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Urban Regeneration in Stratford, London

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Introduction

In this paper we focus on the shift in British urban policy from the crudely authoritarian imposition of Urban Development Corporations (UDCs) upon poor localities in the 1980s to an apparently more devolved, localist strategy in the 1990s. This new approach offered to re-empower local government and respect local priorities in the framework of local ‘partnerships’ between government (central and local), business interests and the voluntary and ‘community’ sectors. Newham in East London was chosen for study in this context because it was prominent in both periods and appeared to have achieved, under the new regime, results which are regarded by government and by others as ‘success’.

The Urban Regeneration Debate

The neo-liberal project of Thatcherism had strong expression in urban policy through two main measures in the 1980s. One was the UDCs, set up in a number of deindustrialised areas. These were strong state-funded agencies which took over municipalities’ land holdings and their powers to grant planning permissions. Effectively UDCs usurped the authority of established local governments in the working-class areas where they were placed, enforcing a restructuring of urban space to produce development opportunities and to attract private capital. The second measure was the systematic weakening of the planning and service-provision functions of local government across the country. This weakening was achieved partly through tight control on municipal spending and partly through reducing planning powers: shifting the balance in the control of development in favour of private promoters, often at the expense of established local plans.

Ten years have passed since the shift in British urban policy in which Michael Heseltine finally announced the ending of the UDCs and the switch to a new approach. His new policy regime was centred on a consolidation of government funds for which chosen localities could make bids. This ‘City Challenge’ (CC) scheme was announced as more responsive to local conditions and as returning some authority to local government. Local authorities were required to enter
regeneration ‘partnerships’ with private and voluntary bodies to make these bids (Bailey et al., 1995). Winning bidders received £37.5 million of government funds over five years and were expected to use this money to ‘lever’ in private investment. At the same time, public–private relations in the wider system of governance were shifting: the major privatisations of state industries and utilities had largely been completed in the 1980s and new kinds of Private Finance Initiatives (PFIs) were being devised to bring private investment into a variety of public services ranging from schools and hospitals to prisons and transport infrastructure.

In 1997 the Labour Government of Tony Blair took over and initially kept, and indeed embraced, the policy instruments which it inherited. Some small changes have been made to the priorities and the New Deal for Communities has been added but, so far, there has been no comprehensive re-working of urban policy.

There was an active debate throughout the 1990s about the CC and subsequent evolutions of the policy as the Single Regeneration Budget (SRB) and the New Deal for Communities. Our reading of this debate prompted us to pose the following research questions.

- Was the government serious about returning power to local government, or would it only do so on restrictive terms?
- Would local priorities really be able to take priority over national ones?
- Was the commitment to ‘community’ empowerment a serious one or would the formal corporatism of the UDC simply be replaced by an informal consensus dominated by business?
- Would the much-criticised ‘property-led’ approach of the UDCs actually be replaced by a more holistic/comprehensive approach to deprivation?

The Channel Tunnel Rail Link and the Private Finance Initiative

The issue of linking the Channel Tunnel with London and the national rail network has been (and continues to be) a severe test of the neo-liberal attempt to get private investors to undertake what had previously been thought of as public investments. The essence of PFI is that public requirements are satisfied through private investments, which are undertaken in response to a contract in which the public body undertakes to pay, over a period of 10–30 years, enough to reward the investors with a good profit. This provides an ‘off-budget’ treatment of capital spending (so it does not show up as state investment), while mortgaging future revenue to pay for the facility.

The entire strategy is highly controversial. Here we simply consider the way in which local planning and local development priorities can be influenced by the imperatives of PFI for a major infrastructure project.

Urban Policy in East London in the 1980s

The government’s urban policy was highly confrontational in East London through most of the 1980s and the opposition it encountered was largely
expressed through elected local councils. Here the general attack on local government was reinforced by the government’s designation of one of the UDCs, the London Docklands Development Corporation (LDDC). Four of London’s 33 boroughs were emasculated in this way and, to varying degrees, they pursued reluctant or obstructive behaviour towards the LDDC. Their resistance was supported by the radical oppositional stance of the Labour-controlled metropolitan authority, the Greater London Council (GLC). The course of events nationally and in London is well reported by Thornley (1992, 1993) and Page (1996). The Docklands story is the subject of an extensive and continuing literature (Foster, 1999; Florio & Brownill, 2000).

A new stage in the penetration of neo-liberalism in the governance of London occurred in the late 1980s. Investors were pouring funds into London real-estate, a major property boom was in full swing and the GLC had been abolished (along with Britain’s other elected metropolitan councils, in 1986). Mrs Thatcher’s government was returned for a third term in the election of 1987. Radical local politicians were tending to loose influence and optimism while the ‘modernisers’, willing to make compromises with government and with business interests, gained in authority during the closing years of the decade (Colenutt, 1990).

