



National Audit Office

The Thames Gateway: Laying the Foundations

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SUMMARY

The Thames Gateway is Western Europe's most ambitious regeneration programme. The legacy of the last two hundred years has been one of relative decline in the Thames Estuary and East London. Through the programme the Government aspires to reverse this decline and to make the Thames Gateway into a world-class region with unrivalled locations for working and living. The Government wants this regeneration to lead the world in terms of environmental sustainability and low carbon footprint growth.

Turning the Government's vision for the Thames Gateway into reality requires a step change in how central government departments work together with regional and local agencies to plan and deliver the high quality transport, housing, green space, health, education, leisure and employment opportunities the region needs.

Although there has previously been governmental intervention in some areas of the Gateway, it was not until 1995 that the Thames Gateway Planning Guidance Framework (Regional Planning Guidance 9a) identified the whole of the Thames Gateway as a priority area for change. In 2003, for the first time, the Sustainable Communities Plan allocated a dedicated, funded, structured programme to help accelerate the regeneration and development of the Thames Gateway.

Summary text continued

The Department for Communities and Local Government (the Department)¹ leads the programme on behalf of central government and is providing £672 million (2003-2008) to help accelerate the speed of housing delivery and the creation of places where people want to live. Local authorities within the Gateway have the statutory responsibility for planning the regeneration and working in partnership with other public agencies to facilitate public and private investment.

The Government's aspirations for the Thames Gateway will take at least thirty years to achieve. We intend to review progress and achievement in later reports as the programme develops. Decisions and action taken over the next few years will play a large part in determining whether it is successful. This report examines whether central government has laid solid foundations for delivering its ambitions for the Gateway and in particular whether the risks to success have been identified by the Department and are being actively managed. We assessed the programme against a framework of best practice for successful regeneration (Appendix 1), based on our own research and that of the Bartlett Faculty of the Built Environment.

The Thames Gateway Programme has a high degree of support from local and sub-regional partners. Considerable investment has already gone into the Thames Gateway, helping to deliver some 24,000 homes between 2001 and 2005 and job growth of six per cent, more than twice the national average. Transport investment has included extensions and new stations on the Docklands Light Railway, the first phases of the East London Transit and Greenwich Waterfront Transit and the Fastrack bus-based transit system in north Kent. Examples of other notable investment in the Thames Gateway are shown in **Figure 2 on pages 9 to 11**.

Value for money statement

Efficient and effective delivery of the Government's high aspirations for the Thames Gateway requires effective programme management to ensure investment is integrated and coordinated as a whole.

Government investment has helped to bring about a number of successful initiatives and projects across the Thames Gateway. This investment has helped local partners to accelerate the regeneration of the region and

some considerable change can already be seen. The Department has largely directed its investment to key strategic locations and to support key strategic priorities such as land remediation and assembly.

But the Department's programme management is not yet capable of demonstrating that resources have always been directed to the most transformational and critical path projects, or that the Departmental management of the programme so far has helped to deliver more than the projects would have done alone.

