



The Urban Revival

Restoring economic
viability with private
and public partnerships

WHITE PAPER



Introduction

Cities are home to millions of people all over the world. They provide a vital centre for business, hospitality, arts and culture. In order to remain vibrant, relevant and influential they need to be able to maintain a good mix of human demographic within a variety of built-environments.

Covid-19 has irrevocably changed the way people want to live, prompting many to re-evaluate what is important in their lives and how they want to live in future – where and how they will work, do their shopping, socialise and enjoy leisure time. They also have increasing concerns around environmental issues, sustainability and governance (ESG) and the places where people live and work are now starting to reflect these. Local authorities already place ESG high on their policy agendas and some of the more pioneering councils have, for example used Community Bonds to finance ‘green’ infrastructure projects.

Reimagining, designing and building cities that are fit for the future will require a unified approach with partnerships between the public and private sector, each bringing its own strengths, knowledge and experience to the project. The rapid shift towards digital technology solutions, catalysed by the pandemic, is the enabler that will facilitate these partnerships.

In fact, technology lies at the heart of the modern urban revival. Super-fast broadband has become a standard expectation. People need instant connectivity when working from home, using IT for leisure activities such as gaming and movies, and for remote delivery of education by schools, colleges and universities. The rapid digitisation of business, driven by the Covid-19 pandemic, now presents an opportunity for the public sector to transform its operational efficiencies in order to meet a growing consumer expectation. Many cities have already risen to the challenge and partnered with private sector companies to make sure they have a cutting-edge offer for businesses and citizens.

These successful partnerships can make great improvements across all facets of the modern city, in homes, public and private transport, workspace, retail and placemaking. There are so many opportunities for private sector investors to see good returns on their capital and expertise while helping to improve our cities, creating sustainable and robust infrastructure and systems for future generations.



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Homes

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Homes

As city populations grow, so does the demand for more housing, in particular affordable housing. Local authorities have a difficult balancing act in providing homes for low and middle income families, encouraging private sector investment, protecting citizens who are renting from unscrupulous private landlords and also maintaining council tax income from those properties. In Manchester, the City Council is undertaking a housing strategy review to help cope with growing demand for homes.

It has already begun a partnership with a private investor, Far East Consortium (FEC) as part of a £4billion regeneration project in the north of the city, to be called [Victoria North](#). FEC is providing match-funding with the city council, investing £76million to build around 15,000 new homes across 390 acres, alongside green space, new schools, transport links and healthcare facilities. The aim is to create a number of smaller neighbourhoods, with sufficient people living in each to drive successful retail and amenities. 20% of the homes will be 'affordable' social housing, in line with the council's ambition to create diversity for more sustainable communities.

FEC was attracted to Manchester in part because of existing relationships between its late founder and city leaders, but also because it identified potential for growth in a city that has welcomed over 50,000 new residents since 2015. The city, in return, was interested in working with FEC because of its clear intention to make a long-term investment of 15-plus years, that is not about making a quick profit or selling all of the homes at market rate.

Design in both privately-owned and social housing is also changing. The expected increase in people working from home means that houses now need to include dedicated workspaces, either an office room or be cleverly integrated into spaces such as under the stairs. Outside, consideration must be given to the provision of electric vehicle charging points – for each home where off-road parking is provided, or in easily-accessible public areas.

Modern home design is increasingly guided by ESG, supporting residents with more energy-efficient facilities and technology, such as solar panels and insulation measures.

The latest smart meters and EVCPs can help people charge vehicles at the cheapest times, putting less demand on the national grid and using green energy.



Public transport

Public transport

Public transport networks were almost abandoned in some areas during lockdown, forcing the neglect of the existing franchise agreements with private train operators. The model was dependent on passenger numbers and income and without government intervention, most operators would have defaulted anyway. The current situation, with transitional contracts introduced during the pandemic, presents exciting opportunities for private sector investment, supported by local authorities armed with local knowledge and established relationships with local stakeholders.

The shift towards more hybrid remote working patterns for many means that the railways will be used less intensively than pre-pandemic, with less focus on the old 'peak' times. However, as people return to using trains, buses and trams again, there will be public demand for a cleaner, more efficient, reliable and comfortable public transport network that is fit for purpose and doesn't cost them the earth.