Newham in the 1980s

Newham is one of the three London boroughs which had lost territory and autonomy to the LDDC. It lies on the north bank of the Thames, downstream from the older parts of the port and upstream of the newer industrial and port areas of Dagenham (Ford) and Tilbury (to which much of the Port of London activity had moved). It was a strongly working-class area, dependent on the Royal Docks, associated food processing and manufacturing, and on a variety of chemical, furniture and other plants strung along the Lea Valley, separating it from the older inner areas of London. Its housing was predominantly early-20th-century terraces, many replaced by municipal housing since 1945. The population was served by three rather weak town centres at East Ham, West Ham and Stratford, all on radial railways connecting London with Essex. Of these, Stratford was distinctive as a transport hub of great and growing importance: a stop on the main lines out of London and an intersection with the Central Line of the tube system, the orbital North London Line and the new Docklands Light Railway.

Newham Council was controlled by the Labour Party with a reliable majority, strong links with industrial trades unions and very little popular participation in politics. The council’s relations with the LDDC had been tense through most of the 1980s. Only in 1987, after the parliamentary election, did Newham fully resign itself to the continuing existence of the LDDC. In this context both Newham and the adjoining borough of Tower Hamlets negotiated ‘community gain’ packages with the development corporation and with developers before the end of the 1980s, judging that this was at least a way of gaining access to some resources.
The 1991 Census documented Newham’s disadvantage and, on this basis, government classified it as the second most deprived local authority in England and Wales. By 1994 the Department of Environment (DoE) index of local conditions showed Newham as the most deprived local authority area in England (London Borough of Newham (LBN), 1994, p. 9). On the two alternative measures, the worst deprivation scores for borough/district level were found in adjoining Hackney or Tower Hamlets (Stevenson, 1994, p. 45). However, Newham claimed that the level of resources provided to the borough by central government was £20 million less each year than it should have been, given these conditions. It lost a further £25 million a year because it was still classified as an Outer London Borough—although it had all the social and economic problems being experienced in Inner London (LBN, 1994, p. 9). Peculiarly, Newham was not yet classified as an Assisted Area either.

Having lost control of the docklands part of the borough, the council felt that maximum benefit could be derived from concentrating on regeneration of Stratford as the borough’s principal town centre and transport node. However, because resources were scarce, and the general level of need acute (Table 1), competing urgent demands meant that public funds had to be spread thinly across the borough (Colenutt, 1990). Thus, the (Labour) council resolved that Stratford could only grow with the help of the private sector. This intention had already been expressed in the 1985 Stratford and Canning Town District Plan, which said: ‘Stratford will be developed as the Borough’s principal centre with a suitably wide range of facilities’. It continued:

In common with much of the East End, Stratford and Canning Town has seldom been a prestigious area for investment and, as a result, changes have been dependent upon a huge amount of public money such as that spent on housing reconstruction since the War. It is unlikely that the amount of investment required to substantially upgrade the District will be available purely from public funds in the foreseeable future particularly in the light of current financial constraints on local authorities. The Plan therefore not only presupposes a very high level of continued public investment in the district, but also seeks to improve the prospect for private investment by both commercial and voluntary organisations. Improvement of the District’s image is the first step in this direction. (London Borough of Newham (LBN), 1985, p. 4)

### Into the 1990s: A New Prospect

At the end of the 1980s, prospects for further ‘property-led’ growth in Docklands and East London received a major setback through the collapse of the over-extended development boom (Edwards, 1992). The LDDC was no longer so valuable as a source of additional resources since the property crisis had reduced its capacity to help.
For Newham, a major new opportunity to attract private funds came via the Channel Tunnel. Ever since the tunnel was authorised by Parliament in 1987, it was recognised that new railway capacity would ultimately be needed between the coast and London. By 1998, international passenger and freight forecasts suggested that a new railway was needed before 2005 (Union Railways, 1996). British Rail (BR) published four possible route corridors between the Channel Tunnel and London but the result was ‘public uproar, widespread blight and no debate’ (Union Railways, 1996, pp. 3–4). So, in 1989, BR published a single route via South East London. A private-sector consortium was chosen and put in a bid to build a line, which the government then rejected after further public protest.

Partly as a result of lobbying by Newham and adjoining boroughs, and partly as a result of proposals by consultants Ove Arup and Partners, the government then asked BR’s subsidiary, Union Railways, to look at various route options including approaches to Kings Cross/St. Pancras via Stratford. An international station at Stratford seemed bound both to help Newham and to inject additional demand for the LDDC’s remaining development sites in the Royal Docks—developments which had stalled with the collapse of the London property markets. In the spirit of growing cooperation between the borough and the LDDC which had started in 1987, there was thus a basis for a joint campaign. Government took a strong interest and cemented this joint project in a subregional plan for the corridor which extends eastwards to Southend on the north bank and to Gravesend on the south bank. Proposals for this ‘East Thames Corridor’ (later re-named ‘Thames Gateway’) were commissioned from the consultants Llewellyn Davies & Tym (1993).

