

# HANDBOOK

## OF EFFECTIVE POLICY DELIVERY IN CONTRACTUAL URBAN REGENERATION



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# Handbook of Effective Policy Delivery in Contractual Urban Regeneration

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# Executive Summary

Contracts, deeds, by-laws and other regulatory instruments are used as planning tools to regulate actors (from the public, private and civil sectors) involved in the regeneration of previously developed land. The PARCOUR project argues that these contractual relationships run the risk of creating specific forms of governance that have important implications for the democratic legitimacy of projects carried out by public and private sector stakeholders. More specifically by studying diverse planning tools in Brazil, the UK and the Netherlands, PARCOUR engaged in the comparative evaluation of public accountability, which is on the one hand becoming more complex and difficult to understand due to private sector

involvement, and more focused and operational on the other. By specifically concentrating on selected case studies of urban regeneration projects of previously developed land in the three countries, the project went into the details of legal documents that structured the involvement of the private sector in urban regeneration, investigated the impacts of new meanings, forms and control instruments related to public accountability in recent years with reference to the learning processes of the public sector. This handbook aims to share our main findings and policy recommendations especially with those who are engaged in urban regeneration that includes private sector involvement.

# 1. Private Sector Involvement in Urban Development Partnerships and Contracts

This handbook is based on the research project Public Accountability to Residents in Contractual Urban Redevelopment (PARCOUR). The PARCOUR project set out to investigate how contracts, deeds, by-laws and other regulatory instruments were used as planning tools to regulate actors (from the public, private and civil sectors) involved in the regeneration of previously developed land (PDL) involving the private sector in regeneration partnerships. Unlike many previous pieces of research our project aimed to understand the extent to which contractual relationships created a specific form of governance with important implications for the democratic legitimacy of projects for Sustainable Urban Development (SUD) understood in its environmental, social and economic dimensions. We approach sustainability from the governance perspective, which requires coordination and integration of actions at different levels of policy making to achieve comprehensive policies. Planning tools (contracts, deeds, by-laws and other regulatory instruments) may influence SUD since they have an important structuring effect on the specific form of governance. By studying diverse planning tools in Brazil, the UK and the Netherlands, we focussed on the comparative evaluation of public accountability in relation to residents and whether or not new planning tools

were created to accommodate new contractual relations required by the increasing involvement of the private sector in urban development. It is also important to acknowledge that both the realisation of the public interest through the use of these planning tools and the accountability of the public sector in contractual processes are under researched.

In terms of the wider context in which our project is situated it is important to recognise that globally since the late 1980s/early 1990s there has been an increasing emphasis on the involvement of the private sector in urban regeneration partnerships and over the last 20 years a range of local interests (stakeholders, citizens, etc.) as part of the process to enhance both urban competitiveness and cohesion. This has led to a focus on 'urban governance' and the various forms it can take – growth coalitions, urban growth regimes and multi-sectoral partnerships to name but a few of the approaches identified. Given this the main focus of our research was on the extent to which, and how, governance forms, associated with the use of contractual approaches in regeneration projects dealing with PDL, impacted on inequalities and the implications for SUD.

We were concerned to study whether or not public accountability declined where regulatory arrangements involved the private sector as a central facilitator of the regeneration of PDL, if this undermined the authority of public agencies and the interests of residents and thus affected SUD negatively.

More specifically we wished to consider if regeneration processes that involved complex legal contracts and associated regulatory activities risked undermining SUD through the marginalisation of issues related to the public interest and the extent to which residents were able to influence the contractual/regulatory instruments governing the regeneration process. In addition we were concerned to examine whether or not contractual arrangements resulted in limits being placed on decision making by public authorities, worsening financial results, and undermining the accountability of public authorities. Furthermore, we were also concerned to study the impacts of new meanings, forms and control instruments related to public accountability in recent years with reference to the learning processes of the public sector.

## 2. Forms of Governance and Accountability

Governance is a term that has become central to the discussions of almost all policy communities and has entered everyday language. In general it refers to the changes in the institutional arrangements that have developed to coordinate the activities of a range of organisations/actors involved in governing a society. However, it should not be defined only by the continuous exchange between public and private actors as much of policy will take its final shape in the implementation process. In terms of our research urban governance was viewed as a process of coordinating political decision making, especially through public planning mechanisms, as well as the actors, social groups and institutions in a particular context to achieve certain goals that have been discussed and defined in fragmented, uncertain (urban) environments. In these terms a governance system works well when various actors demonstrate a capacity to create new ways of working together in terms of interaction particularly in the event of failure, problems, or unexpected developments, all of which usually arise during the process of planning and implementing large-scale projects. Successful governance thus requires the existence of a substantial degree of common understanding of the problems, what is to be done and how and the 'capacity to act' (i.e. get things done in an effective

and efficient manner) during the planning and project implementation process. Essentially this means what in English is referred to as joined-up thinking, policy and action, although it may be argued that this works best in societies where there is a substantial level of agreement between the different sectors (public, private and civil) over what needs to be done and how. Furthermore integration is thus a multi-level and multi-dimensional notion – including vertical, horizontal and territorial dimensions as well as inter- and intra- organisational aspects. Thus there is an important multi-level dimension to this approach, which involves the integration and articulation of various levels of governance (or multi-level governance) and urban planning.