With government-mandated carbon-zero targets, and no more new fossil-fuelled cars to be sold from 2030, local authorities need to find ways to encourage more people onto public transport, which may be a trickier challenge, post-pandemic. A recent initiative by the Department for Transport championed a flexible season ticket for rail-users. Designed to support hybrid workers commuting twice a week (8 travel days in a 28-day period), the discounted season ticket has not been welcomed by commuters who reportedly feel that the savings offered are too low. It appears that greater incentives will be needed to kick-start rail commuting again and encourage remote workers back to their city-centre offices.

24 years after it was introduced, with the intention of driving greater efficiencies and achieving best value for money for travellers, the railway franchise system has now been abolished. The government is currently operating transitional 'recovery' contracts with operators and considering new approaches to ensure a workable future. One of the many criticisms of the franchise system was the fragmentation it created. While a full return to British Rail, the public-owned body that once managed both the track network and the train services, seems unlikely, there must be a workable and effective middle way.

Local providers know their area and its people better than a central body. Having disbanded the franchise system, government needs to find a way to engage with private operators to provide the best local services around the country, alongside a centralised approach to strategy and planning.

Another criticism of franchising was the over-complication and lack of transparency around timetables and fares. Bringing Network Rail, the private company that manages the track, and private train operators closer together, with a central body overseeing planning, may streamline the experience for travellers and persuade them back onto the networks. If not, it is difficult to see how the recent and on-going reduction in passenger numbers and fare incomes can be resolved with building a better and more efficient service.

Under the most recent model, following the axed franchise scheme, the government pays operators to deliver services using a prescribed fare structure and timetable, without the requirement to deliver on financial targets – an impossibility as commuting halted almost overnight during the pandemic.

As the industry seeks to attract travellers back onto the rail network, it remains to be seen whether the issues of fragmentation, challenges to investment and growth, and incentives for commuters can be addressed as a new post-pandemic model emerges.



Private transport

Private transport

The international shift towards electric vehicles (EVs) seems irreversible and is gaining pace. Consumers now have to weigh up the cost of a new electric car – currently considerably higher than its fossil-fuelled equivalent – with the environmental impact and probable increase in taxation for diesel and petrol vehicles in the near future.

One of the biggest issues facing owners of EVs is the lack of charge points (EVCPs) and access to them. People with off-street parking can install their own EVCP, using their own electricity supplier and technology is moving quickly, creating smarter ways to help drivers charge their cars at times of low demand, costing them less, and utilising 'green' energy. But many city-dwellers don't have off-street parking and almost everywhere there is a need for many more public EVCPs. According to ZapMap, one of a number of apps that help drivers locate EVCPs, there was a [220% increase](#) in the number of public points from the end of 2016 and 2020.

Many local authorities are now working with private operators to implement action plans to install more EVCPs. These have to provide a coherent infrastructure serving different EV types, including taxis, privately owned cars and commercial fleets. In the London Borough of Camden, the council has an [action plan](#) that includes the installation of new on-street charging infrastructure, at an estimated £10,000 per EVCP. Private operators fund the installation and maintenance of these, with Camden Council covering other costs. It is also installing Rapid charge points, fully funded by the operator and Transport for London (TfL).

Around [one in five](#) of the UK adult population doesn't have access to a private car, rising to just over [half of households in London](#), the largest city. Alongside the provision of 'green' public transport networks for car-less city dwellers, local authorities need to find ways to encourage cycling and walking as safe, clean alternatives.

Cycling enjoyed an unprecedented boom during the pandemic, with people turning to bicycles as an alternative to travelling in close proximity to others on public transport, finding themselves with more time to get from A to B, and for leisure. The UK government's [Active Travel England fund](#), launched July 2020, is investing £2 billion over five years, to be accessed and delivered by local authorities, to improve the cycling and pedestrian national infrastructure. The plan is a response not only to creating a cleaner air environment, but also to encourage people to be more active in their daily lives with better health outcomes.