At that stage it was not certain whether Stratford was going to be on the Channel Tunnel Rail Link (CTRL) route at all, and thus whether an international station could be located there. However, the government’s attitude towards the regeneration of East London and the potential boost to Eastern Docklands generated a lot of optimism at the local level where many hoped that Stratford would obtain the new CTRL terminus rather than just an intermediate interchange station.

To comply with the Channel Tunnel Act of 1987, the CTRL had to be entirely financed by private funds. To circumvent this legacy from the Thatcher period it was then decided to run a service for Kent commuters on the same track—a service to which government could offer a subsidy because it would be domestic, not international. Here we begin to see how the imperatives of private financing—in this case the absolute bar against public contributions written into the act—influenced the composition of the project and thus the development prospects for the area.

If Stratford were to get an international station, private interests had to be mobilised. Newham Council formed a ‘Promoter Group’ in 1993 with private-sector partners to develop detailed proposals and to promote the economic and regeneration case for a station (LBN, 1994, p. 24). Within the group (Table 2) the council played the protagonist role. British Rail (BR), which at the time was still state owned, was not part of the group but strongly supported it. This was
TABLE 2. The Stratford Promoter Group

... an array of private and public organisations, working in partnership to achieve the shared goals of arresting urban decline and bringing jobs and prosperity to the East of London, whilst providing a focal point for regeneration in the East Thames and Lea Valley Corridors (Stratford Promoter Group, 1993, p. 1).

The partners:

- Land Securities Properties—owners of the Stratford shopping mall
- Carpenters Company—a City of London charitable company owning land in the area
- P&O Developments—major development and construction company
- Link Parks
- University of East London
- Regalian Groups of Companies—developers
- Tarmac Construction—developers and house builders
- John Mowlem & Co. Plc—construction and civil engineering company
- Laing Civil Engineering—civil engineering company
- London Docklands Development Corporation
- Stratford Development Partnership Ltd
- London Borough of Newham
- Rialto Homes Plc—house builders
- Fairview New Homes Plc—house builders
- Persimmon Homes—house builders

1 Joined at a later stage, as it had not been formed when the Promoter Group began.


essential since the land on which the station would be built was almost entirely in BR ownership (LBN, 1994).

The Stratford Promoter Group proposed to buy the land at its current value from BR and other owners and construct the station with no public money at all. After servicing the land and constructing the station, the group would re-sell it at an improved price to developers. Since many members of the group were themselves interested in buying, they would reserve the first option to purchase. Finally, the Promoter Group was to return any residual profit to the government.

The promoters’ campaign placed a strong emphasis on Stratford’s good rail connections and argued that locating the station in Stratford, as well as serving passengers’ convenience, would have given added value to existing and planned transport infrastructure (Smithers, 1994b). The new station was also expected to create up to £35 million per year of additional business for Union Railways through generated traffic (Newham News, 1992; LCR, 1996, p. 4), and to create at least 7000 jobs in the first phase, saving public expenditure on benefits of £28 million per annum (LCR, 1996, p. 4). The Secretary of State for the Environment and the President of the Board of Trade favoured Stratford as a location for the international station on urban regeneration and economic development grounds.

The Treasury and the Department of Transport, however, did not want a Stratford International station to be an obligatory part of the larger PFI package which they were assembling. The Promoters’ Group proposal could have
diminished the profitability of that larger project by capturing some of the land value increase and thus putting potential private investors off or increasing the need for state subsidy. The government imperative to offer an attractive PFI package to investors threatened to influence the prospects for this locality and indeed interfered with the development ambitions of local capital.

The First City Challenge Bid and its Impact on Spatial Policy

In 1991, Newham, in cooperation with the Stratford Promoter Group, bid in the first CC competition, uninvited. Although it might have been wiser to wait, Newham must have felt that this was worth a try. Some were confident that central government, whilst unwilling to contribute directly to the CTRL, could give a hidden subsidy in the form of a CC grant to help Stratford’s physical regeneration and thus to prepare for the arrival of the railway.

This first bid was prepared alongside the Unitary Development Plan (UDP) for Newham, which was published in November that year. Hitherto, Newham’s spatial strategy had been significantly frustrated, but not directly shaped, by central government. Now, however, a new plan was being prepared which brought spatial policy in line with the objectives of central government so that money for regeneration could finally be made available. The fact that the Promoter Group was involved in the CC bid, and that the local authority prepared a UDP to go with it, meant that the private/public bond was contributing to the development of a spatial policy supportive of some business interests. The council could only be confident that the promises contained in the plan would be kept if private interest in the area remained strong. Thus the plan reads:

The Council’s ability to implement the UDP depends upon the powers and resources the Borough is able to command. Both these are tightly controlled and indeed finance has been drastically cut back in recent years. The Council is therefore not able to achieve all it would like.[…] The shortage of public money means that the Council must achieve some of its objectives by other means. This will involve three main tasks in particular:

- co-operating more closely with the private sector to ensure that development complies with the Council’s policies and that the maximum amount of planning advantage is generated;
- looking towards partnership between local authority, government agencies, the private sector, and voluntary groups in the form of enterprise, development and environmental trusts for example;
- intensifying efforts to gain financial support from other sources, such as City Grants and Urban Programme Grants, which are provided by the Governments. (LBN, 1991, p. 44)

Here the council also acknowledged that its ability to achieve spatial objectives depended on the government’s willingness to provide additional funds and on the council’s own ability to secure them through competitive bidding. With its pledge that it would cooperate more closely with the private, the community and the voluntary sectors, Newham firmly incorporated the CC culture into its UDP.
The borough was thus able to devise a plan which placed the emphasis on Stratford on the assumption that, if bids were successful, the money to implement it would become available. In this sense, CC did not so much distort local planning as enable Newham to introduce its new business-oriented approach without explicitly scrapping its previous policies. Whether Stratford does become a major growth pole, and whether the benefits can be diffused through the borough, remains to be seen.

This first CC bid (Stratford City Challenge Bid, undated), however, failed, as did all uninvited bids.

The Second City Challenge Bid: Building on Established Spatial Policy

Newham, still working alongside the Promoter Group, soon started on a new bid for the second competition a year later. This time the bid was invited. Indeed, the Government Office for London (GOL) informally advised Newham Council that, in order to enhance Stratford’s chances of an international station, its image had to be improved. While it was hoped that the arrival of the high-speed train would foster regeneration, potential investors in the CTRL project would be more easily persuaded in favour of a Stratford stop if some regeneration took place first. Newham was advised that the Department of Environment (DoE), keen on the Stratford option, was willing to provide the funds for this initial phase of regeneration.

Although the CC bid had to stand up in its own right, the international station could be (and was) presented as the main CC ‘exit strategy’, i.e. as the legacy it hoped to leave on completion of its work. Indeed, Newham made no attempt to conceal that the CC bid was strongly connected to the CTRL project. The idea that the interchange was to be ‘international’ was made very explicit in the CC Action Plan. The glossy version of the bid even included a colourful drawing which puts the CTRL on the Stratford map. The second bid (very much in line with the UDP) was similar in content to the first one, though with less emphasis on housing. It was more precise, better written and presented, and it won.

The CC proposal pivoted around ‘two interlocking themes: raising local aspiration and improving Stratford’s image in order to encourage inward investment’ (Stratford City Challenge Action Plan, undated, p. 3).

The main stated objectives of the programme and their estimated costs are detailed in Figures 1 and 2. It is clear that key objective 1 (raising the profile of Stratford) was meant to absorb the lion’s share of the CC’s funds. In particular, objective 1.1 was to cost £146 million of the total £216 million earmarked for key objective 1. In turn, objective 1 as a whole was to account for two-thirds of the total estimated cost on all objectives (£326 million).

Whilst investment in objective 1 was much higher than in other objectives, it was not intended to absorb a disproportionate amount of CC grant since most of the expenditure on this objective was to come from private and other public ‘leverage’ (see Figure 1). Indeed, the main reason for the success of the bid is probably to be found in the leverage it offered and much of this had been secured around the idea of equipping Stratford with a modern and effective transport interchange. Reporting the success of the bid, the Newham News
(1994) stressed that the £37.5 million of CC funds were expected to be paralleled by £200 million from other partners.

Against the background provided so far, it will perhaps be no surprise that the (re-)development of the transport interchange came under operational objective 1.1 and that it included the redevelopment of the domestic rail station, the bus station and the refurbishment of the nearby shopping mall. Central government was committed to this objective since, alongside London Underground, London Transport and British Rail, the DoE was among the partners that would help improve Stratford’s image.

The DoE provided land for the new bus station, which also benefited from partial funding from London Transport and soon became the flagship project of Stratford CC. All interviewees agreed on this and it is both a functional and a stunning public building. Although included in the CC bid, this bus station was not built with CC money at all. Indeed, the means to re-build it (including the land from the DoE) had already been lined up before the CC bid was even put together. Other projects included in the CC bid had also been on the agenda or even in the pipeline well before the CC opportunity came along. Land Securities, one of the members of the Promoter Group, had intended to refurbish the shopping mall, for instance, although in the event the project was delayed by disputes over whether the market traders would be permitted to remain (Fearnley, 1999, p. 32).