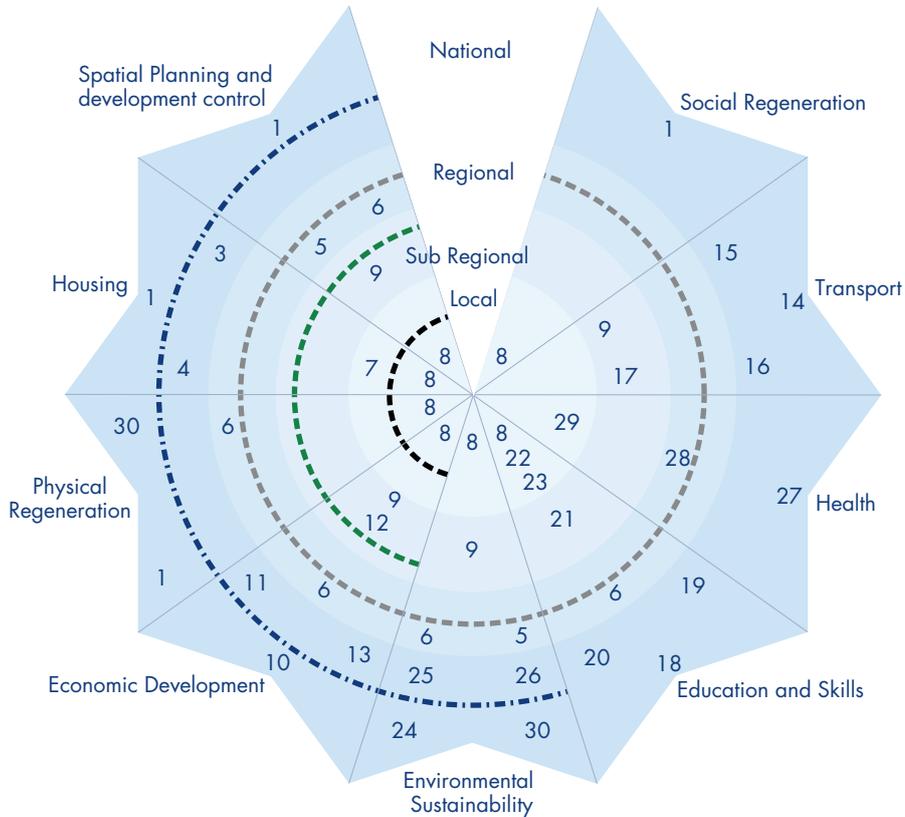
Stronger Departmental management of the programme is required to ensure plans are more coherent, that investment is more integrated and targeted and risks better identified and managed:

- The Department has encouraged the development of several forms of partnership at regional, sub-regional and local level to help co-ordinate investment across the Gateway. This has allowed local ownership, accountability and flexibility to adapt to local circumstances. But the complexity of the decision-making and delivery chains makes it difficult for potential investors, developers and Government itself to understand the programme and integrate investment as a whole (**Figure 1 overleaf**).
- Although it is right for local partners to take the lead on detailed planning, the Department has yet to bring these detailed plans together into a single programme plan. Without such a plan it is difficult for central government to set an overall budget for the additional investment needed, direct resources to critical path projects and give an overall picture of what needs to be done where. The Department plans to publish a costed delivery plan with scheduling of projects later in 2007, after the conclusion of the Comprehensive Spending Review.
- The Government's vision for high quality, low carbon footprint and sustainable development has helped to ramp up expectations but there remains a great deal to do to translate many of the aspirations into clear and quantifiable objectives against which progress can be measured and to develop appropriate levers to achieve them.
- The Department for Communities and Local Government is not yet perceived by local stakeholders to have sufficient strategic influence to solve problems within Whitehall that are creating obstacles to success.

¹ Since the identification of the Thames Gateway as a priority growth area the department which manages the programme has changed its name a number of times as its overall remit changed: Department for the Environment (1995-1997), Department for Environment, Transport, and the Regions (1997-2002), the Office of the Deputy Prime Minister (2002-2006) and the Department for Communities and Local Government (2006-). Where in this report we refer to the Department we refer to all of these departments.

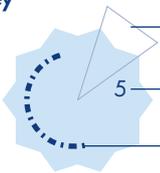
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Map of the sectors involved in the Thames Gateway regeneration, showing how the different public bodies within each sector's delivery chain are drawn together by coordinating bodies at a national, regional, sub-regional and local level



- | | | |
|---|--|---|
| 1 Department for Communities and Local Government | 12 Inward Investment Agencies | 23 Colleges |
| 2 Thames Gateway Delivery Unit | 13 Commission for Architecture and the Built Environment | 24 Department for the Environment and Rural Affairs |
| 3 Housing Corporation | 14 Department for Transport | 25 Natural England |
| 4 English Partnerships | 15 Highways Agency | 26 Environment Agency |
| 5 Regional Assemblies | 16 Network Rail | 27 Department for Health |
| 6 Regional Development Agencies | 17 Port of London Authority | 28 Strategic Health Authority |
| 7 Registered Social Landlords | 18 Department for Education and Skills | 29 Primary Care Trust |
| 8 District and Unitary Authorities | 19 Higher Education Funding Council | 30 Department for Culture, Media and Sport |
| 9 County Council/Greater London Authority | 20 Learning and Skills Council | |
| 10 Department for Trade and Industry | 21 Universities | |
| 11 UK Trade and Investment | 22 Schools | |

Key



Segments: a sector involved in the Thames Gateway programme, with its own delivery chain and public bodies at a national, regional, sub-regional and local level.

