

The Thames Gateway regeneration

A business perspective 2009

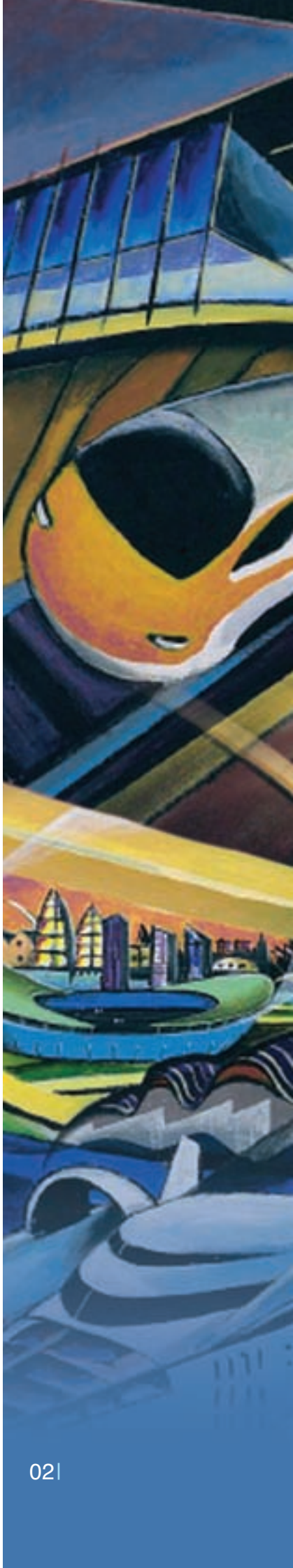
Executive summary



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Executive summary – new threats and opportunities

The past three years have seen a significant improvement in awareness amongst businesses in the Thames Gateway of the regeneration plans and a greater focus therefore on how those plans are likely to impact on them.

Awareness increased to 75%

75% of those interviewed confirmed that their knowledge of the regeneration had increased in the last three years. This contrasts with 2006 when over 75% reported that they had either little or very little knowledge of the regeneration. It is clear that the activities of local authorities, delivery boards, the Chamber of Commerce and the numerous seminars and workshops this firm has delivered have led to a significant improvement in awareness. It is also clear that those with a better awareness are already considering and planning for the impact they believe the regeneration will have on their businesses.

Opinion divided

Opinion was however divided on whether people felt more or less positive about the regeneration with 50% saying they were more positive, 40% less positive and 10% reporting no change. The positives seem to reflect a general sense of satisfaction in respect of what has already been delivered, the clear physical and environmental improvements that are visible on the ground and the business opportunities that have and are expected to flow. It is important however to note that those who are less positive were not less positive about the regeneration itself but with the pace of its delivery, the complexity of the planning process, the perceived lack of coordination between the various bodies involved,

concern over the suitability of the surrounding infrastructure framework and, of course, the impact of the economic downturn.

This was to some extent reflected in the replies to the question of what those participating thought of the speed of delivery with 45% believing it had been too slow and 40% believing it to have been about right.

Critical success factors – consultation and infrastructure paramount

One interesting statistic which stands out in this report is the clear view that the two critical factors to the success of the regeneration are: (1) that there must be a consultative and partnership approach with all the stakeholders involved; (2) that getting the infrastructure right is paramount.

Whilst infrastructure was one of the major concerns in 2006, the importance of a consultative and partnership approach appears to have emerged as the major factor, quite possibly because of the greater awareness of the sheer scale and complexity of the regeneration. Of the remaining factors, sustainable development and the need for continued investment were considered important.

One issue which appears to have become of considerably less concern in ensuring the success of the regeneration compared to 2006 is that of improved education and skills. It is likely that this has been influenced by the greater role now played by the University of Kent at Medway and the various other higher educational establishments in the region as well as, in the shorter term, the improved availability of skilled labour in a slowing economy.

Inward investment

There was a clear divergence of opinion about the types of businesses that might be attracted to the area with the most commonly mentioned being the service and high-tech industries but many also citing more traditional industries such as light manufacturing, storage and distribution.