The inclusion of private projects already in the pipeline gave a bonus to the developers concerned. Developers within the Promoter Group, in particular, enjoyed a ‘preferential right of entry’ into the bid. In this sense it could be argued that the nature of the planning/decision-making process in Stratford might have restricted the number of private-sector beneficiaries of two initiatives (the CTRL campaign and CC) which, had they not been perceived as complementary and linked in this way, could have benefited a larger number of
entrepreneurs. However, because of their structure, many CC programmes have this tendency to provide opportunities for a selected group of firms who are put in a position to capture the real-estate values in an area. In Stratford, members of the Promoter Group might well have formed an oligopoly, but the council was part of it and remained accountable to the local electorate. Furthermore, the early commitment of the members of the Promoter Group helped because leverage tends to ‘follow itself’: once some investors become involved others follow suit.

The inclusion of projects which had previously been envisaged or started, some of which depended on public/private funding, helped ensure their continuity and enhanced their value. For instance, the ambitious Three Mills project had begun as an Urban Programme/European Regional Development Fund
scheme (Stratford City Challenge Action Plan, undated, p. 47) and its inclusion in CC gave it greater scope. Whilst it could be argued that inclusions of this type undermine the principle of additionality, it is also true that using CC funds to attract financial interest to, and increase the effectiveness of, existing schemes helped keep CC within the objectives of locally determined spatial policies. In turn, CC could give existing projects a new dimension. The Three Mills initiative, whose success relied on it being able to attract visitors, has much better chances if developed in conjunction with a series of other tourist-related projects included in CC. In the light of this and the place-marketing exercise undertaken by CC; enlarging the Three Mills initiative made sense within CC but not before. The inclusion of Three Mills does seem to have breached the strict principle of additionality—in the sense that at least some of the investment would have happened anyway—but there does seem to be some ‘additionality’ on the benefit side insofar as the project gained the prospect of increased demand.

Our interpretation is that the GOL invited a CC bid for Stratford not primarily for the regeneration benefits it would bring to local people within five years, but as part of a longer-term strategy for East London which would, above all, make the area more attractive to investors in a later project, the CTRL. The CC was able to link a series of projects which were already in the pipeline and serve as a means further to increase the ‘leverage’ of investment from other private and public bodies. This would transform the image of Stratford and replace it with a clean, new (or refurbished historic) physical environment with visible leisure and cultural industries and at least a slightly more up-market shopping centre. These ambitions constituted a move towards the prevailing orthodoxy of ‘city marketing’. Some local business interests stood to gain early benefits while others would have to wait in the hope that the CTRL would arrive to valorise their assets.

Once the bid was won and the Stratford Development Partnership (SDP) was formed in July 1992, other interests became involved in implementing the action plan. The partnership, which included most of the members of the Promoter Group except the house builders, was chaired by the director of the East London Partnership, a business organisation including all the major employers in the area.

Business interests participated and were active. The members of the Stratford Promoter Group and of the East London Partnership played a major role in getting a Business Forum together, which eventually elected four representatives to the SDP board. Despite the initial bias towards some business interests rather than others, the forum gradually became an organisation through which local businesses took a more proactive role, though as Fearnley finds (1999, Chap. 12), they tended to act as individuals, rather than being systematically representative.

Creative Accountancy: Adapting to Government Decisions

During the early stages of the CC Newham thus seemed to enjoy the blessing of central government. Within the first year, the southern part of the borough was awarded Intermediate Area status under the Assisted Area programme, which
brought in additional resources and provided incentives for businesses to move to Newham (LBN, 1994). It was not long before the borough received the second-largest share of the government’s SRB for London (LBN, 1994). The bid for the (Stratford and Temple Mills) SRB was prepared by the SDP and the new funds were to add value to existing initiatives taken under CC. Part of the money obtained from this SRB was accounted for as public leverage achieved by CC and the SDP became the implementation agency for the SRB (Fearnley, 1995, p. 3), whose area largely overlapped that of CC.²

Later on, in 1994, large parts of the borough were given objective 2 status by the European Regional Development Fund (ERDF), which was expected to bring about £15 million to the borough by 1997 (LBN, 1994, p. 14). The bid for the ERDF had also been prepared by the SDP. Of course, the ERDF grant had to be matched by indigenous money, and it was matched, entirely, with CC money. The Temple Mills money was the major source of ‘matching’. Whether it is legitimate or not to have used CC money to match the EU funds, the decision to do so was not really taken locally but strongly encouraged by central government. Once the money came in, it was accounted for as public leverage for the SRB.

Part of the EU (and a large share of the Stratford and Temple Mills SRB) money went into the redevelopment of the domestic station. As we have seen, this was one of the projects included in the CC plan, although it had not been expected to depend on these sources of funding—which were not then expected to be forthcoming. Later still, more funds to redevelop the domestic station came in from another successful SRB bid specifically concerned with this project.

Having found these additional sources of funding for the redevelopment of the station (under operational objective 1.1), the SDP changed the allocation of resources within strategic objective 1 significantly in 1994. The largest shift was towards major development projects (operational objective 1.5); see Figure 3.

