private land owners and developers to facilitate the process of land assembly for area regeneration purposes. A scheme for taxing ownership of vacant previously developed land should be explored as an incentive to bring it into productive use. Local authorities should also have more powers to use enforced sale and foreclosure powers to ensure that wasted land does not atrophy the urban environment.

Compulsory Purchase Orders (CPOs) will, on occasions, be the best option for bringing land into productive use. We trust that the current government review of CPOs will lead to streamlining and consolidated legislation. One of the powers we propose for local authorities in new Urban Priority Areas is the right to use CPOs without having to prove the economic viability of a particular redevelopment scheme. Allowing commercial property owners to be compensated for disturbance as well as the market value of their properties would remove one of the major existing causes of opposition and delay. Applying a time-related taper to the additional payment would encourage early settlement.

### **Main recommendations**

- Formally adopt a sequential approach to the release of land and buildings for housing, supported by a system of regional and sub-regional reconciliation of housing needs and demand.
- Oblige all local planning authorities to carry out regular urban capacity studies on a consistent basis, where necessary, working together across borough boundaries.

- Require local authorities to remove allocations of greenfield land for housing from development plans where the allocations are no longer consistent with planning policy objectives.
- Introduce a statutory duty for public bodies and utilities with significant urban landholdings to release redundant land and buildings for regeneration.
- Assist the land assembly process in Urban Priority Areas by removing the obligation for authorities to prove a specific and economically viable scheme when making Compulsory Purchase Orders.

## **Cleaning up the land**

Significant amounts of land within towns and cities are contaminated because of previous uses. The technology and expertise exist to convert most of these sites from a liability into an asset, fit for new buildings or for open space. However, there are other barriers that stand in the way of a widespread clean up, including public fears about living on decontaminated land and a tendency for developers to regard such sites as high risk. Uncertainty over legal liabilities has been compounded by delays in bringing into force the new regulatory regime enacted four years ago.

Experience in the United States and elsewhere suggests that current problems should be tackled from two perspectives:

- simplification and consolidation of the regulatory framework;
- standardisation of the risk management approaches adopted by funders, land owners and developers.

The new regulatory system is expected to take effect later this year, but there are inconsistencies with other regulatory systems dealing with waste management and water pollution. Land owners should be able to work to a consistent set of standards. We also recommend that regulators should be able to give assurances to landowners who have followed an agreed strategy to remedy a contaminated site that neither they nor a future developer are likely to face further action.

Current inconsistencies in the measurement and management of risk point to the need for a new national framework. This would establish a minimum basis for identifying, managing and communicating risks throughout the assessment, treatment and after-care of contaminated sites. Further consistency could be secured by introducing a standard format for site information, set out as a Land Condition Statement. Government could also introduce a 'kitemark', certifying the quality of the management methods adopted by site owners, developers and their representative organisations. This would give the insurance industry greater confidence in providing cover for the risks at individual sites.

The Government should launch a national campaign to clean up our contaminated sites and prevent further land contamination, using a mix of education, research and prevention to ensure that all contaminated land is back in beneficial use by 2030.

### **Main recommendations**

- Establish a national framework for identifying, managing and communicating the risks that arise throughout the assessment, treatment and after-care of contaminated and previously contaminated sites.
- Establish an Environment Agency 'one stop shop' service for regulatory and licensing requirements, moving quickly to a situation where a single regeneration licence is available, covering all regulatory requirements for cleaning up a site.
- Pilot standardised Land Condition Statements, to provide more certainty and consistency in the management and sale of contaminated and previously contaminated land.
- Launch a national campaign to 'clean up our land' with a target to bring all contaminated land back into beneficial use by 2030.

## **Recycling the buildings**

Empty and under-used buildings are a blight on surrounding areas and a waste of potential resources. As evidence of dereliction, they cause disproportionate damage to local morale and reinforce an overall sense of urban decline.

Bringing buildings back to beneficial use requires sustained action. Every local authority should be required to produce a comprehensive empty property strategy for their area. In the commercial sector, there is scope for making greater use of redundant offices and empty space over shops for housing. Incentives to owners could include a reduction in business rates. Sanctions could, meanwhile, be applied to owners of derelict and poorly-maintained residential properties left vacant for more than a year by making them pay a special higher Council Tax charge.

