

# Public realm needs private funding

■ A fresh approach is required for London's public spaces, says **Susan Freeman**

MY FIRM AND THE CENTRAL LONDON PARTNERSHIP (CLP), a body that builds links between the public and private sectors, recently assembled some key public and private sector figures to consider the lack of funding available for our public spaces – a vital ingredient of good-quality urban living.

Tony Travers, director of the Greater London group at the London School of Economics says of the growing funding gap for maintaining public space: 'If even a tiny proportion of the extra resources given to health and education had been devoted to the improvement of the local environment, we could have a gold-plated public realm.' November's Urban Task Force report highlighted the 'very low quality' of much public realm investment.

With a limited budget available, councils slash expenditure on public spaces in favour of priorities such as health and education. Similarly, Transport for London's budget is largely committed to infrastructure projects and maintenance. This contributes to the 'urban exodus' as Londoners leave in search of a better environment. However, building outside city centres diverts money available for the public realm to infrastructure and transport for new communities that are often less accessible.

## CIVIC PRIDE

Why do other cities seem to take more pride in their environment? London has inspiring precedents in the wide streets and squares of the Grosvenor, Portman and De Walden Estates. However, these were once greenfield sites in single ownership, whereas city centre ownership today is fragmented. The public and private sectors are working on an innovative scheme at Marble Arch, but it is being complicated by intricate land ownerships.

As with the correlation between good design and business productivity, there is too little evidence of the economic benefit derived from having good-quality public space. Architect Sir Terry Farrell, who tirelessly promotes the concept of revitalising public space, stresses the difficulty of persuading developers to 'invest in the space between buildings'.

Recognising the value of branding, Farrell named his vision for a pedestrian boulevard from Regents Park to the Mall 'Nash Ramblas'. Farrell is also working with Camden Council on



a scheme to turn the busy Euston Road into a continental-style boulevard. The success of such schemes depends on the public and private sectors working in partnership. This approach is exemplified by business improvement districts, which use a business levy to raise funds for local improvements, thereby creating more attractive urban environments.

We rely heavily on securing community benefits from developers through section 106 planning obligations, which have been criticised for fostering inconsistency and uncertainty. After contributing to public transport, highways, education and affordable housing, only a limited budget remains for public space. There is also the problem of funding schemes when there is no money left for proper maintenance.

Why not draw on experience from the US and European cities that have adopted a more creative approach to public finance for local projects, including tax incentives and forward-funding by councils based on increased local taxes from anticipated rises in land values?

According to CLP, London businesses contribute more than £1.7bn in business rates to subsidise public services outside the capital. Westminster businesses contribute almost £900m, yet receive back only 8p in every pound. Part of this could be diverted for public realm improvements, giving local businesses a say in where their money is spent. The chancellor's pre-Budget report introduced the concept of capturing a portion of the land value uplift arising from the planning process and releasing this to fund local infrastructure.

As the 2012 Olympics approach, London will be under the spotlight more than ever. With no let-up expected in the squeeze on public space spending, a fresh approach is certainly needed.

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