Under operational objective 1.5, the SDP was to use resources secured by the private sector through City Grant and Derelict Land Grant to help provide essential infrastructure, such as a second station entrance, access roads and environmental works to underpin known private-sector initiatives (Stratford CC bid document). This shift in emphasis makes sense in the light of the fact that, by the beginning of 1994, Stratford had news regarding the CTRL project. (See Table 3).

The government’s decisions meant that the Stratford Promoter Group no longer had a direct interest as prospective property developers in the CTRL project. Yet, having invested in the area thinking that the high-speed train would come, many of the members still had an interest in any development, including the CTRL station itself, which would valorise the projects that they had already financed or land they already owned. So, while using public leverage to finance projects more directly connected with the station site, the financial commitment of the group shifted towards new initiatives more in line with their new position and interests: to improve access roads and generally to create a demand for an international station. These initiatives could help convince the competing consortia that, if an international station were located in Stratford, the CTRL project
would be more profitable. In this sense, a decision taken by central government did modify locally determined decisions about investment in the built environment.

**Central Government Decisions and Local Outcomes**

During the course of 1995 the possibility for Stratford to have a combined domestic and international station started to look more like a certainty. The bids from the four consortia were received on 14 March 1995 and two bidders—London & Continental Railways (LCR) and Eurorail—were short-listed in July (Department of Transport (DoT), 1996, p. 2). LCR were subsequently declared winners.

In July 1995, having deliberated at length about the possibility of an intermediate station in Stratford, the CTRL Parliamentary Select Committee’s statement confirmed that the government had been convinced that the new international station in Stratford was probably going to be needed in the near future so it required the promoters to construct the so-called ‘long-box’ at Stratford which would be needed if a station were ever to be built (Select Committee minutes, 20 July 1995).

It would be interesting to know what factors finally convinced the government to decide in favour of LCR. LCR must have believed that a Stratford stop would
On 29 October 1993, the Stratford Promoter Group submitted their proposals for the development of a combined International and Domestic Station to the Secretary of State for Transport (Stratford Promoter Group, 1993, p. 1).

In November 1993 a decision to select one private-sector promoter to deliver, own and operate the entire CTRL project was made (DoT, 1996, p. 4). For the Stratford Promoter Group this was not good news. Shortly afterwards Drew Stevenson, director of the group and Newham’s Chief Executive, was informed that the battle for the terminal had been lost. A senior civil servant told him that while there was a genuine debate in the government about locating a Channel Tunnel station in Stratford, if Stratford were to continue campaigning for a terminal they would have found themselves losing the opportunity to have an intermediary station too.

On 24 January 1994 the Secretary of State officially announced which of the routes had been selected. He intended to safeguard the decision both in respect of the route and the location of the terminal at St. Pancras. However, he confirmed that, subject to satisfactory finance, there would be at least one intermediate station between Ashford and London (Department of Transport (DoT), 1996, p. 4).

In June 1994 the names of the pre-qualified consortia which were to compete over the CTRL were announced: Eurorail, LCR, Green Arrow and Union Link (DoT, 1994, p. 2).

On 31 August 1994 the Secretary of State for Transport announced that Ebbsfleet, in North Kent, was to be the site of an intermediate station between London and Ashford. Perhaps in a move designed to smooth over differences with the Trade and Industry Secretary Michael Heseltine (Smithers, 1994a), the option of an intermediate station at Stratford was kept open (DoT, 1994, p. 1).

On the same day the Secretary of State for Transport also launched the competition to select the private-sector consortium to deliver and, through European Passenger Services (EPS) to operate, the CTRL (DoT, 1994). As part of the operation, EPS and Union Railways Ltd (URL) were going to be privatised. The four tenderers were supposed to bid for the size and timing of the financial support they required from the government, and for the allocation of risks between the government and the private promoter (DoT, 1994).

As it still was not decided whether a station would be located in Stratford, the tenders were required on three different bases:

- no station at Stratford;
- a Stratford international and domestic station;
- an international-only station at Stratford.

So Stratford’s campaign for an international station now continued in parallel with the competition for the CTRL tender. The new situation meant that it was in Stratford’s interest to convince the tenderers that there was a good case for a combined domestic–international station in Stratford. Not surprisingly, the Stratford Promoter Group re-adjusted its campaigning strategy, centring it on the argument that, if a passenger station were located in Stratford, much greater numbers of passengers would use the rail link.

1996: the Secretary of State for Transport announced that London & Continental Railways (LCR) were victorious in the bidding process. LCR then started on the long process of trying to turn their expectations of loan financing into actual loans—a necessary pre-requisite for the flotation of LCR to raise equity capital.

Spring 1998: LCR announce that their efforts had failed and that, unless the government’s underwriting of the project were increased, they would have to withdraw.