In addition, we propose removing the anomaly whereby renovation work on empty dwellings carries Value Added Tax (VAT) at a punitive 17.5%, but new housebuilding and conversion of commercial premises for housing are exempt. Ideally, refurbishment and conversion work should be zero-rated. If European Union policy rules this out, we would propose applying the minimum rate of 5% VAT to all housebuilding and conversion. A significant proportion of the extra revenue raised should then be used to fund regeneration and development on recycled land

Turning round abandoned and unpopular neighbourhoods requires wider action in education, employment, policing and other areas of social policy beyond our remit. We have, however, made important recommendations for improving neighbourhood management and targeting area regeneration more effectively. We also propose changes to the way that social housing is allocated in unpopular neighbourhoods with low demand. Existing 'needs-based' allocations should be replaced by a more open system, marketing properties to a more varied social mix of residents, including low to middle-income households and students.

Clearer planning guidance is needed on how the options for regenerating historic districts and 'landmark' buildings can best be assessed. We would like to see the role of conservation bodies reviewed to ensure they are able to act as catalysts for local regeneration schemes. The Business Rate exemption for empty 'listed' buildings creates a perverse incentive for owners to leave them vacant and should be removed.

Some repair work needed in our town and cities is on a grand scale. However, there are also smaller eyesores and under-used spaces where local communities could take action if the right support was available. We propose the creation of a Renaissance Fund to make money available so that local people and voluntary groups can tackle these 'tears in the urban fabric' for themselves. A fund of £500 million over ten years could be provided by a partnership between Government and the National Lottery - with a target of tackling at least 3,000 projects in the first five years.

### **Main recommendations**

- Give local authorities a statutory duty to maintain an empty property strategy that sets clear targets for reducing levels of vacant stock.
- Introduce new measures to encourage the restoration and the use of historic buildings left empty by their owners.
- Facilitate the conversion of more empty space over shops into flats by providing additional public assistance, including public equity stakes and business rate reductions.

- Harmonise VAT rates at a zero rate in respect of new building and conversions and refurbishments. If harmonisation can only be achieved at a 5% rate, then a significant part of the proceeds should be re-invested into urban regeneration.
- Establish a ten year national programme - The Renaissance Fund - to help repair our towns, whereby community groups and voluntary organisations can access the resources needed to tackle derelict buildings and other eyesores that are spoiling their neighbourhood.

## **Making the investment**

Our report highlights important areas where raising the level and targeting of public resources invested in towns and cities would yield greater dividends. It also draws attention to the part that private investment must play in an urban renaissance. The two are rarely independent of each other. One of the most efficient uses for public money in urban regeneration is to pave the way for investment of much larger sums by the private sector. Our proposals for public sector involvement in land assembly and site clearance, or for revenue expenditure on environmental management and maintenance, are examples of this 'pump-priming' potential.

## **Attracting private investment**

Our principal concern in relation to private finance is the market's failure to provide the kind of medium and long-term risk capital that complex area regeneration projects require. Government can help to attract this kind of investment by enabling funders to spread their property investment risk more effectively. New arrangements for pooling public and private money in long-term investment funds could also help to overcome a number of existing difficulties. Joint funds established to support projects within our proposed Urban Priority Areas, would be especially attractive to institutional investors.

On similar lines, we recommend that Regional Development Agencies establish Regional Investment Companies to raise funds for regeneration projects by issuing debentures in return for 'subscriptions' from institutions. We also draw attention to the potential for Public Private Partnership (PPP) and Private Finance Initiative (PFI) schemes. It should be possible to structure a private finance scheme focused on estate renewal and management, but with incentives for the provider to tackle wider neighbourhood needs.

Private rented accommodation - currently at a low ebb - is another area where institutional investment could contribute to urban revival. Housing Investment Trusts under the previous Government were an attempt to create a financial instrument whereby institutions and individuals could invest in rented accommodation by purchasing tradable shares. We urge the Government to study the American model of Real Estate Investment Trusts with a view to creating a new instrument, which we have coined a REIT-petite, combining sufficient yields for investors, reasonable fund management costs and acceptable rents for tenants. Incentives for small landlords could be created through tax concessions, including an extension of the 'rent-a-room' relief on rental income.

Other fiscal measures should focus on the proposed Urban Priority Areas. As a means of assisting developers, we recommend the removal or reduction of Stamp Duty on property acquisitions and the introduction of special capital allowances on the costs of site reclamation. To attract incoming residents and retailers, we also propose removal or reduction of Stamp Duty on residential sales, tax relief on home contents and car insurance and concessionary rates of Council Tax and Business Rates.