In our research we focussed on a particular type of governance – that which was organised around private sector involvement in urban development. In contemporary urban development there is considerable interdependence between public authorities providing roads and other public spaces and the private sector developing private property in these areas. This means that there is a tradition of constructing such arrangements between public and private actors, although it may be institutionalised through different forms of formal or informal regulation in each country.



An additional element in public-private partnerships on PDL is that there are often current users, including residents, in the area.

Private sector involvement can take different forms. Usually it is about contractual relationships, but it may also involve the development of public-private bodies as joint-ventures. Public-private partnerships of different types have taken on an increasing role at the local level. In relation to urban development and regeneration projects since the early 1980s such partnerships have become commonplace. However, this form of partnership was widely perceived as being both undemocratic and failing to benefit disadvantaged groups and individuals living within or adjacent to regeneration areas.

As a result multi-sectoral partnerships involving the public, private, voluntary and community sectors, as well as a range of other 'stakeholders', have become the conventional wisdom for urban development and regeneration. Although in some cases this may be largely formal in order to legitimise the proposed development.

The public interest and accountability are central to our work and we have attempted to engage in the comparative evaluation of public accountability in the projects we studied in relation to residents and the extent to which it was possible to operationalise

the public interest through the use of relevant planning tools while holding the public and private sectors accountable in contractual processes. Public accountability operates as part of a system of 'checks and balances'. Furthermore, it has become associated with notions of fairness and equity and of (elected) governments, politicians and public officials being 'held to account' in terms of explaining and justifying their actions and decisions to a wider public through specific formal institutional mechanisms (e.g. parliament, committees of scrutiny). This also involves more 'informal methods' through the media and more recently to specific 'publics' (e.g. local councillors through neighbourhood fora). Private sector involvement is likely to create a combination of different forms of accountability such as political, bureaucratic, legal, professional and performance and quite possibly corporate. The balance between these forms of accountability cannot be determined in advance and may change over time as well as becoming more complex and potentially more obscure and difficult to understand.

We also took into account that there is not a single undifferentiated 'public' out there with a set of coherent easily identifiable interests. In relation to the public interest this was defined and utilised on a case-by-case basis to ensure that questions such as 'whose public interest?' were addressed. Also we did not wish to limit our consideration of the public interest

and accountability to the traditional understanding whereby governments are held to account through elections. This also reflects the fact that it is important to consider the 'rights and needs of the urban residents' and how the contractual relations in the governance of urban development projects impacted on those rights and needs (in both a positive and negative sense). This required us to consider impacts and the extent to which those impacts were in accord with the public interest and were 'fair and equitable'. In this sense we also sought to analyse the construction of the legitimising discourses. In this context there was a twofold concern:

- 1) To what extent were key decisions taken by a small (informal) inner group of public officials and developers who were the only ones aware of the details of contracts?; and
- 2) To what extent did these contractual agreements structure the nature of developments in such a manner as to 'dictate' certain courses of action that could not be questioned or scrutinised by other partners?

Through such a focus we hoped to be able to assess the extent to which the 'public interest' was realised in relation to particular developments and those involved were held to account for the decisions they took.



### 3. Challenges facing Urban Development in complex contexts

In each of our three countries (Brazil, the Netherlands and the UK) urban development faces somewhat different challenges, in part determined by their recent history or context- or path-dependent governance dynamics, but also by the nature of the cities in which our case studies were located. However, most of the case studies were located in areas that can be described as 'run down' and/or as 'redundant spaces'. In each case the industries previously based there had closed, the land was often heavily contaminated by these activities and in need of expensive decontamination or the residences of those living there were substandard, lacked adequate infrastructure and were in need of urgent upgrading. However, all of the sites, for various reasons, were also considered by the relevant municipalities to offer significant development opportunities in terms of the development of the wider area and the city as a whole. The primary problem facing each municipality was that they lacked the necessary resources to regenerate the areas. Thus in the absence of sufficient resources of their own they opted to persuade the private sector that there were profitable investment opportunities available to them.

In all three countries, while the regeneration projects studied were concerned to work within the

development context and opportunities outlined in the previous paragraph, they had their own 'contextual logic' created by the prevailing political culture and traditions of urban regeneration. Thus it is important to outline this in terms of the challenges urban regeneration faced in each situation.

In Brazil the types of 'contractual regeneration' projects we studied are a relatively recent development and limited to a few big cities and also limited to a small number of projects within these cities. In the Netherlands there has always been – and probably always will be – a dialogue between public and private sector actors, urban planning has long been based on a regulated consensus-based model of planning. What has changed is the nature of these partnerships with increased market dependency and private sector involvement. While in the UK the partnership approach (involving public, private and community sectors) has been firmly established since the early 1990s, indeed one might say this approach has become the standard *modus operandi*, of urban regeneration.