Numbers: organisations involved in the Thames Gateway programme, showing their position within the delivery chain of each sector, but not the relationship between each organisation.

Dashed lines: the bodies responsible for coordinating the Thames Gateway programme across the various sectors. The relationship between the coordinating bodies and the organisations depicted by numbers are not shown.

Thames Gateway Coordination

Thames Gateway Delivery Unit

Government Office

Sub Regional Partnership

Local Regeneration Partnership

Source: National Audit Office analysis

- There is no overall joint risk management strategy in the Thames Gateway. Without joint risk management it is difficult for the many public bodies helping to deliver the programme to work together to manage the shared risks to their shared objectives.

The Department has recognised the need to strengthen its management of the Thames Gateway programme if it is to achieve the step change required. It has recently appointed Judith Armit as Chief Executive at Director General level within the Department to lead the programme and achieve greater cross government influence. It has published an Interim Plan, Base Line Report and Development Prospectus for the Thames Gateway which set out more than thirty initiatives designed to take the programme forward.² It also intends to publish a fuller plan to integrate economic, public service and housing development later this year.

Recommendations

Key to success is a strategic framework which steers the programme and guides local agencies and partnerships in delivering the Government's aspirations. But it also needs sufficient flexibility to allow local agencies and partnerships to react to local conditions and to encourage innovation and investment from the private sector, rather than deter it with too much bureaucracy.

Below we make eight key recommendations intended to enable the Department to better address the key risks, improve its management and to strengthen the coherence of the overall programme:

1 Create stronger leadership of the programme across central government by establishing a cross-government board of senior officials

A cross-government board can increase stakeholder confidence that the Government's vision and objectives are shared across government and that central government is working together to overcome obstacles to local delivery.

- The board should direct the overall programme and the chief executive and provide overall strategic management;
- Membership should include government departments with an important role in the delivery of the Thames Gateway objectives, such as Communities and Local Government; the Department for the Environment, Food and Rural Affairs; the Department for Transport; the Department for Education and Skills; the Department of Health; and HM Treasury;

- Non-executives would provide expert knowledge on programme management and creating sustainable communities;
- The Department and its Accounting Officer should retain responsibility for the overall programme, with other named Accounting Officers also accountable for their part of the programme;
- The board should have oversight of sector and thematic committees focusing on specific issues, such as the environment, green spaces, transport, education, utility provision, inward investment, marketing and job creation. These should draw on appropriate members from departments, executive agencies, local government, the private sector and the third sector.

During the drafting of this report the Department has worked with other government departments to establish such a cross-government board, which held its first meeting on 27 March 2007.

2 Establish a joint risk management strategy for the programme

The Department needs to do more to coordinate the management of risk.

- Coordinate a cross-government programme risk management strategy with a central risk register;
- Assign responsibility for individual risks to the appropriate departmental representative on the programme board;
- Establish a shared protocol to monitor and manage risks, issues and opportunities as they arise.

3 Establish better performance criteria, and assign responsibility for achievement across government

The Department needs to develop better ways to report on its progress and assess whether it is achieving the outcomes it wants.

- Use a balanced scorecard of performance indicators that address each of the Government's aims for the Thames Gateway;
- Assign responsibility for individual performance indicators to appropriate departmental members of the programme board;
- Report annually on the delivery and performance of the Thames Gateway programme, against the scorecard, showing the use of resources and highlighting successes.

² These initiatives are listed in Appendix 3.

4 Establish an overall programme plan to coordinate projects and present a live picture of progress

The Department needs to bring together all the key project plans for the Thames Gateway into a single costed coordinating plan to show the interdependencies between projects and a live picture of what has been achieved and what still needs to be done.

- Develop and publish a clear delivery plan for the Thames Gateway;
- Include clear scheduling and interdependencies of all projects;
- Maintain the plan as a live document available to all partners and the public;
- Provide separate plans for cross-Thames Gateway issues that fit into the overall plan, such as transport provision, utility provision, managing the environmental impact, education and skills, health, managing the waterways, inward investment, marketing and job creation;
- Calculate and publish the total public sector costs for achieving each of the projects in the overall plan, allowing for risk and uncertainty in the estimate of costs especially for projects not scheduled to start for a few years;
- Map cross-government capital spending to show the spatial alignment of investment and how investment in each sector is and will be supported by investment from the other sectors, e.g. how investment in transport will be supported by investment in health and education facilities at a local level.