## **Improving public investment**

We want to ensure that public money works hard towards urban improvement. To that end, we would like to see urban renaissance objectives given explicit recognition in Government procedures for specifying, monitoring and reviewing public expenditure. In addition to changing the formula by which central government revenue grant is allocated to urban local authorities, we urge greater freedom for councils over their capital expenditure. In Urban Priority Areas, we propose that

authorities should be able to retain a proportion of the extra Council Tax and Business Rates gained through economic revival so it can be recycled into better management and maintenance.

We welcome the Government's commitment last year to increase its spend on urban regeneration in each of the next three years. The case for greater public investment to prevent continuing deterioration in the value of our urban assets is inescapable. There must not only be sufficient funding to ensure that the 60% target for development on brownfield sites is met, but also to offer well-managed, high quality urban environments.

Now that Regional Development Agencies (RDAs) have been made responsible for the main funding programmes for urban regeneration - the English Partnerships Investment Fund and the Single Regeneration Budget Challenge Fund - we recommend their speedy integration. A single 'pot' should be created providing funds for integrated physical and social regeneration initiatives. We also propose extending the precedent set by the New Deal for Communities so that funding programmes have the flexibility to run over a longer timescale of up to ten years. Funding should be tailored to the needs of the project, not the other way round.

The quality of housing and imbalances in the mix of tenures, household incomes and uses are a key factor in the decline of many neighbourhoods. We are paying a heavy price for past mistakes: oversized estates designed for only one tenure, and chronic under-investment by some owner-occupiers and landlords. Public investment in affordable 'social' housing must achieve a stronger mix of people within a neighbourhood and deliver more flexible tenures. It must also prioritise the areas where there is a proven need for more housing. This may mean diverting resources away from some areas of the North and Midlands with surplus stock.

Renewal of our worst public housing areas requires a twin-track strategy. Resources must be available for as many estates as possible to maintain their stock, while improving management, diversifying social mix and extending facilities. At the same time, we need selective re-development in areas that have become so stigmatised that people no longer wish to live in them. This may require accelerated stock transfers. The Government should consider cancelling some of authorities' historic housing debt to make transfers more attractive.

Local authorities need to support private housing renewal within their Housing Investment Programmes, especially in Urban Priority Areas. We envisage authorities obtaining a return from investment by taking equity stakes in private properties and greater use of loans as well as grants to owners and landlords.

### **Main recommendations**

- Establish national public-private investment funds that can attract an additional £1 billion in private investment for area regeneration projects over the next three years.
- Introduce a new financial instrument for attracting
- institutional investment into the residential private rented sector.
- Introduce a package of tax measures, providing incentives for developers, investors, small landlords, owner-occupiers and tenants to contribute to the regeneration of urban sites and buildings that would not otherwise be developed.
- Include the objective of an urban renaissance in the terms of reference for the 2001 Comprehensive Spending review which will determine public expenditure priorities for the following three years.

- Review the spending formula used to allocate central resources to local government so that it adequately reflects the financial needs of urban authorities in managing and maintaining their areas.
- Allow local authorities to retain a proportion of additional revenue generated from Council Tax and business rates as a result of regeneration in designated Urban Priority Areas. The retained resources should be recycled into the management and maintenance of the area.
- Introduce a package of housing regeneration measures including debt cancellation to facilitate transfers of council housing stock to dedicated management organisations, and a mix of grants, loans, equity stakes and tax relief to encourage private home improvements.

## **Sustaining the renaissance**

The Task Force's report sets out a detailed agenda for securing an urban renaissance; to use the opportunity of significant household growth over the next twenty years or so, to provide the basis for a revival in the fortunes of our towns and cities. Some changes can be made immediately. Others require a long-term commitment. We will need to measure both kinds of progress. One of our concluding proposals is that the Government should produce an annual 'State of the Towns and Cities' report, detailing progress across a range of social, economic and environmental indicators. A new Urban Policy Board should co-ordinate the implementation of urban policy at every level. Chaired by the Deputy Prime Minister and reporting directly to Cabinet, it would bring Ministers together with leaders from regional and local government to push forward the agenda for change.

The Government's forthcoming Urban White Paper offers the opportunity to make a landmark statement about the future of our towns and cities. We urge the Government to be bold in its thinking and its aims, in striving to create sustainable towns and cities. The vision that we wish to secure can be encapsulated in ten key objectives for urban policy over the period of the household projections, which are presented opposite.