Case study areas were selected from cities of a diverse size including relatively large cities such as São Paulo, Rio de Janeiro, and Amsterdam; mid-size cities like

Maastricht, Amersfoort, and Bristol; and the relatively smaller cities of Gloucester and Taunton in order to give a more realistic picture of the diverse forms governance. With reference to the actual case studies in the case of Brazil two were in São Paulo and one in Rio de Janeiro. In São Paulo the rapid urban growth of recent decades has produced a huge demand for public services, and this demand has not been met.

Despite significant levels of economic growth the distribution of wealth and opportunities has not occurred in an equitable way, leaving a large part of the population without access to an urban life of adequate quality. The cases studied reflected this more general situation. In Rio de Janeiro the metropolitan region's industrial development has been more limited than that of São Paulo. The city experienced economic decline of both the city and the metropolitan region in the late 20th century, then a relative economic recovery in the 2000s. This recent economic boom created particularly favourable conditions for large-scale urban projects and real estate development activities. The selection of Brazil and Rio de Janeiro to host the World Cup of 2014 and the Olympic Games of 2016 also reinforced the opportunities for urban development projects to be launched. In each of the cases there were potentially significant opportunities to improve infrastructure and encourage various forms of economic development in both cities. They all proposed to

promote social housing in the area. However, in terms of the overall projects the latter was marginal in terms of the project as a whole. Only in one of the cases was there an attempt to develop social housing in a central area, but currently this is under development and the units have not yet been completed and allocated.

In the Netherlands the three projects were in Amersfoort, Maastricht and Amsterdam. In Amersfoort the area was a former industrial estate and railyard. The aim was to redevelop this derelict area adjacent to the historical city centre into a vibrant urban district where people could live, work, and entertain. In the Maastricht case the area was a former brickworks close to the city centre. It was intended to be mixed-use including housing, office space and retail space. In addition it was intended to provide cultural, leisure, and hospitality services and general social facilities. The project in Amsterdam differs somewhat in that it is located in a former industrial area connected to shipping in the north of the city and, by Dutch standards, is considered relatively marginal and poorly connected to the rest of the city. Here the intention is to provide housing, and to encourage the development of new enterprises in the creative, nautical, and media industries. The overarching objective is to create a sustainable mixed-use urban area. Compared to the cases in Brazil the sites were 'tiny' and were more concerned with

addressing issues related to new ways of living and working in the 21st century city. In the UK the cases were located in Bristol, Gloucester and Taunton. All three sites were close to the central city and in the Bristol and Gloucester cases involved significant waterfront developments. All three had been essentially 'abandoned' for a number of years and had few, if any residents, living there or adjacent to them. The Bristol Harbourside development is on a site previously used for port related activities in central Bristol, to the west of the city centre. The development is for mixed use – housing, leisure/recreational and cultural facilities. The Gloucester site is located in part of the former docks and development focussed on the provision of retail and accommodation and was seen as part of the city's wider development. The Taunton site is viewed as a strategic employment site; the development has a 'business focus' including creative knowledge based industries as well as incorporating retail, leisure and housing. In addition the creation of a high-quality public realm is aimed for. As in the Netherlands all three sites are significantly smaller than those in Brazil and are part of an attempt to create new economic opportunities and a vibrant urban area.

What is clear from the brief outlines given above is that the developments in the Netherlands and the UK were much smaller than in Brazil, but were also about encouraging the development of new economic opportunities, often through

the involvement of 'third sector' bodies (e.g. in terms of on-site training to assist local people to gain employment and the provision of places for small businesses to locate in the areas) and 'urban forms' deemed appropriate for the 21st century rather than addressing basic societal inequalities related to housing and infrastructure. In this sense the challenges they faced were rather different both in terms of scale and depth. The Dutch and UK sites all had in common the aim to support the wider economic development of the city and create new opportunities for the provision of some mix of business, housing, retail and leisure facilities. While the Brazilian sites were seen as a mix of 'residential' and 'non-residential', the precise mix being determined by the developer. Finally the cases studies illustrated the different capacities of the public authorities to exercise control over/ to influence the planned developments.

## 4. Effective Policy Delivery

The nine case studies analysed in the PARCOUR project offer a range of situations in which to consider effective policy delivery. On the basis of our analysis, which provide a wide range of learning experiences, we can define certain conditions for successful policy implementation under the contractual conditions that bind public and private sector stakeholders together. The following section provides brief summaries of examples where, to a greater or lesser degree, it was determined that the public good was incorporated and delivered through the regeneration of previously developed land.

The sub-sections include:

- The role of different levels of government (4.1);
- Effective governance structures (4.2);
- Collaborative structures for implementation (4.3);
- Strategic vision (4.4);
- Creating sustainable, inclusive, vibrant and viable developments (4.5).