All over the world, cities are evolving in response to changing demands of their citizens and leaders for easier walking and cycling. Paris mayor Anne Hidalgo wants to phase out vehicles in some parts of the French capital, creating 'the 15-minute city' - clustering vital amenities, shops, cafes, sports facilities, cultural and entertainment venues and schools within a 15-minute walk or cycle for every citizen. This is designed to improve quality of life, building local centres that are accessible to all, encouraging interaction and a more physical engagement with the space, on foot or two wheels, and cleaner air.

Here in the UK, Birmingham has a 20-year masterplan to transform its city centre that covers every aspect of the built environment. [The Big City Plan](#) is creating a well-connected, efficient and walkable city centre with 65,000 square metres of new and improved public spaces and 28 kilometres of enhanced walking and cycle routes. The framework aims to integrate sustainable development, including over 5,000 new homes, while addressing the impact of climate change. Crucially, it has attracted investment from multiple partners with a projected £2.1 billion that will be contributed to the economy each year and creating 50,000 new jobs, helping to build a more prosperous city.

The Big City Plan is based around six broad objectives that are guiding the decisions for development and regeneration – to be liveable, connected, authentic, knowledge-based, creative and Smart. There are opportunities for private investment partners to help deliver all of these.



Offices and workspaces

The office is now the place for collaboration, a place for teams to meet to bounce ideas around and to engage with group activities.

Offices and workspaces

Having the right technology is vital within all successful workplaces. Its job is to make life easier for the user, promoting greater efficiency and increased productivity. Whether it is being used to facilitate a telephone-free office that uses only computer-based conference calling, or to connect the processes in a busy warehouse.

Covid-19 has had a dramatic and lasting impact on people's relationship with their workplace. As restrictions have lifted, many have gone back into the office on a part-time basis, adopting a new hybrid model, or not at all. In response to this some organisations have down-sized, and many have reconfigured their spaces in line with greater social distancing as the norm. Inside, there is more personal space, easier to clean areas and wider walkways. The office is now the place for collaboration, a place for teams to meet to bounce ideas around and to engage with group activities. Technology has been the enabler for all remote working and will continue to be key to video conferencing and cloud-based digital software that allows users to access systems in real time, from anywhere.

In cities, offices and workspaces are increasingly integrated into new developments alongside housing and leisure facilities. Life between the buildings is just as important as the life inside them and people want more open urban spaces and green areas where they work, as well as where they live and play. The area around [King's Cross Station](#) in London was, just a few decades ago, characterised by high crime rates and serious social, economic and environmental challenges. Now, 67 acres has been transformed with 1,900 homes (40% of which are affordable), 50 new buildings, the refurbishment of 20 historic buildings and structures, alongside 26 acres of open space, made up of 10 new public parks and squares.

With a brand-new postcode, N1C, the neighbourhood includes retailers, offices, restaurants, galleries, schools, a 90-room hotel, and the University of the Arts London. The successful regeneration of King's Cross was funded by the King's Cross Central Limited Partnership - developer Argent; London and Continental Railways (LCR); and Exel, with support and input from two Local Authorities – the London Borough Councils of Camden (now headquartered in the neighbourhood) and Islington; the London Development Agency (LDA); other service providers; local communities and other land-owners.

N1C is an example of how a successful partnership between private and public sector bodies can dramatically improve opportunities for everyone living, working and studying in the area, and in this case, for London as a whole.



Retail

42.6% of people said they thought they would carry on shopping for food online, and another **32.8%** said they would, but less often than during the pandemic.

Retail

The rise of internet shopping, already thriving pre-pandemic and accelerated during the lockdown, means that storage and dispatch hubs require digital connectivity that supports up-to-the-minute digital software for supply chain management, order fulfilment and efficient returns processes.

The pandemic has had a massive impact on the way people do their shopping. According to [ONS figures](#), food shopping online doubled from February to August 2020. Initially supermarkets were under immense pressure to recruit drivers and staff in order to service the surge in demand for online deliveries and click and collect services. In a [May 2021 survey](#), 42.6% of people said they thought they would carry on shopping for food online, and another 32.8% said they would, but less often than during the pandemic.

