Planners as Market Actors: The Role of Local Planning Authorities in UK's Urban Regeneration Practice

Abstract

At a time of public sector retrenchment in urban regeneration it has become increasingly important to understand how planners can help create better places. Recent studies suggest that planners must behave as market actors by deploying planning tools strategically to influence market behaviour. In this context, this paper examines how local planning authorities use a variety of policy instruments to influence urban projects and turn planning strategies into action. To understand how planning tools can be used to achieve successful results in urban regeneration practice, the paper presents a cross-comparison of mixed-use city centre regeneration projects in Bristol and Liverpool.

Keywords
Urban regeneration, state-market relations, plan-shaped markets, planner roles, policy instruments

Introduction

With an increased emphasis now placed on urban development projects as a strategic tool to achieve high quality urban places (Adams and Tiesdell, 2013) and sustainable urban regeneration (Rydin, 2010), the precise way in which public and private actors influence the delivery of urban development projects requires more explicit attention. Global neo-liberalisation processes (Hackworth, 2007), government retrenchments and decentralisation policies, and recent urban regeneration policies seeking to stimulate enterprise in an age of austerity (Tallon, 2013), have all created profound challenges for planning authorities. In many Western countries, including the United States, United Kingdom and the Netherlands, local authorities increasingly rely on property developers and investors, to implement public planning policies (Heurkens and Hobma, 2014). Moreover, within developing countries public planners regularly face the challenge of handling property market pressures generated by a maturing yet speculative development industry (Squires and Heurkens, 2014). Often, they do so by responding to market pressures rather than shaping markets by well-informed plans that aim to create sustainable places through public-private interaction. The importance of State-Market relations is thus producing new thinking about the role of planners in urban regeneration across the globe.

Today, urban projects often are based on private-sector development and investment activity (Heurkens, 2010; 2012). Moreover, Andersson and Moroni (2014) argue that planners nowadays are not necessarily 'public', as private developers often employ or contract planners for projects. Yet, this does not make urban development solely a private-sector undertaking since delivering quality places still requires formal and informal relationships with the public sector. Indeed, public planners still aim to influence the decision-environments of other market actors through strategic and effective application of the planning instruments at their disposal. Nonetheless, there is scope for much greater insight into how we can conceptualise and understand the role of planners in development practices, and specifically into the extent to which public planners can actually transform market behaviour (Adams et al., 2012). Unless specifically stated to the contrary, the word 'planner' is used throughout the paper to refer to planners working in, or for, the public sector, even though we fully recognise that today planners are employed by many different organisations across the public or private sector.

This paper seeks to explore and develop the concept of 'plan-shaped' markets as a more productive means than 'market-led' planning to understand relations between public and private actors in the management of urban development projects. The two main differences between these respective concepts focus first on understanding the nature of economics and markets, and secondly on explaining the critical role of ‘planners as market actors’. In the next section, we explore the implications of these differences and set out our conceptual model of the roles planners play in urban development projects. Two case studies of private sector-led urban development projects in the UK – Bristol Harbourside and Liverpool One are then introduced as a means to explain the role of planners in practice. Through a cross-comparative analysis in the following section, lessons are drawn from both projects to formulate recommendations for planners’ effectiveness as market actors. The conclusions discuss the broader academic implications of the research for planning research and practice.

Understanding Planning as Action in Markets

Planning Strategy and Action

A constant challenge for any strategist or planner lies in the strength or weakness of likely connectivity between strategic intentions and actual outcomes. The tension between policy and implementation or between strategy and action has long been a significant focus of academic debate in planning and related fields (Barrett and Fudge, 1981). As this debate highlights, the ‘delivery capacity’ of the strategist or planner is regarded as crucial to chances of successful implementation, with power, resources and expertise identified as key elements of that capacity. In political analysis, power is often seen as “the ability to influence the behaviour of others in a manner not of their own choosing” (Heywood, 2000, 35). In other words, power cannot be possessed solely through political supremacy or legislative authority; “power can only be exercised in relation to one another” (Daamen, 2010, 34), and therefore requires public actors to have the capacity to build relations with private partners. Resources are an essential power support and may include land, finance and information. Expertise refers to creative knowledge and sound professional judgement. Where power, resources and expertise are located in close proximity to the strategist or planner, perhaps even within their immediate domain, the prospects of successful implementation are greatly enhanced.