Sections 4.1, 4.2, and 4.3 provide cases that deal with the role of different levels of government; effective governance structures and collaborative structures for implementation; section 4.4 contains examples of the conditions where strategic vision works or not; and section 4.5 illustrates conditions for creating sustainable, inclusive, vibrant and viable developments.

More detail on these case studies and other areas of research are available via the project's website: <http://www.parcourresearch.com>.

## 4.1 The role of different levels of government

### **Cooperation between different governmental levels: Porto Maravilha, Rio de Janeiro, Brazil**

The Porto Maravilha project (Rio de Janeiro, Brazil) provides a good example of how different levels of government can work together in order to set in motion a large-scale and challenging urban regeneration process. The national, state and municipal governments collaborated with one another and assumed different roles in the governance scheme of this project. The municipality played a central role in its formulation and implementation. The tasks carried out at this governmental level were: the formulation of the whole redevelopment plan, the creation of a public company allocated the task of coordinating its implementation, the passage of specific legislation, conducting bids and controlling building permits. The federal government also played a major role in this process. First, it guaranteed funds to pay for the public works through the creation of a real estate investment fund. Second, it provided land for new developments since it owned most of the developable land in the area. The state government also collaborated with the project by helping to release land for development. Even though the regeneration scheme created by this

project faces a number of problems, cooperation between different governmental levels was an effective aspect of the project.





Image 1: *Former dock area refurbished. Federal government owned most of the developable land in the area.*

Image 2: *Public areas close to the docks*



## ***Supra-local support: Belvédère, Maastricht, The Netherlands***

The Belvédère project began as a local government initiative where the municipality established a joint venture with two major private sector players. However, it appeared that various sections in the area were difficult to renovate with the resources provided through the joint venture, particularly with the difficulties that were caused by the 2008 global financial crisis and its aftermath. As a result the private partners decided to withdraw, leaving the municipality as the only shareholder of the project development company.

Against this backdrop, the Dutch national government and the government of the province of Limburg stepped in to play key roles in the project. With their financial support, primarily subsidies, it became possible to set up public works linked to specific policy objectives: soil remediation, the preservation of cultural heritage and a significant upgrade of the area's accessibility through the construction of a new bridge. These works have been important as contributors to redefining Belvédère's identity and popularity.





*Image 1: Arts, culture, and restaurants are based in renovated buildings in The Basin area ('Het Bassin').*

*Image 2: The Eiffel Building, which used to be the home of a sanitaryware factory, will soon serve as a hotel and apartment building.*

*Image 3 Southward view of the Belvédère project area, with the new bridge which runs from west to east. We would like to thank Wijkontwikkelingsmaatschappij Belvédère B.V. for providing this image.  
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## 4.2 Effective governance structures

### *Fragmentation and limited control: Operação Urbana Consorciada Água Espraiada, São Paulo, Brazil*

The instrument 'Consorted Urban Operation' was established by the Statute of the City, a National Law, of 2001. Its implementation takes place through a municipal law that includes a financing project, a plan of works and some rules for the construction of new buildings on previously developed land with infrastructure deficits. It is financed through the sale of building rights in the form of a security traded on the stock exchange and controlled by the Securities Commission and the Federal Savings Bank. These building rights are known as CEPACs (Certificate of Additional Construction Potential).

The management of funds and promotion of works were carried out by two municipal public companies: São Paulo Urbanismo (proposers and general management) and São Paulo Obras, which contracts and manages the works. These resources are outside of the municipal budget and accounting procedures, while all the buildings must have their design approved by the public department that delivers permits.

The Consorted Urban Operation thus involves a series of relationships and contracts of a diverse nature: the CEPACs purchase agreement (between the municipality and the investors); the contract between the municipality and public works contractors (for the construction of infrastructure and roads); between the municipality and the builders (permits); between land owners and builders; and between public companies and the municipality and public companies themselves (e.g. companies such as Metro, CDHU, Sabesp).

This format resulted in a multitude of individual decisions and reduced control of the results, the costs, and the completion schedule, and illustrates an ineffective governance structure with very little opportunity for citizen participation.





Image 1: *New commercial buildings that adquired CEPACs*

Image 2: *New residential buildings and metro under construction*

## ***A new start under uncertain market conditions: Belvédère, Maastricht, The Netherlands***

As economic conditions deteriorated soon after the partnership agreements for the Belvédère project were signed, the actual construction of the ambitious plans were faced with delays. In fact, as the years passed the close involvement of private sector actors became something of a burden for the municipality of Maastricht; while the former struggled to formulate financially viable plans for housing and other developments under increasingly uncertain market conditions—and were therefore reluctant to proceed—the latter had only limited influence in a governance structure in which it was dependent on the developers.