The convenience of having goods delivered to the door appears to be a facility many people are reluctant to give up now. People are buying a much greater range of goods online, from wine and clothing to garden furniture, gifts and pet food. They also have high expectations of reliable and fast delivery services. No one wants to wait a week for a delivery from one vendor, when Amazon Prime can deliver within 24 hours. The Cloud-based software that supports fulfilment and delivery mechanisms, including real time parcel tracking, and simple, low-cost returns, is reliant upon digital connectivity at every stage.

In a parallel but quite different trend, many consumers revisited the shopping habits of previous generations, with growing appreciation for the convenience and simplicity of using small, independent, local shops. Perhaps during lockdown, corner shops replaced the local pub, fulfilling the role of a friendly face who knows your name and knows your order.

People appear to be placing greater value on the idea of supporting local retailers and reducing food miles, even now that avoiding crowds and staying close to home is less of a requisite.

City neighbourhoods need to provide residents and workers with the right balance of appropriate retail. Families without cars need access to high quality, reasonably priced shopping for their daily needs, such as food and medicines; for essentials like basic clothing, shoes, school uniforms and small electronic goods; and for other occasional luxury items. When attracting retail partners, local leaders need to consider the choices and options for most requirements, within walking distance if they are to build thriving and sustainable local economies. One of the early criticisms of the King's Cross regeneration project by residents was the lack of choice in grocery shopping, with only one high-end supermarket.

Ultimately, the balance is not working if people have to catch a bus in order to get a pint of milk, or to access a cash machine. But local authorities have a role in determining the retail mix as well as location, ensuring sustainability, promoting public health – with governance over the positioning of fast food and gambling premises - and making sure the entire community is served by the retail on offer.

Local authorities can actively support retailers with things like grants for independent retailers and support for events such as makers' markets, which give artisans and craftspeople the opportunity to showcase and sell directly to the public.



Placemaking

Big sports teams help to generate a local identity and provide economic stimulus for large-scale infrastructure improvements that benefit the sports club and its local community.

Placemaking

Besides the mix of homes, workplaces and shops, cities are defined by the other activities and amenities that help to form their own unique identity. With the lifting of social distancing, local authorities and other publicly-funded bodies will have a job on their hands providing the adequate support for arts and culture venues and events support. People will need to feel confident about sharing intimate indoor spaces with strangers, and many theatres and concert venues are having to look at investments for improving auditoriums.

Sport is a great way to attract people to an area, and professional sporting facilities can form a hub for other leisure activities too. In East Manchester, the former Commonwealth Games stadium, completed in 2002, now home to Manchester City Football Club (and rebranded the Etihad Stadium), sits alongside other major sporting facilities including the National Cycling Centre, The National Squash Centre, Manchester Regional Gymnastics Centre, Manchester Tennis and Football Centre and the Regional Hockey Centre, as well as a local swimming pool, schools and colleges. The facilities are used by professional and amateur athletes, with most also available to the public. Part of the Manchester City Council's regeneration framework, the [Eastlands Community Sports Plan](#) was realised by a successful partnership between the council and the billionaire owner of Manchester City Football Club, Sheikh Mansour. Both parties have benefited immeasurably from the improvements to the entire area, as have the residents of a formerly run-down part of the city. Big sports teams help to generate a local identity and provide economic stimulus for large-scale infrastructure improvements that benefit the sports club and its local community.

Heritage is another important factor in successful placemaking. Traditional and historic environments can help to create a desirable town centre with its own 'personality' that can give one town the competitive edge over another.

Places like York, Chester, Stratford-upon-Avon and Bath are well-established on the world stage as historic tourist attractions that successfully monetise their image and reputation. Of course, not every town and city has a well-preserved historic centre or globally-famous sports team to capitalise upon. There are vast inequalities between urban centres all over the UK. Currently the Government has a stated ambition and targets to level-up these long-standing differences in employment, pay, formal education, health, skills, opportunities and infrastructure across the regions. These regional inequalities are often self-perpetuating, with highly skilled workers gravitating to places with the best job opportunities and amenities. Areas with a higher skilled workforce tend to attract more private investment, infrastructure spending, have higher research and development (R&D) intensity and stronger innovation networks.