1998: government announces that the CTRL from Ashford to Ebbsfleet is to be built as a PFI with Railtrack essentially carrying the main risk. At present (2000) the continuation west, including Stratford, remains a ‘firm decision’ but without any financial commitments.
increase the profitability of the project. It would clearly increase the success of the Jubilee Line Extension, the Docklands Light Railway, the Docklands, Cross Rail and the East Thames corridor more generally. Ove Arup which, since the earliest stages, had been in favour of the Stratford option, was one of LCR’s shareholders and had themselves been in charge of developing the engineering project. It had always been part of the Arup strategy, led by Mark Bostock, to treat the urban regeneration benefits along the Thames estuary—and thus the intermediate stations—as the distinctive cornerstone of their bid. They retained Professor Peter Hall, who had been advisor to the Secretary of State for Environment and in that capacity an originator of the corridor strategy. It is widely considered that these features of the LCR approach helped them to win.

While the government decision did not take into account all the interests of the Stratford Promoter Group, it would still have been likely to valorise many of their investments in Stratford. Whether the station—if built—will benefit the local community or whether it will cause nothing but increased land prices and displacement, remains to be established. It is also not yet clear what price in state expenditure will have to be paid to reduce the private risk on this massive PFI project to a level which financiers will accept.

Certainly the government decision was consistent with the lessons from France. The French studies undertaken to evaluate the impact of TGV (Train à Grand Vitesse) stations have found that ‘the TGV does not automatically bring wealth and prosperity to a region’ and that there is no simple cause–effect relationship between transport investment and business growth (Turner, 1996, p. 35).

The studies reviewed by Turner showed that TGV stations can act as a catalyst for growth ‘by creating an opportunity for planning policies and development projects to be implemented in order to capitalise on the arrival of the high speed trains’ (Turner, 1996, p. 36). The notion of an automatic growth effect was rejected and replaced by the concept that the stations can have a ‘structuring’, ‘opportunity’ or ‘permissive’ effect. In particular, the policies put in place by local participants were found to be of central importance in determining the actual extent of any regeneration effect of the stations. (See Table 4.)

In Stratford the abundance of town planning and development operations were not aimed at generating immediate monetary gains to the agents involved, but represented a more long-term view. The image of the locality was enhanced, its existing infrastructure was upgraded and promoted, ancillary structures were built and local passenger services were modified and improved. All the ingredients listed in Table 4 are present.

The CC initiative in particular was primarily beneficial at a time the government was unwilling to provide financial assistance to development of the international rail link. The promotion of leisure venues and some tourism–related activities was a great achievement of the CC and an important aim of SRB initiatives. In summary, the process which led to the selection of Stratford as the location of the new station seems to have indeed acted as a catalyst creating an opportunity for the implementation of creative planning and development initiatives. Thus, the orchestration of development around the prospective station does seem to have had a ‘structuring’, ‘opportunity’ or ‘permissive’ effect.
TABLE 4. Elements that re-enforced the regenerating effects of TGV stations in France

- Presence of universities and research institutes
- High-quality urban fabric
- Creation of development zones
- Provision of start-up facilities for firms
- Financial or tax incentives
- Promotion of leisure and tourism
- Town planning and property development operations
- Promotion of the local town, the region and infrastructure
- Construction of ancillary structure
- Modification of local passenger services
- Frequency of railway services
- Construction of highway systems

Source: Turner (1996, from French Ministry of Transport sources and from her own research).

The effects of any actual CTRL development are still in the future and thus unclear, but there is a widespread optimism that, because CC and SRB funds were used to this end, regeneration will occur regardless. It was even argued by a staff member of the SDP that ‘Stratford has very good transport connections and, even without the international station, it will do just as well’.

So, whilst it was central government which took the decision that a CTRL station should be located in Stratford, local actors do seem to have influenced that decision. Had local interest groups not taken such an active role, they would not have embarked on all the initiatives which generated these ‘structuring’, ‘opportunity’ or ‘permissive’ effects. All this suggests that, even within a system of governance which restricts the power of local authorities, locally determined spatial policy agendas can remain important. Whilst it is true that CC partnerships are not accountable to local electorates, there still is a lot that local authorities can do to ensure that their actions comply with locally determined spatial policy and aspirations, at least where local priorities are first brought into line with those of central government.

Conclusions

The shift in British urban policies in the early 1990s addressed two major criticisms of 1980s’ experience. Critics from the left and centre were concerned that local government had been severely weakened and the CC ‘partnership’ approach was presented as a means to re-empower local government. Right-wing ideologists had opposed the massive—almost Keynesian—state spending which had paradoxically been entailed in the property-oriented activities of the UDCs. The PFI was launched as a means to make good the dis-investment in public services, and to do so in a form faithful to the ideological taboo against state expenditure. The easy privatisation of utilities had been completed; now profitable investment opportunities were to be created in schools, prisons, social
housing, roads and railways, all the subject of strong demands for modernisation from both citizens and business interests. At the time, government seemed to be moving a bit to the left, a bit to the right. The Stratford analysis now enables us to see some of the outcomes and interpret what has been happening. It is a useful instance because so many of the strands of 1980s’ and 1990s’ policy are represented in it.