By 2011 the two private sector partners had quit Belvédère, leaving the local government as the only shareholder of the project development company. This new governance setting presented the municipality with new opportunities that could be explored without having to deliberate with for-profit actors. This new setting proved to be effective in the sense that a revised regeneration strategy could be established. The revised approach to Belvédère plan included a strategy of tackling the area's redevelopment on a step-by-step basis, acknowledging market uncertainty and allowing for flexible planning and temporary land use. This example illustrates how the involvement of the private sector in uncertain market conditions can act as an obstacle to development.



## ***The importance of intermediary organisations between the public and private sectors: Gloucester Heritage Urban Regeneration Company (GHURC), UK***

The GHURC was the delivery vehicle for urban regeneration in the city of Gloucester between 2004 and 2013. Led by its Chief Executive who had previously been responsible for delivering the regeneration of the 200-year-old Georgian buildings of Granger Town in Newcastle, the GHURC worked to promote and deliver seven schemes designed to regenerate the city. These schemes had the nickname 'The Magnificent Seven'. The GHURC board included representatives from the local community and provided a holistic approach to regeneration:

*"The URC had the role of managing it all, of not just focusing on the physical regeneration, but also tying that in to the wider purposes of social regeneration, community engagement, the historical perspectives of Gloucester."*

The GHURC acted as a 'buffer' between the private sector developers and local municipality planning officers and as such was able to help secure over £100m of public sector investment and almost £600m of private sector investment into the city.



*Image 1: Walkway between City Centre and Gloucester Docks.*



*Image 2: Entrance to Gloucester Quays.*



*Image 3: Gloucester College (Opposite Gloucester Quays).*

## ***Partnership Working: Environment Agency, Taunton, UK***

To deliver their Vision for Taunton the local authorities, Taunton Deane Borough Council and Somerset County Council, with the help of the South West Regional Development Agency, set up an arms-length organisation called Project Taunton. The regeneration sites in Taunton, like much of the town sit in the flood plain of the River Tone, so Project Taunton enlisted the help of the Environment Agency (EA) to plan the flood defences.

This was a step change for the EA, who had previously been “immune to external development pressure” when delivering flood defence schemes.

Project Taunton, worked with the EA to develop a £1m flood alleviation scheme called Long Run Meadow. In normal circumstances the 65 acre site is used for recreation and received international praise, with people from the Netherlands visiting the site to see how it functioned. Since Project Taunton closed in 2012 the EA have continued to work in partnership with the local authorities, providing £6.5m grant aid for future flood mitigation schemes. The partnership model developed in Taunton is now used by the EA nationwide.



*Image 1: Long Run Meadow flooded.*



*Image 2: Long Run Meadow in the summer.*

### 4.3 Collaborative structures for implementation

#### *Design-build-finance-operate model: PPP Casa Paulista, São Paulo, Brazil*

This public-private partnership (PPP) housing project provides a good example of how the government worked together with the private sector during the formulation of a housing project. Traditionally, social housing projects in Brazil have contracts signed with separate entities (public or private) for the design, construction and maintenance (design-bid-build – DBB). The new format proposed in the PPP project called for the private sector to design, construct, finance and operate (design-build-finance-operate – DBFO). In the São Paulo case, the process is divided into two contracts: one for the design and another for their construction, finance and operation. The first stage (design) was carried out in cooperation with the private sector. The public sector provided general guidelines and the private sector delivered the first version of the auction notice that could be amended by the government according to what it considered to be in the public interest. As a result of outsourcing the design stage to the private sector, public infrastructure projects will be designed according to the market logic of achieving the highest rate of return for the developer and not necessarily a superior service standard. In this case there is a potential danger that the public interest could be subordinated to a market-based system.





- Image 1: *First units ready - April 2018*  
 Image 2: *Buildings ready to be occupied - April*  
 Image 3: *2018 View from unit, April 2018.*

## ***The Flexibility to change contractual conditions: Eemkwartier, Amersfoort, The Netherlands – Learning about risk.***

As one of the first Dutch PPPs in urban regeneration, the Eemkwartier project led to lots of lessons being learned in the field of partnering and creating contracts. A particularly interesting example relates to contract design as an aspect of the structure that is used for project implementation. Soon after the signing of the first contract for this project in the mid-1980s, it appeared that the risk allocation as agreed upon by the municipality of Amersfoort on the one hand, and several private sector actors on the other, was out of balance in the sense that the local government was bearing an inappropriate amount of risk relative to the selling of land for development.

The project partners resolved the risk allocation issue in the 1990s by amending the initial agreement and incorporating new contractual clauses. In hindsight, both the public and private actors involved in the project criticised the early agreement for being too 'light' and 'messy' to allow for the development of a solid structure for collaboration based on equal sharing of risks. Additionally, over the past two decades the municipality of Amersfoort has made attempts to improve its communication toward citizens, as well as citizen involvement.