The British new towns programme provides an excellent example of how the immediate availability of power, resources and expertise in one single organisation can ensure direct connectivity between strategy and action. Between 1946 and 1970, some 28 new towns were designated by the UK Government with the intention of eventually housing some 2.8 million people (Alexander, 2009; Hall and Ward, 1998). To implement this State-led approach, a public development corporation, directly answerable to the Minster was established for each new town under the New Towns Act 1946 and endowed with the necessary powers and resources to acquire land, provide infrastructure, and undertake building construction. At the height of its success, at least in delivery terms, the British new towns programme helped create the almost heroic myth of the town planner with the ability to command the future by articulating ambitious plans for transformational development in an imperative manner. Yet, even at the time, those planners with the good fortune to work on British new towns stood well apart from most of their contemporaries. Elsewhere, control over implementation was vested in many other parts of the public sector, such as local authority housing departments and from the late 1950s onwards, increasingly in the hands of private-sector developers.

This meant that securing commitment to plans across the public sector became a key task for planners and thus an important focus for policy-implementation research. This theme continues today in the concept of *spatial planning*, which is often seen as a means to co-ordinate what might otherwise be the separate plans of different public agencies for housing, transport, economic development and so on (Allmendinger and Haughton, 2007). Much of planning theory and practice is concerned with such governance arrangements. Empirical studies have investigated whether plans simply reflect the choices already made by other parts of the public sector with their own access to power, resources and expertise or whether plans act as a means to influence or even determine those choices. Thus, even wholly within the public sector domain, the issue of whether the ‘everyday’ planner is primarily a decision-maker or a decision-taker remains an important focus for debate.

The same question is just as relevant in thinking about relations between public-sector planners and those responsible for implementation in the private sector. As the growth of neo-liberal agendas turned the power, resources and expertise commanded by private-sector developers into ever more prized commodities for the implementation of plans, understanding *public-private relations* became increasingly important. Unfortunately, this research challenge received much less attention among planning theorists than that given to the public sector alone. As a result, planners in practice are often poorly served by their initial education and subsequent professional discourse in knowing how best to relate to landowners, developers and other market actors. Although there have been plenty of studies and indeed critiques of neo-liberal urban policies (e.g. Brenner and Theodore, 2002; Fainstein, 2010; Giddens, 2000; Harvey, 2012; Larner, 2000; Purcell, 2008; Rosemann et al., 2009), especially as applied in ‘market-led’ planning – such as Britain’s property-led regeneration based on economy-oriented planning culture and practice prevailing in the 1980s and 1990s – few alternative conceptualisations of state-market relations have been offered to explain a world in which the private sector, not the public sector, is often the dominant implementation agent.

Plan-shaped Markets

In market economies, planners employed in the public sector are rarely in a position to control and determine development outcomes. Yet, this does not leave them powerless since by deploying available instruments judiciously, planners can certainly influence what gets built, even if private-sector landowners, developers and investors take the lead in the development process. But how strong is that degree of influence? That may well depend on how markets are conceptualised both as constructs in their own right and in relation to planning, and on how this affects political and policy discourse. The neoliberal concept of ‘market-led planning’ (e.g. Staley and Scarlett, 1998; Lind, 2002) draws especially on neo-classical and welfare economies, with their theoretical grounding in rational decision-making and perfect competition. Immediately, this limits the role of planning to applying sticking plaster to the wounds of market failure caused by externalities, under-provision of public goods and lost development opportunities. Even this Pigovian case for planning has increasingly come under fire from new institutional economists, who warn that the dangers of government failure may well be greater than those of market failure (Pennington, 2000) and who emphasise the need to assess whether planning in practice increases or reduces market transaction costs.