Partnerships of the type analysed here do indeed seem to have returned some power to local government, albeit with some loss of transparency and accountability. But this has not been a ‘re-empowerment’ in the sense of a return of their previous power: councils lack the resources to resume their pre-1980 roles as large-scale providers of social facilities and housing from their own dependable resources. Neither has it been a return of power to the radicals of the early 1980s: they had been discouraged or outvoted or sidelined. Instead local government has gained some new powers, to orchestrate and lead local initiatives which can harness public and private resources on certain conditions. The key conditions are that the initiatives conform with the priorities of private investors on the one hand and of the ever-more-powerful regional government offices on the other. The pursuit of private investment through ‘leverage’ secured by local competition for small public funds can be targeted at localities where government judges there to be need or opportunity.

Newham Council has been good at playing this new game. The present paper shows how the council, under its ‘modernising’ leadership, was able to act very creatively, shaping national policy on the route of the CTRL, weaving strands of British government, EU and other funding into a substantial rope with which to hoist its town centre to prominence. An interesting sub-plot is that the Stratford Development Partnership, set up to run the CC, has become so renowned for writing and ‘delivering’ urban regeneration projects that it is now running rescue and management services in many other London regeneration projects: the management of ‘regeneration’ itself becomes a growth sector.

We found little evidence, however, of a reinvigorated local democracy. Both grass-roots and electoral politics in Newham had apparently been fairly quiescent in the 1970s and 1980s, and none of our informants suggested that much has changed, either in ‘community’ activity or in formal representative democracy.

Overt local conflict seems to have been largely absent and we suggest that the competition for space, the tendencies to gentrification and displacement, and the conflicts between residents and big capital (all of which characterise regeneration around the centre of London) are still largely absent. In Stratford we find only weak forms of this conflict, for example the resistance of market stallholders to ejection from the re-vamped mall. It is quite plausible that there should be less scope for conflicts in such an essentially low-income and low-value part of the city with so much unused space.

An important part of the current settlement is that local authorities’ statutory plans, albeit modified to be more business-friendly, are restored as the main guide to what developments will be permitted—and the property market flourishes on these little certainties. We have seen how the spatial development prospects for a wide area east of London have been composed in the govern-
ment’s East Thames Corridor (Thames Gateway) strategy. This strategy represents a creative response to strong economic and demographic pressures which also serves to valorise important development sites within and beyond London. Its implementation is, however, fraught with problems. It has never been proposed to provide the essential infrastructure through a French-style state investment paid for through gross domestic product growth or through sale of state-owned land. Instead the key infrastructure (the CTRL and its parallel domestic service) is to be financed through the PFI. The railway is very expensive and most of the resulting land-value increases will flow to private owners. Thus private investors can only be expected to finance the railway with a large state subvention plus the prospect of development profits on the small areas of land included in the PFI package—notably land around the station sites. Newham’s spatial development strategy has thus been conditioned—and may be forever frustrated—by the needs not of local business interests but of central government’s attempts to woo major investors for the PFI. Some local business interests have been effectively subordinated to more powerful forces.

Most of the detailed analysis in this paper has examined how the series of winning local bids for CC and SRB funds have contributed to the transformation of Stratford’s image as a necessary pre-condition for securing the development of the CTRL on these terms.

The unfolding events at Stratford can thus be seen as quite purposeful. However, there is no significant evidence that the much-criticised ‘property-led’ approach of the UDCs was replaced by a more holistic or comprehensive approach to deprivation. Successive bids for funds were prepared with minimal analysis of the causation of local problems and with only a rather token consultation with ‘the community’. The main successes have been in getting land developed and buildings completed, as in Docklands. However, the developments are of a different kind: infrastructure and improvements to shopping and other services, all of which which cater for the locality, even if they are conceived to attract investors.

More profound structural changes to economic and social relations have largely eluded the Stratford projects. It may well be that deprived residents will benefit from new jobs or from Newham’s improved fiscal position. But there is no sign that the mechanisms which exclude poorer Londoners from labour-market success have been either identified or effectively addressed. No evidence has been advanced that conditions in Newham are significantly better than they were a decade ago. Five-year programmes are unlikely to transform the British education system, the class system or the recruitment practices of employers.

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Notes


2. The company, Stratford Development Partnership, clearly has developed a strong culture which finds common ground between the council, some private interests and central government. It is so highly regarded by the GOL that it has been encouraged or permitted to act for a number of other projects in East and Central London: they know how to write proposals and get the funds, they can run the projects and deliver the ‘outputs’. They have the ear of the GOL and seem to do their job effectively.

3. However, the Stratford Hotel and conference centre foreseen in the CC Action Plan, which was to include an 80-bedroom hotel and eight new retail units, was expected not to be built.

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