There is no single quick solution for many years of disinvestment and relative urban decline. We are, nevertheless, optimistic about the prospects for change. Our recommendations, when combined with the right economic and social policies, will provide the impetus that is urgently needed. As we look ahead, and as we develop our policies and strategies, our goal should be that the main beneficiaries of an urban renaissance will be the next generation of urban inhabitants. It is that aspiration which represents the true vision of a sustainable city.

### **By the year 2021:**

- The main urban environmental indicators - air pollution, ground contamination, energy use, water recycling and waste disposal - will all show significant improvement.
- A balanced national economy will allow for a more even distribution of economic opportunity and income within cities, between cities and between regions. Key social indicators, such as educational achievement, health, crime and poverty, will have improved.
- Recycling of previously-developed 'brownfield' land will have increased substantially in line with local needs and projected demand for housing. A parallel decrease in demand for greenfield sites will have taken place.
- Urban depopulation will have given way to year on year growth in the number of people living in towns and cities. Movement will have taken place from the outskirts to inner areas and distinctions between market and social housing will have become blurred.
- At least five major English cities will be in the European 'top 50' on any reasonable set of measures of quality of life. None will be in the bottom third.
- Attitude surveys will show that people and investors take a positive view of urban areas; they enjoy living
- in towns and cities and regard them as safe and attractive places.
- England will enjoy a world-wide reputation for innovation in sustainable and high quality urban design.

- Public services such as health, education and social services will include a clear urban dimension that specifically addresses the needs and aspirations of urban communities.
- All urban areas will be well-maintained and managed according to standards agreed by the local community.
- England will have become the leading international location to acquire urban development skills.

**Towards an Urban Renaissance**, the Final Report of the Urban Task Force, is available from all good bookshops or can be ordered direct by telephone on +44 (0) 8700 768853 or by fax on +44 (0) 1264 343005, or you can order through the Internet at: [orders@routledge.co.uk](mailto:orders@routledge.co.uk)

Further copies of the Executive Summary are available from the following address :

Department of the Environment, Transport and the Regions  
DETR Free Literature  
PO Box No. 236  
Wetherby LS23 7NB  
Tel : 0870 1226 236 Fax : 0870 1226 237

The document is also available on the DETR web-site

The following supplementary reports are also available from the DETR Free Literature service:

'But would you Live There? Shaping Attitudes to Urban Living'

'Planning Obligations and the Urban Process'

'Fiscal Incentives and Urban Housing'

'Regional Centres for Urban Development'

'Mock Policy Planning Guidance for Urban Development'

## **Supporting Reports**

### **Fiscal Incentives for Urban Housing Produced for the Urban Task Force by KPMG**

This report, commissioned as part of the Urban Task Force's research programme looks at the range of possible fiscal options which could be considered in promoting urban housing both now and in the future. Taking a 20 - 30 year time horizon, the report looks at a number of different fiscal incentives in terms of their likely effectiveness, practicality and acceptability.

### **The Future Role of Planning Agreements in Facilitating Urban Regeneration Produced for the Urban Task Force by Lesley B. Punter, Head of Planning and Transport, Reading Borough Council**

This report, commissioned by the Urban Task Force focuses on the role of planning gain as a key mechanism in facilitating urban renewal.

### **Regional Centres for Urban Development : A Feasibility Study Produced for the Urban Task Force by PricewaterhouseCoopers**

This report, commissioned as part of the Urban Task Force's research programme reviews the concept of Regional Centres for Urban Development put forward by the Task Force as a potential response to the need to focus professional attention on the changing issues in urban development. In particular it analyses skills gaps in urban development, looks at the development of a multi-disciplinary profession and reviews the potential requirements of professionals and practitioners from a Regional Centre.

### **Mock Planning Policy Guidance Note on Urban Development Produced for the Urban Task Force by Tony Burton, Director (Policy) CPRE**

This mock PPG provides guidance on the role of planning in making better use of land and buildings in all urban areas. It establishes a central role for the planning system in delivering an urban renaissance and sets the objectives for urban renewal as well as providing guidance on the targets which could be included in Regional Planning Guidance and development plans.

Information on how and where you can obtain these reports (free of charge) and other publications produced by the Office of the Deputy Prime Minister is available from the ODPM publications home page.