Each of these orthodox economic perspectives offers some justification for planning intervention. However, since they are all grounded in a rather lofty theorisation of markets, the existence of which is seen as quite separate from planning, they inevitably portray planning as an activity that should be subservient to markets, and limited in the demands it makes upon them. As a result, ‘market-led planning’, with its implication that planners in the public sector should defer to landowners, developers and investors, is both theoretically questionable and practically dubious. As an alternative, the concept of ‘plan-shaped markets’ offers an economic explanation and justification of planning that is better grounded theoretically and one that more accurately reflects what planners actually do in practice.

As a concept, ‘plan-shaped markets’ reflects the growing interest of heterodox economics and behavioural perspectives, which see markets as highly contingent, dependent on context and shaped by social as well as economic forces (Smith et al. 2006). Constant flux, rather than any notion of equilibrium becomes the prevailing state of affairs, while habits, rules of thumb, and even emotion replace the cool rationality presumed in orthodox economics. Crucially, markets are seen as social constructs (De Magalhães 2001), highly conditioned by societal norms and regulations and reflective of dominant powers and interests. As the relationships between market actors change over time, market outcomes are refashioned - sometimes gradually, sometimes abruptly. In this messy field of play, the public-sector planner stands not on the sidelines waiting to react to whatever landowners, developers and investors determine, still less as a neutral referee trying to mediate between the players, but very much as a participant in the thick of the action as it flows backwards and forwards. As

Alexander (2001) has thus argued, the conception of ‘planning versus markets’ is a fallacy, based on obsolete economics. Instead “the relationship between planning and the market is one of continuous and dynamic interaction. As a result, planners essentially operate as ‘market actors’ in the sense that they are intricately involved in framing and re-framing real estate markets and so become a significant constitutive element of such markets” (Adams and Tiesdell, 2013: 65).

In such an uncertain and indeed contingent world, how can planners really shape markets, rather than simply be subservient to them? Three factors are crucial here, and they concern outcomes, impacts and language. First, ‘plan-shaped markets’ require planners to have a very strong focus on defining and pursuing specified outcomes, and not giving way to an obsession with process that bedevils too much planning activity. Outcomes might relate, for example, to enhancing development locations, products, quality, sustainability, efficiency, horizons, consumers or production levels (Adams and Tiesdell, 2013). Such outcomes, in each case, need to be clearly specified according to the extent to which they improve on what would otherwise be produced by real estate markets left to their own devices. Secondly, the planning instruments used to pursue these outcomes are defined by, and should to be deployed according to, their expected impact on other markets actors, such as landowners, developers and investors. Thirdly, planners are equally comfortable using market language (e.g. ‘de-risking development’) or planning language (e.g. efficient spatial arrangements) to describe what they have achieved, since improved outcomes in planning terms do not necessarily imply worst outcomes in market terms. Indeed, in ‘plan-shaped markets, unlike ‘market-led planning’, there is no zero sum game, in which either planning or the market must win. So, conceptualising planning and markets as constantly intertwined means what may improve outcomes in planning terms can also produce improved market outcomes.

Planners as Market Actors

What is implied by the claim that planners do not stand outside markets but take their place alongside other market actors in constructing market rules, conventions and decisions? Its significance is both powerful and energising for it suggests that those planners who think consciously about the market impact of their actions will be better placed to take advantage of market operations where possible, and to challenge those operations where it is not. Acting within, and transforming real estate markets, thus becomes an effective means to connect strategy and action, in a world where policy implementation is dependent to a greater or lesser extent on other market actors. This involves, for example, knowledge about what creates real estate value and seeking to turn this knowledge to the advantage of local communities.

Since other market actors seek to anticipate and influence what planners might do (and planners do likewise of other market actors), over time it becomes problematic to ascribe outcomes either to planning or the market, since what happens in practice derives from rich, complex and often messy interaction constantly taking place between the two. Insight is thus needed into the influence of market processes, context and social relations on the outcomes of public-private interactions in a hybrid market environment. This entails understanding the role of planners as acting as market actors within land and property markets (Adams and Tiesdell, 2010).