*Image 1: View of the cultural facility Eem House ('Eemhuis'), located on the Eem Square ('Eemplein').*

*Image 2: The Eem Square toward the east.*

*Image 3: Housing district in the Eemkwartier.*



## ***Creating employment opportunities through urban regeneration projects: On Site – Bristol, UK***

On Site was set up by Bristol City Council in 1996 to help local people gain employment within the construction industry. On Site was used in the regeneration of Bristol Harbourside, although its use was initially met with reluctance by the delivery board:

*“The idea of targeting it at specific people or trying to get the benefit to stay in Bristol was all pretty much new to them... It had to be taken to the board three times before they agreed it and they were very, very against it in the first place... By the end of it when it was all a great success, of course it was all their idea!”*

On site had an office at the Harbourside site throughout the regeneration period and the scheme was seen to be so beneficial that the developers of other sites within the city also used the service to construct the Children’s Hospital and the new office and shopping centres in the city centre.



## 4.4 Strategic vision

### ***Consequences of limited strategic action: Operação Urbana Consorciada Água Espraiada, São Paulo, Brazil***

This Consorted Urban Operation was created by a Municipal Law that defines its boundaries, objectives and a general plan of works. It is financed through a 'financial counterpart' required from real estate entrepreneurs regarding the use of additional building rights above the basic level allowed city-wide. This 'counterpart' is achieved by the acquisition of CEPACs (Certificates of Additional Construction Potential) which are securities traded on the stock exchange, corresponding to an amount of square meters to be used as an increase of "building potential" on a certain plot or to change the relevant parameters and use (enabling the transformation from residential use to non-residential). The use of CEPACs, in what quantity and according to which schedule, depends on the real estate entrepreneur who owns them.

There is a general plan for public works (drainage, road system, parks) but no prioritisation and no schedule of timelines. For private buildings the total floor ratio area is up to four times the size of the plot. The number of floors depends on the size of the building given there is no height restriction. This establishes a maximum construction density but its form and the timescale over which it is actually done are outside public control because they depend on the decisions of the owners of the lots and of real estate developers. From the amount collected, only ten percent is earmarked for the provision of affordable housing for families living in slums that have been removed due to the works. As a result the strategic action on the site is quite limited in terms of its form and design, its uses, the quantity of affordable housing provided and when it is actually built.



Image 1: *Low income existent housing*

Image 2: *New residential buildings that acquired CEPACs*

## ***Letting things happen: Buiksloterham, Amsterdam, The Netherlands***

Dutch strategies for urban regeneration projects have long been presented in the form of master plans that extensively described the background and philosophy tied to a future project, as well as the building program and urban design features. Buiksloterham abandoned that tradition right from the outset. Ironically, it can be argued that by having no such master plan, the strategy for this area is 'ever more clear', which is to say: there is no overarching philosophy here, except for the motto 'let things happen' while retaining the physical character of the area, which is characterised by a scattered pattern of land ownership. A variety of developments are taking place on different lots, without there being a shared connection or theme. For instance, several sites offer space for self-build housing, other pieces of land are owned by private developers who seek to realise medium to large-scale plans, while other sites are still owned by the municipality.

Buiksloterham is an example of a 'living lab': through a bottom-up form of development, the opportunities in this area are being explored. There is hardly any plan making on the part of local government, except for a limited number of so-called 'rules of the game' relative to issues such as building heights and the mixing of functions. The 'strategic focus' on small-scale, gradual (some would say 'organic') development has resulted in a variety of projects, including self-build housing, sustainable buildings and live/work spaces providing those involved with considerable freedom to develop their particular plots.







*Image 1: View of self-build homes that are under construction.*

*Image 2: Aerial view of the Buiksloterham industrial district, with various vacant lots scattered across the site. Source: Stadsarchief Amsterdam.*

*Image 3: Self-building collectives constructed this row of buildings that serve both as residences and workplaces.*



## ***Joint working approach: Protecting Historic Buildings, Gloucester, UK***

The City of Gloucester has a large number of historic buildings including remnants of the Roman settlement, medieval structures and the historic dockyard. Protecting this heritage was at the forefront of the Gloucester Heritage Urban Regeneration Company's (GHURC) agenda when redeveloping the city. The GHURC provided funding to ensure the city's heritage was protected.

*"The GHURC commissioned the London Museum of Archaeological service to carry out desk studies of all the archaeological remains within the seven flagship projects. These were made...available to all the developers to help to reduce the risks as they had a reasonable*

*understanding of what was likely to be below ground. It was all about trying to make it easier for the private sector to develop."*

The findings of these and other community-led archaeological digs had a direct influence on the design and construction of new developments.

*"We found out some crucial information about exactly where the cloisters were and some plans were amended."*

This joint working approach between the local authority, the local community and developers has ensured that the city's heritage is protected now and for future generations.



*Image 1: View of self-build homes that are under construction.*

## ***Long-term investment in the City: Peel Holdings in Gloucester, UK***

Urban regeneration is a long-term and costly investment for any organisation and developers take different approaches to how to fund and manage this investment and development. Since 2007 Peel Holdings has invested £400m into the development of Gloucester Quays in the historic docks in Gloucester. Peel Holdings funded this regeneration from their existing cash reserves and are the primary land owner on this site. This self-funding, rather than debt funding approach to development, means that they do not get their funding from pension funds and investment banks.