The view was much clearer on the types of businesses that would be attracted to and around Ebbsfleet with most respondents suggesting the financial and service sector and global businesses with links to the Continent. In 2006, 60% of respondents said that they were not aware of the types of businesses that might emerge in the Thames Gateway.

An overwhelming 85% of respondents believed that the opening of Ebbsfleet International to both international and domestic passenger traffic would be good for Kent. High speed access to markets in London and the Continent were seen as critical for business but also as adding real social benefit. Some concern was however expressed about the impact on the environment and the fact that a local wildlife site had been partially built upon.

The economic downturn – short term but severe

Almost without exception, participants felt that the impact of the economic downturn was likely to be a short term but severe blow except where government money was involved. The feeling was that construction on all but government funded infrastructure projects would grind to a halt with developers both unable and unwilling to proceed with either residential or commercial developments.

Business issues

Unsurprisingly, the single biggest issue now affecting businesses is the impact of the economic downturn. Those interviewed reported a huge decline in business, serious impact on cashflow, lack of availability of credit and uncertainty about the future as the most immediate and pressing concerns.

A deluge of both EC and domestic legislation was cited as a major concern with 75% of businesses being negatively affected in some way. This, coupled with the perception of a no win no fee claims culture, is a major drain on both time and resources with new health and safety and environmental laws appearing to be of most concern.

Finally, although an improvement over 2006, 50% of businesses still cited the lack of availability and the artificially high salary demands of skilled labour in the region as a major growth inhibitor.

The perspective from Thomson Snell & Passmore

There is no doubt that the Thames Gateway is already an attractive business location with excellent road and rail links, a plentiful supply of land for both commercial and residential development and a relatively cost effective supply of labour. All of these attributes should continue to exist and should make the Thames Gateway a magnet for future inward investment and growth.

It is unfortunate that much of the positive news is rarely communicated effectively or is lost amongst the pessimism. There is no doubt that a large part of the necessary infrastructure is already in place. North and





East Kent will benefit from high speed rail services, as well as Ebbsfleet. The widening of the A2 and M25 have already eased traffic congestion. Crossways Business Park is fully occupied, continuing to expand and is the largest business park of its kind around the M25. The University of Kent at Medway has been a huge success and continues to grow in student numbers and collaboration with industry. The completion of the Sheppey Bridge has opened up the Isle of Sheppey and the true benefits of a major port in the region are already being seen.

There is clearly a great deal more that needs to be done by both public and private sector alike. There is also no doubt that the current economic downturn will be severe and, possibly, not short term or that it will have negative consequences for the whole of the UK.

Regeneration is not just about places but people too. It remains the case that aspiration and achievement levels are low and must be improved. It is necessary to ensure that homes are provided which are suitable for the Chief Executive, the Engineer, the Teacher and the Nurse. Quite apart from buildings it is important to ensure that there is a sense of place with parkland, leisure facilities, culture and entertainment creating a whole community. Delivery in all these areas will be vital if the regeneration is to be considered a success.

It is the case that with any long term project there will be times when things go better or worse than anticipated. An economic

downturn is always bound to come at least once, if not more, during a 20 to 25 year cycle. A slow down in itself is not necessarily something which should only be seen as a negative. It is an opportunity to reflect on what has been achieved so far, to consider whether the quality and design has been what we should expect, to engage with all stakeholders and to agree on where our priorities and endeavours should lie in the future.

There is little doubt that over the next few years the momentum must come from the public sector. The Thames Gateway represents an enormous opportunity to invest in the future of the South East economy and to do so at a time when high levels of public investment are both needed and will purchase more for every pound spent. We encourage both local and central Government to keep the supply of money for infrastructure projects flowing and to bring forward planned investments. Until we see the resumption of normal credit lines, it is unlikely that we can expect activity from the private sector and that is a matter the Government must address, as much for the UK as for the Thames Gateway.

Provided that public sector momentum is maintained over what is likely to be a difficult couple of years, we believe that the long term prospects for the Thames Gateway remain positive.

For a copy of the full report please contact Alexa Twort, email alex.a.twort@ts-p.co.uk or call 01892 701301.