Planning Instruments

To help planners operate more effectively in markets, requires the analysis and classification of how different types of planning instruments impact on the decision environments of development actors. In other words, by thinking explicitly about the market impact of the tools they use, planners are likely to use those tools more effectively in transforming market operations. This paper therefore seeks to apply and develop one such approach which classifies planning instruments according to whether they shape, regulate, or stimulate market behaviour or build the capacity to do so (Adams et al., 2005; Adams and Tiesdell, 2010; 2013). Table 1 shows different types of planning instruments, their market impact, sub-types and examples, which are briefly discussed hereinafter.

Table 1 Classification of planning instruments (Adams et al., 2005, 64; Adams and Tiesdell, 2013, 134–35)

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Shaping instruments are those that shape the decision environment of individual development actors by setting the broad context for market actions and transactions. They concentrate on modifying the behaviour of individual actors by changing the institutional 'rules of the game' by which they operate. As they interpret and respond to such rule changes, actors find their decision environment is recalibrated and their scope for autonomous action refigured. Typical shaping instruments include plans, strategies, visions and similar documents. Plans of all sorts, under different market conditions, have the prospect to prevent development, manage incremental development or encourage integrated development (Adams and Tiesdell, 2013).

Regulatory instruments constrain the decision environment of individual development actors by regulating or controlling market actions and transactions. They seek to compel, manage or eradicate certain activities or aspects of those activities, so limiting actors' scope for autonomous action. Typical regulatory instruments include the requirements for development permits etc. to be obtained before projects can start, and development contracts with the private sector including obligational requirements. Regulatory instruments are normally supported by enforcement procedures to ensure regulatory intentions are achieved.

Stimulus instruments facilitate market actions and transactions by expanding the decision environment of individual development actors. They increase the likelihood of some desired event happening by making some actions more rewarding to particular development actors. They thus impact directly on financial appraisals. There are four main sets of stimulus action that can be taken to encourage development. The first involve direct State actions to kick-start the development process, for example by resolving physical, infrastructural or ownership constraints. The other three are more indirect and seek to change the pattern of incentives that motivate the locations or types of development in which market actors are most interested. They achieve this by altering the outcome of financial appraisals of development, through price-adjusting, risk-reducing and capital-raising actions. Typical stimulus instruments include subsidies (funds, tax-breaks), compulsory purchase of land and developing public amenities.

Capacity building enables development actors to operate more effectively within their decision environments. Market shaping, regulation, and stimulus instruments are only as effective as the people and organisations charged with their delivery. Capacity-building actions are a means of facilitating the better operation of these other policy instruments. The effect of future regulation and stimulus actions, for example, may depend on an institutional and human capacity that does not presently exist – hence, appropriate capacity-building is a condition of future success (Elmore 1987). Four crucial areas for building planners' capacity can be identified: market-shaping cultures, mindsets and ideas, market-rich information and knowledge, market-rooted networks, and market-relevant skills and capabilities. As such, capacity building requires greater trust, mutual respect, and a willingness to work together in partnership with the private sector, both formal and informal, to achieve mutually beneficial and desirable outcomes.

Planners' Roles

The conscious use of market shaping, regulatory, stimulus and capacity building instruments, offers planners opportunities to realise public objectives in urban regeneration projects through changing the parameters of private sector development and investment decisions. An effective planner's role involves bridging practical gaps and discontinuities between instruments and actions (Adams & Tiesdell, 2013). Figure 1 conceptualises the role of planners as effectively connecting planning instruments, planning actions and market effects. Notice that the use of particular instruments is always accompanied by planning actions which change the nature and effectiveness of other instruments. For instance, by using market information obtained by partnering activities with market actors (*capacity building*) planners are enabled to readjust public planning policies, plans and frameworks (*shaping*) and to identify financial conditions (*stimulating*) and plan development conditions (*regulating*) which are aligned with market needs. We use this model in the empirical case studies presented to identify how these planning instruments and planning actions are deployed in two UK urban development projects. Moreover, within the case comparison section we clarify the way in which planning actions have resulted in adopting planning instruments, and how their use has influenced the decision environments of market actors and the urban development projects.