This means they do not have to make a return on their investment by a set date. This has been particularly important in Gloucester, where the Gloucester Quays shopping centre opened in 2009, at a time of economic downturn in the UK. Whilst certain elements of the development have not proceeded as quickly as Peel and the City Council had hoped, Peel's long-term vision for the site means they are prepared to wait a little longer than other developers can afford to, to see a return on their investment.



*Image: Modern usage of historic buildings at Gloucester Quays. Peel have planned for long-term investment in the city.*

## **4.5 Creating sustainable, inclusive, vibrant and viable developments**

### ***Intense area development: Porto Maravilha, Rio de Janeiro, Brazil***

The Porto Maravilha regeneration project has been relatively successful in promoting a comprehensive transformation of the urban environment in this very central part of the city, helping to make it more vibrant and also contributing to the promotion of a more sustainable pattern of urban development. Once an important industrial and port district, the area has experienced economic decay over recent decades. This regeneration policy has been effective in that it incentivises the more intense occupation of an area that has good quality infrastructure and a supply of jobs, which is helpful in terms of achieving a more compact and sustainable developmental model. The interventions carried out in the area included the provision of new cultural attractions, the renovation of public spaces and the renovation of historical heritage, which together helped to turn it into a more vibrant urban environment. The most questionable aspect of this project was its failure to promote inclusiveness. Challenges such as the provision of social and affordable housing and the prevention of gentrification were not effectively addressed, which means that this policy may have exclusionary effects.





Image 1: *Waterfront Square and Museum of Tomorrow (Santiago Calatrava)*

Image 2: *Slum reflected in a modern building.*

## ***Introducing multiple functions into a mono-functional area: Buiksloterham, Amsterdam, The Netherlands***

By establishing a new land-use plan for Buiksloterham in 2010, the municipality of Amsterdam created an opportunity for the area to become more than 'just' an industrial district, which it had been for more than a century. The new land-use plan allowed for housing to be included in the 'mix', which is rather unusual in an area where (light) industry activities are still taking place. It is intended that Buiksloterham will become a livelier neighbourhood by transforming it from a mono-functional area, brownfield in some sections, to a dynamic new district of the city of Amsterdam. It is up to a variety of self-building individuals and collectives, as well as developers, corporations, and other city builders, to go beyond traditional boundaries such as those between living and working in a unique setting—particularly in the context of Amsterdam.

The redevelopment of Buiksloterham is largely guided by the principle of sustainability. The local government has various instruments at its disposal to help or steer actors in the direction of building sustainable buildings and communities. These instruments include sustainability as a selection requirement for public tenders and a sustainability fund. Furthermore, in 2015 well over 20 organisations involved in the Buiksloterham redevelopment signed a manifesto in which they indicated their ambitions to turn the district into a highly sustainable neighbourhood. Finally, the self-build housing developments in Buiksloterham are also part of a sustainability agenda: they provide for a new form of housing supply and are often led by principles of sustainable design.



## ***Introducing vibrant functions to increase liveability: Wapping Wharf, Bristol, UK***

The regeneration of Wapping Wharf, Bristol was designed to provide both housing, food and drink and a shopping area on the city's historic waterfront. The development of Gaol Ferry Steps provides a route through the development between Southville and the city centre and is lined with shops and restaurants. In addition, Wapping Wharf is the location of CARGO, a retail yard made of shipping

containers. CARGO provides small retail and office space to allow start-up businesses to develop, grow and prosper. The site was developed by Umberslade and has won the Insider Property Award (South West) in 2016, a Bristol Life Award in 2017, and a Michelmores Property Award in 2017, for the regeneration and vibrancy created by this development.





*Image 1: Gaol Ferry Steps and CARGO site for start-up businesses.*

*Image 2: Gaol Ferry Steps facing down towards Bristol Harbourside.*

*Image 3: The development has won several awards, including the Bristol Civic Society Design Award, 2017.*

## ***Providing social value to the community: Great Western Hotel, Taunton, UK***

The Great Western Hotel at Taunton Station was owned by Network Rail and has been derelict for a number of years. Network Rail decided to sell the site in 2017:

*"Network Rail put the scheme out to open market, so anybody could have come along with a proposal to buy it and do it up, but they've chosen a scheme that has got quite a lot of social value."*

The site was sold to the YMCA Somerset Coast, who are planning to turn the building into a hotel and training centre:

*"The working assumption [is] that there will be [a] replication*

*of the Beach Hotel in Minehead which is a training centre for vulnerable individuals, helping to get them into work. So, it is a working hotel,... training school and onsite sheltered accommodation. So, in effect it is a combination of residential and employment plus training and benefits.*

Network Rail placed the social value to the community higher in the decision-making process than the level of profit they would receive, thereby providing a significant benefit to the local community and instituting a new form of action on their part.