Local investment in education, skills and training will help retain best talent, benefitting local business. Local councils, with their shrinking budgets and pressures not to increase local taxation, particularly now, as the country is trying to get back on its feet after the pandemic, cannot do this alone. We are now at a critical point of need to attract private investment that can create desirable places to live and work, self-perpetuating to attract more success.

The unique personality of every city and town is defined by its heritage, sports, arts and creativity, as well as specific skillsets, embodied in traditional and contemporary local industries. They contribute to local pride, to its national and international reputation, and are vital to its economy and future prosperity.



Technology

Connectivity is crucial in the modern city, creating a fast, reliable and highly-capable digital infrastructure.

Technology

The pandemic accelerated a massive shift towards digital technologies for business, and now is not the time to start applying the brakes. Software development companies are focused on delivering ever more user-friendly and intuitive solutions that automate processes and drive greater efficiencies and productivity.

Technologies that make life easier for people are at the heart of the urban revival, and while the private sector has taken the lead in this, public sector organisations, recognising the importance of their IT estate, are also using the latest digital solutions to reduce costs, improve quality of service-delivery and support the delivery of front-line services. This improves the lives of the citizens and employees of the public sector, delivering those services. However, unlike the private sector that can more easily justify these investments with immediately identifiable returns, the public sector has more limited budgets and may be hindered by lack of time and expertise, as well as the problem of legacy systems in multiple locations around the city. In these cases, councils can partner with technology suppliers who can provide an open platform that enables simple end-to-end integration across their IT estate, delivering the best digital capabilities with the greatest cost efficiencies.

Some may be discouraged by concerns around disruption to services during any significant migration of data, or by data protection and security liabilities. Leading software and service providers are already completing large-scale system upgrades and full migrations of data to fully-secure, dynamic, digital processes without any disruption to users or customers. The recent move of 11 nationally-critical applications for the Department of Work and Pensions (DWP) is a case in point.

This modernisation initiative, delivered by Advanced, seamlessly achieved an upgrade of systems, including Jobseekers Allowance and Universal Credit, that are responsible for £170 billion in welfare payments to millions of users every year. Finding the right technology partner is key to helping attract private business investment, by embracing new ways of working, optimising current solutions, and building new capabilities that can create a menu for collaboration with all stakeholders.

Connectivity is crucial in the modern city, creating a fast, reliable and highly-capable digital infrastructure that can serve the needs of businesses, homes, utilities, health and education providers and many more, for the foreseeable future. The [Smart Place Pilot](#) is a pioneering project by Dorset County Council, partnering with private companies to deliver a 5G solution, creating an internet of things (IoT), connecting machines and devices via the internet, that will improve services, provide free public WiFi, attract new investment, employment and innovation. It will bring an anticipated £137m to the local economy by 2030. If they haven't already, local authorities must drive the roll-out of high bandwidth, high resilience services that enable greater and more consistent connectivity, utilising the funding and expertise of private bodies to make this happen. Moving too slowly risks being overtaken by more digitally-aware peers and losing out on essential investment opportunities.

Local authorities that can demonstrate a forward-thinking attitude, willingness to invest in innovation and embrace new technologies will be much more closely aligned with the private sector investors they are seeking to partner.

Government Funding Opportunities

Securing support from national government funds can help local authorities provide a more plausible investment prospect for private investors.

Currently these are two that specifically seek to support development and regeneration around the UK.

The UK Community Renewal Fund

Recognising that different places have different needs, the UK government is empowering places to find ways to tackle their own local challenges. There are opportunities for local authorities to apply for government funding to support development and improvements to help build the communities where people want to live, work and visit. This may be through building skills, supporting local businesses, supporting communities and places, or providing employment support.

This fund provides an additional [£220 million of investment for 2021-2022](#) to help support local areas to pilot imaginative new approaches and programmes that unleash their potential and instil pride. It can also help to prepare them to take full advantage of the UK Shared Prosperity Fund when it launches in 2022. The latter is a post-Brexit initiative by the UK government, designed to replace EU funding, that should on average reach around £1.5 billion a year for uniting and levelling up the whole country.