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Figure 1 Roles of planners: connecting planning instruments, actions and market effects

Case Study Methodology

The Case Studies

For the purpose of generating meaningful insights (Miles and Hubermann, 1994) into the roles planners play in influencing market decisions in practice, two UK case studies are presented below: Bristol Harbourside and Liverpool One. Both cases represent strategic large-scale mixed-use city centre urban regeneration projects in which property developers took a 'leading' role in developing the site, while local planning authorities played more of an 'enabling' role (Heurkens, 2013). Data was collected through literature reviews of related books, academic papers, news articles and project documents, semi-structured interviews with knowledgeable involved public and private stakeholders and academic researchers – and field research involving visits to the development sites (see Heurkens, 2012). In this section, we describe some important planning and development events and actions for each project. This is illustrated by a constructive qualitative analysis of the role of local planners, based on our conceptual model presented in the previous section. The case study findings from Bristol and Liverpool are then compared to draw crucial lessons.

Bristol Harbourside

Introduction

Bristol Harbourside is an urban regeneration project located in the heart of Bristol City Centre in the southwest of England, developed on the former docklands. The estimated £325 million mixed-use urban development project covering 19.3 acres (7.8 ha) was completed in 2012. The two partners were a private-sector developer, Crest Nicholson, working closely with Bristol City Council. Table 2 shows the main project components and figure 2 the master plan of Bristol Harbourside.

Table 2 Main Components of Bristol Harbourside (Heurkens, 2012)

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The development of Bristol Harbourside was preceded by a long history of planning debates and development inactivity, as described by several authors (Askew, 1996; Bassett, 1996; 1999; Bassett et al., 2002; Buitelaar, 2007; DiGaetano and Klemanski, 1993; 1999; Greed, 1996; Heurkens, 2012; Muñoz Gielen, 2010; Stewart, 1996; Tallon, 2006). After the closure of the docks in the 1960s and its subsequent lengthy vacancy, a consensus gradually emerged that the waterfront should be transformed into a leisure, culture and entertainment space. In the 1980s, Bristol's waterfront began to witness successive stages of property-led regeneration, creating owner-occupied housing and large-scale office development for Lloyds Bank (Punter, 1992). However, large undeveloped areas remained, offering great opportunities for private investment in the area in the 1990s. The area that became known as 'Bristol Harbourside' was a prime example of this. We now describe the main events and actor (inter)actions in Bristol Harbourside's planning and development process.

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Figure 2 Master plan Bristol Harbourside (© Cullinan Studio, Crest Nicholson Regeneration)

Planning and Development Process

The development of Bristol Harbourside started to accelerate due to the proliferation of several partnerships (Bassett, 1996; 1999). The establishment of the Harbourside Sponsor Group (HSG) in 1993 – a partnership consisting of landowners British Gas, British Rail, and Bristol City Council – has had a major influence (Clement, 2010; Heurkens, 2012). The Bristol Chamber of Commerce initiated this (enabling) partnership, with the aim of putting the HSG in charge of developing a vision and acquiring funding for the cultural Eastern part of area. In anticipating this task, the 1993 press release from the City Council identified a Centre for Performing Arts (CPA) as a key element of the intended development, alongside surrounding public amenities including the @t-Bristol complex, Wildscreen World and Millennium Square. Through a series of successful National Lottery bids, the HSG (in close collaboration with the Bristol Cultural Partnership, English Partnerships and Bristol 2000 Trust Partnership) secured an estimated £125 million for Bristol Harbourside's cultural development in 1996, after which HSG was suspended from its duties.

The National Lottery insisted on private match-funding for this development. Profitable private-sector commercial development adjacent to the cultural development was considered the best way to achieve this. This meant that Bristol City Council, as landowner as well as planning authority, needed to meet both planning and financial objectives. Consequently, the 1997 Bristol Local Plan and 1998 Planning Brief for Bristol Harbourside outlined a global vision for the area, and set out ten objectives for its redevelopment into a mixed-use area with office space, housing and retailing. Specific elements of the brief such as the 'implementation chapter' clarified requirements for developers and so charted the process towards planning permission for market actors.