The Department is working on producing an overall programme plan based on its Interim Plan and Development Prospectus which identified the major development projects in the Thames Gateway. It expects to publish this in November 2007, after the conclusion of the Comprehensive Spending Review.

5 Emphasise central support towards sponsorship of local delivery vehicles

Partners need to be clear on the role and responsibilities of each body involved in planning and delivering the Thames Gateway. The Department should focus its attention on managing the whole programme and supporting its partners in delivery.

- Set out in a single public document a clear rationale for the roles and responsibilities of each layer of government in the Thames Gateway programme, ensuring minimal overlap and duplication;
- Strengthen the programme management functions at the Department, including the programme monitoring and coordination functions;

- Work with the Shareholders Executive, 4Ps, and Partnerships UK to identify how best to help local public partners set up appropriate partnering arrangements with the private sector, and what support they need from central government;
- Establish a clear framework of performance criteria to help monitor the performance and capacity of local partners;

6 Help and encourage other government departments' agencies to better integrate their work into the spatial planning of Local Authorities and Regional Assemblies

Public bodies responsible for delivering infrastructure need to be more proactive in engaging with regional and local spatial planning, so that they raise issues of potential concern as early as possible and can plan their contribution to delivery. The Department should:

- Encourage other government departments' agencies to be proactive about providing advice at master planning stage, rather than waiting to be consulted on individual planning applications;
- Encourage Local Authorities and Regional Assemblies to invite other government departments' agencies to comment on spatial plans;
- Areas of likely contention should be identified for major sites at the spatial planning stage before planning applications are made.

7 Develop a cross-government communication and marketing strategy for the Thames Gateway

The Department needs to do more to attract investors into the Thames Gateway.

- Adopt a cross-government communication and marketing strategy to promote the Thames Gateway to potential investors and residents;
- Establish a clear protocol between local, regional and central government for the promotion of the Thames Gateway.

8 Make the partnership network more investment friendly

The Department has established a network of partnerships that bring together the fragmented bodies responsible for planning and delivery of infrastructure in the Thames Gateway. But the Department needs to do more to prevent the complexity of the network deterring investors from engaging with the programme.

- Provide a physical and virtual one stop shop for information on what each partner is doing in the Thames Gateway.

2 Examples of the publicly funded projects enabling regeneration and development of the Thames Gateway

Transport

Kent Thameside Fastrack

Kent Thameside Fastrack is a bus-based rapid transit network that will link the developments in the Kent Thameside area, including Ebbsfleet International Station and the towns of Gravesham and Dartford. The buses run on dedicated routes, making journeys quicker and avoiding congestion.

Fastrack is needed to promote public transport and reduce the amount of road congestion caused by new development in Kent Thameside, including Ebbsfleet Valley. Kent Fastrack estimates that the delivery of up to 12,000 new homes and 15,000 jobs will rely on Fastrack.

The first route opened on 26 March 2006 and is already running above forecast levels.

Kent Fastrack is managed by the Kent Thameside Delivery Board (the Local Regeneration Partnership), with provision of the first route subsidised by £5.9 million of Department grant. A second wholly developer-funded route costing in excess of £25 million will open in June 2007.



Docklands Light Railway Extensions

Transport for London is extending the Docklands Light Railway (DLR) to improve the public transport connexions across East London and links the London part of the Thames Gateway to the city centre. These are all funded through Transport for London's five year investment plan, except the extension to Barking which has yet to be confirmed.

DLR City Airport Extension (complete) – £150 million

The extension of the DLR to City Airport opened in November 2005 and has improved access to the airport. The extension is intended to stimulate development in the Silvertown and North Woolwich area.

DLR Woolwich Arsenal Extension (confirmed) – £180 million

This will provide new public transport links between south-east London and the rest of Docklands, stimulating the regeneration of Woolwich town centre, the Woolwich Arsenal and the Southern Royal Docks area. It is expected to be operational from February 2009.