*Image 1: Artist's impression of the Great Western Hotel, Taunton. ©LHC 2018*

*Image 2: Image of Great Western Hotel in 2017. ©LHC 2018*

*Image 3: Artist's impression of the site once developed. ©LHC 2018*



## 5. Key Policy Recommendations – lessons from our case studies

In light of the three conditions that increase policy effectiveness: governance structures that create links between different levels and stakeholders; presence of a strategic vision; and clearly defined targets for the project, we can identify a number of lessons that can be learned based on our research:

1. *Governance structures that create solid working relationships between different levels (from national to federal, regional or city) and stakeholders (public, private or semi-public), provide better opportunities for collaboration and facilitate effective implementation processes:*
  - The vignettes presented from our case studies illustrate the need for the establishment of clear and coherent arrangements for the articulation of different levels of government in regeneration projects. This includes the clear demarcation of roles (in terms of who will do what, provide what resources and when), mechanisms for holding those responsible to account for carrying out particular tasks and providing resources in a timely manner and the ability to adapt to changing circumstances. The lack of such a common understanding can lead to confusion and disagreements among partners and stakeholders which will delay the implementation of a project. The Porto Maravilha project clearly illustrates this, although it also shows that this does not guarantee a 'problem-free' project.
  - The case of the GHURC provides an interesting example of how having a single dedicated organisation can operate as a central coordinating body to bring together and focus the actions of a diverse range of partners and stakeholders to regenerate an area of PDL. In a rather similar manner in the Taunton Project Taunton Council's collaboration with the Environment Agency, to develop a £1m flood alleviation scheme, demonstrates how developing effective governance structures can facilitate the realisation of a project by providing the conditions for it to proceed. Whereas the Operação Urbana Consorciada Água Espaiada demonstrates the opposite due to the presence of irreconcilable interests which led to a failure to bring together and coordinate the actions of a diverse range of actors resulting in a multitude of uncoordinated individual decisions and reduced control of the results, of the costs and of the completion schedule.

- The Eemkwartier project in Amersfoort offers an example of how good collaborative structures for implementation can lead to lessons being learned in the field of partnering and creating contracts. This project allowed for a revision of the original contract which in turn created a better structure for collaboration based on more equal sharing of risks. The On Site example in Bristol's Harbourside project shows how even during the course of a project a new organisation can be created to provide onsite training opportunities for people to gain employment in the project and enhance the employment prospects of local people. Moreover the initiative was later rolled out across the city and proved to be a considerable success. The establishment of such arrangements can help 'future proof' projects but also show how projects can be made more inclusive.

2. *A strategic vision is needed especially for providing a focus for the public authority, and boundaries of flexibility in terms of the outcomes for the wider society:*

- Our case studies demonstrate the importance for all parties involved in a regeneration project to agree upon and be committed to a long-term strategic vision for an area in terms of what the area 'should become' in the future. As the Gloucester case shows the involvement of a developer with a long-term commitment is important in the realisation of that vision even in the face of changing economic circumstances. However, as the Amsterdam case demonstrates this 'vision' need not be a straightjacket that prevents the project adapting to changing situations and demands.

3. *Clearly defined targets are needed for sustainability of the community that is affected by the regeneration project:*

- In all three countries examples of creating these types of developments were identified. The Porto Maravilha project brought about a comprehensive transformation of the urban environment making it more vibrant and also contributing to the promotion of a more sustainable pattern of urban development in terms of improving its infrastructure and position in the city. Although despite this it failed to promote inclusiveness. The Buiksloterham example in Amsterdam demonstrates how 'thinking outside the box' and departing from previous well established models of urban development can lead to fresh, new and innovative forms of urban development that 'mix and match' uses in an 'organic' manner. While the Wapping Wharf development in Bristol's Harbourside also shows how 'small' can be both beautiful and effective providing shops and restaurants and relatively inexpensive retail units made from shipping containers for small retail and office space for start-up businesses to develop, grow and prosper. All of these provide examples of how previously 'dead spaces' can be turned into vibrant and viable spaces used by people on an everyday basis.

Overall what our research makes clear is that there is a need to ensure that from the conception of a project, the development of its design and its financing and implementation there is a need to combine all of the above lessons (both positive and negative) within a clear framework that provides a negotiated and agreed vision for the area, a framework of collaboration and cooperation in which partners have clear roles (what, where and when) and can be held to account. However, this framework should not be too rigid and inflexible that it prevents the project from adapting to changing external circumstances. Moreover, there needs to be clear mechanisms for delivering benefits to the local stakeholders through provision of affordable housing, training opportunities and access to public space if the developments are to be genuinely inclusive. Without this sustainability may be limited to the economic and environmental dimensions (in the sense of better densities and use of infrastructure) but without addressing social sustainability. Finally previous 'conventional wisdom' while instructive should not be slavishly adhered to and new more innovative forms of development should be allowed particularly on sites that are considered to be marginal to the existing city.

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