Seven developers put forward planning proposals in 1997 (Tallon, 2006). In a development competition, Crest Nicholson was selected as a development partner, based on its master plan and land bid. Subsequently, Crest applied for outline planning permission in 1998. Despite meeting the planning brief's requirements, Crest had to go through three cycles of plan development before finally being granted outline planning permission in 2001. The key reason for this was a profound conflict between the different visions of different stakeholders about how the site might be developed. According to Bassett et al. (2002), design weaknesses, tensions between planning and development priorities, weaknesses in political and business leadership, strength of opposition groups, and the powerful role of the media combined to account for the delay. As a result, Crest and Bristol City Council faced repetitive opposition to development proposals. Eventually, in 2001, Crest produced a new development plan which incorporated most stakeholder interests, and which finally secured planning consent.

With the outline planning permission in place, financial negotiations between Bristol City Council and Crest took place in 2002. A development agreement and section 106 agreement were finally signed in 2003 (followed by final planning permission in 2004). These meant that the developer had to deliver public infrastructure and public spaces, meet an initial 9% affordable housing target, and match-fund the cultural development, amongst others (Heurkens, 2012). In the meantime, Crest acquired all the land from the Council and other landowners and divided the Harbourside project into four development phases. Each phase involved a detailed application for full planning permission.

This enabled Crest and the City Council to re-negotiate matters as circumstances changed, incorporating contemporary market demand and new planning policy targets.

This approach created flexibility to make final decisions on the exact programme for each part of the site. After successive rounds of negotiations, Crest agreed at the end of 2009 that 17% of the completed housing would consist of affordable housing (Heurkens, 2012). However, this resulted in a higher density of the Harbourside commercial development allowing Crest to obtain its required profit, without affecting the amount of agreed public space. Moreover, Bristol City Council and Crest worked together successfully to reach sustainability targets, which resulted in Harbourside achieving a Building for Life Award and Gold Standard for several buildings (OPPE News, 2009). By 2013, after four distinctive development phases, the entire development of Bristol Harbourside was completed.

Analysis

This section reflects on the role Bristol's local planning authority played in Bristol Harbourside. It does so by analysing how shaping, regulating, stimulus and capacity building instruments were used to influence the decision environment and behaviour of the private developer, Crest Nicholson.

Bristol Harbourside illustrates well how local authorities can *shape* development conditions for both project and developer. By issuing a broad vision (through the Harbourside Sponsor Group), setting up a development framework in the Local Plan, and including specific conditions for planning applications in the planning brief, Bristol's planners encouraged interest from the development sector. Yet, these shaping instruments simply indicated the Council's broad intentions for the site. They created enough flexibility – as well as much needed certainty for developers to devise proposals matching the Council's intentions for the commercial part of the site.

In *regulatory* terms, the local planning authority used the development and section 106 agreements as thresholds for planning permission. These regulations covered the proportion of affordable housing, the conservation of buildings and the physical appearance of the public realm. Nonetheless, regulatory conditions such as building heights and densities were not included in policy documents or public-private contracts. The regulatory conditions enabled the developer to financially and spatially optimize the development project. Moreover, the reoccurring negotiations during each development phase functioned as a key tool to achieve contemporary public planning objectives. In this manner, development regulation sought to work with market requirements, while defining certain strict parameters for developer decisions.

A very decisive role played by the City Council in *stimulating* the development was to help secure lottery funds and other grants for the cultural amenities in Harbourside. This facilitated the vision for a cultural mixed-use area accompanied by public investment. In doing so, the City Council kick started the entire development, creating favourable conditions for Crest's commercial development. With public investment secured, market incentives were created to bring private capital to Harbourside. Developers realised that the cultural amenities might attract people to visit the commercial area as well, benefitting the turnover of restaurants and shops. Moreover, the requirement of the lottery to match-fund public amenities with private investment also assisted in stimulating the whole site to be developed.