DLR 3-Car Upgrade, Bank – Lewisham (confirmed) – £180 million

This will enable 3-car trains to operate between Bank, Canary Wharf and Lewisham and is expected to be in place from October 2009. It will provide a 50 per cent increase in capacity on the line to support the continued development of Canary Wharf and the Docklands.



DLR Stratford International Extension (confirmed) – £210 million

The scheme involves the conversion to the DLR of the existing North London Line between Royal Victoria and Stratford, with a new link to Stratford International station. This will involve the creation of four new DLR stations at Stratford International, Stratford High Street, Abbey Road and Star Lane. Completion is due in 2010.

DLR Barking Riverside (proposed but funding unconfirmed) – £300 million estimate

This proposed scheme will extend the DLR from Gallions Reach through Barking Reach to Dagenham Dock in order to encourage high density development in the London Riverside area. It would support the Barking Riverside development.

2 Examples of the publicly funded projects enabling regeneration and development of the Thames Gateway *continued*

Attracting people and jobs

Pier Hill – Southend-on-Sea

Tourism remains the biggest employer in Southend-on-Sea. More than 6 million people visit Southend-on-Sea each year.

The Pier Hill regeneration project links the seafront with the commercial centre of the town and is designed to inject new life into a previously run-down area of the seafront.

The project has provided a new viewing platform and bridge, scenic lift, pathways and water features.

These provide views over the Thames Estuary as well as a new landmark and image for the town.

The project was joint funded by the Department (£3.38 million) and the European Union (£2 million, with £0.15 million from the East of England Development Agency).



Education and skills

The University of Essex and South East Essex College Partnership

The University of Essex is working in partnership with South East Essex College to bring integrated Higher and Further Education training to Southend. Together they have developed a vision for education in South Essex and have developed courses designed to suit local training and employment needs. They offer a single ladder of education progression from A-levels and BTECs through to Honours degrees and PhDs.

Until recently the partnership students were trained at South East Essex College in their new £54 million building which opened in September 2004. The University of Essex opened their new Southend campus next door in January 2007. It is hoped that by 2010 3,000 higher education students will attend the new campus.

The University and College are founding partners of Renaissance Southend Urban Regeneration Company, which acts as the local regeneration partnership.

The new University of Essex Southend campus received £14 million from the Department and a further £8.85 million from the East of England Development Agency, Higher Education Funding Council for England, and the Government Office East of England.



Medway

The Universities of Greenwich and Kent, Mid-Kent College and Canterbury Christ Church have developed a new shared campus at Chatham Maritime in Medway, based in the old naval buildings.

Each institution offers its own range of courses drawing on their individual academic strengths. But by being on a joint campus, students have access to a wide range of first-class facilities. It is expected that student numbers will rise from 2,700 to 10,000 by the year 2010.

The Universities received £15 million from the Department and a further £8.6 million from the South East England Development Agency, towards the £130 million costs of the development.



2 Examples of the publicly funded projects enabling regeneration and development of the Thames Gateway *continued*

Environment

Rainham Marshes

The Royal Society for the Protection of Birds (RSPB) opened their nature reserve at Rainham Marshes in Havering and Thurrock in November 2006. They bought the site from the Ministry of Defence in July 2000. The marshes retain their original medieval landscape and marshland wildlife and are the largest remaining expanse of wetland on the Thames Estuary.

The RSPB centre provides views for visitors and schoolchildren across the marshes and River Thames. It has been built to the highest environmental standards, with features that include solar panels, rainwater harvesting, natural light and ventilation and a ground source heat exchange system.

The RSPB received £950,000 from the Department via the East of England Development Agency, £800,000 from South Essex Green grid, £1.1 million from London Thames Gateway Development Corporation and £1.5 million from Thurrock Thames Gateway Development Corporation towards the costs of the centre and reserve.



Jeskyns Community Woodland

Jeskyns Community Woodland is part of the new North Kent Green Grid. It is a result of the transformation of 146 hectares of land that was previously under intensive agricultural use into open parkland and meadows, with cycle and bridle paths for local residents.

The site is based along the Gravesham and Medway border. It was purchased by the Forestry Commission in 2005 with funding provided by the Department. To date, the Department has committed £5.8 million to the project, including funding for new public access bridges over the A2.

On-site work began in October 2006 and the first visitors are expected in June 2007.



Source: National Audit Office review of Department's files