The Build Back Better High Streets strategy

Announced in July 2021, £335 million will be made available to [help fund community regeneration](#) projects, ranging from repurposing empty shops and offices, creating new public spaces, developing a digital enterprise and learning centre, and saving local venues that are loved by the community, such as sports grounds, pubs, theatres and shops. It will also link into the Active Travel England fund (previously mentioned), to embed greener transport with new cycle lanes, increased pedestrian space and low-traffic neighbourhoods. Chewing gum producers are investing £10 million over the next 10 years to help councils remove gum from the streets, with a government taskforce set up to deal with graffiti, litter and gum. Councils will soon be invited to start planning events for the Queen's Platinum Jubilee in 2022, helping to build greater community spirit with the encouragement of street parties and other local events for national celebrations.

Conclusion

Homes, transport, retail, workplaces, placemaking, innovation and technology – it is critical that local authorities get the balance right in all of these areas. It requires a holistic, 'whole economy' plan, where the right digital technology and infrastructure can help secure the best private sector partners.

Local authorities don't have an open cheque book for development and regeneration projects, so it's essential that they implement strategies that allow them to attract investment from the private sector for funding and operational expertise. Public sector leaders need to understand what private sector wants from them, and make sure they don't lose out to their more technology-savvy and switched-on neighbours, and competition for private finance in the global marketplace.



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Tips for attracting funding

Robust governance and policies

In order to attract private investors, local authorities need to demonstrate robust governance that fosters confidence. Longevity is key to many infrastructure projects, so cities that have had successful, stable leadership over a period of time and can demonstrate long-term fiscal agility alongside managerial proficiency are more likely to be able to convince investors that they are a plausible potential partner. Where the investment is linked to a local regeneration strategy or other fully developed policy around economic transformation, may give the opportunity more weight.

Willingness to co-invest

Not surprisingly, councils that can 'put their money where their mouth is' and are acting as co-investors in an infrastructure or development project are also likely to be a more attractive proposition for private funding. Strong leadership with a clear vision of the wider aims and ambitions for the local authority should have already demonstrated commitment to efficient, modern, management processes, utilising the latest digital management solutions. They cannot afford to be seen as the 'Luddites', struggling with out-dated systems to keep up with private investment partners, for whom investment in the most appropriate and up-to-date technology is an essential.

Clear returns on investment

Investors also need to be sure of the potential returns from the opportunity – they don't invest for any other reason. There needs to be a clear and realistic projection of the returns, remembering that most investors have an area of specialism and are adept at seeing the true potential, based on experience of previous projects.

This does mean however that they will be able to contribute expertise that can further develop the proposition and identify greater potential returns for both parties.

Commercial feasibility

Private investors want to be certain of the local economic, business and social environment, with potential and opportunities for further growth to create a self-sustaining opportunity. Local authorities have solid grass roots knowledge of the locality and all it has to offer, plus, engagement with all local stakeholders – including tenants in the case of housing developments - and they must be able to demonstrate this. Local authorities are not just in competition with each other, as competition for these opportunities is on a global level. Sometimes there will be a personal aspect to the investment, as in the case of the FEC's investment in Manchester housing, but local authorities need to be able to present a fully cohesive and compelling case to win investors.

With a fully joined up approach, cities and towns all over the UK can develop effective strategies to use private sector partners and government funding for developments that can be truly transformational. The urban revival is not for the faint-hearted, it requires bold thinking and long-term commitment of resources. Local authorities understand their own local issues better than anyone, and are perfectly placed to draw together the sometimes contrasting agendas of business, communities and other stakeholders to create effective action plans. With the right private sector partners on board to deliver these plans, the urban revival will be enabled by technology, and shaped for the diverse needs of the people who live in our cities now, and into the future.

Making life easier in changing times

The pandemic accelerated a massive shift towards digital technologies for business, and changes will continue to gather speed.

At Advanced, we are focused on delivering technologies to make life easier for people and places that are at the heart of the urban revival.

[Find out more](#)



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