In addition, the planning authority *built capacity* for the development by participating in the Harbourside Sponsor Group, an enabling partnership consisting of representatives from both public and private sectors. This network helped secure public funds for the cultural functions in the area. Nevertheless, neither the local authority nor the HSG or Crest could satisfy civil groups, political parties or media in the early stages of the project. Underestimating these wider interests led to three lengthy masterplan designs and planning applications before planning permission was granted. According to Crest, this reduced the feasibility of the project as land purchase was postponed and land prices increased significantly. This shows that planning strategy and planning actions were not necessarily well-tuned.

Liverpool One

Introduction

This mixed-use retail-led development project in Liverpool's city centre is regarded as one of the largest urban regeneration efforts in Europe of its time (Parker and Garnell, 2006). This estimated £1 billion 42 acre development has been developed by Grosvenor – a well-established development and investment company with a long-term interest to develop for its own real estate portfolio – in close cooperation with the Liverpool City Council. Table 3 shows the main project components and figure 3 the Liverpool One masterplan.

Table 3 Main Components of Liverpool One (Littlefield, 2009; Heurkens, 2012)

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For decades, Liverpool suffered from severe economic and demographic decline and inappropriate governance mechanisms to alter this trend (Parker and Garnell, 2006). In the 1990s, significant events turned the tide towards economic recovery and increased market interest in regenerating the city, such as the Albert Dock redevelopment and local political change (Couch et al., 2009). Nonetheless, Liverpool's city centre faced some major urban challenges, especially in the Paradise Street Development Area (later Liverpool One), a site characterised by significant pieces of derelict and underused land (Peel and Lloyd, 2008). Littlefield (2009) argues that the regeneration of this zone was important in order to link the city back to its waterfront, and to expand the city's shopping district to regain the status of a pre-eminent regional retail destination. This gave rise to planning activity by the end of the 1990s (Hilton, 2007). We now describe the main events and actor (inter)actions in the planning and development process of Liverpool One.

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Figure 3 Master plan Liverpool One (© BDP Architects, Grosvenor)

Planning and Development Process

In 2000 Liverpool Vision Urban Regeneration Company was established as a partnership between Liverpool City Council, English Partnerships, and Northwest Regional Development Agency intended to promote major developments. It set a Strategic Regeneration Framework that pointed out (economic) development priorities for Liverpool's city centre, with the objective to improve the city's image, stimulate market investment, and attract residents and businesses (Littlefield, 2009). According to Biddulph (2011), this entrepreneurial organisation facilitated relationships amongst the public and private sectors, and subsequent for development. This might have proved beneficial for Liverpool One in obtaining market information from the development industry and simultaneously developing a more favourable investment climate for the city.

In the summer of 1999, prior to the establishment of Liverpool Vision, Liverpool City Council pro-actively steered the redevelopment of Liverpool One by advertising in newspapers for private developers interested in redeveloping the site, so becoming the main public agent responsible for the delivery of the project. The advertisement was based on a planning framework, a document that included some particular functional and spatial requirements for the area. In the advertisement, "developers were asked to consider simultaneously design quality, heritage, retail provision, car parking, public transport, pedestrian links, vitality, overall visual appeal and financial viability"

(Littefield, 2009, 34), and make connections to strengthen the physical relation with surrounding districts. Subsequently, an outline development brief provided more detailed guidance on policy objectives and delivery processes. A consultancy firm was appointed to attract developer interest, which became overwhelming with 47 developers expressing interest.

Heurkens (2012, 239) emphasizes that the Council "acknowledged that to achieve its objectives it was crucial to select a development partner rather than a development proposal normally part of a formal tender." Therefore, the selection process focused on potential partner resources, expertise, approach, experience, understanding of the city, and track record in delivery. Out of fourteen completed questionnaires, the City Council shortlisted seven developers, who were then asked to submit concept solutions and written responses for the site. This was followed by workshop sessions attended by senior officers from a wide variety of public and private bodies. Moreover, interviews with developers involved presentations of development proposals to leading councillors, followed by further public-private discussions including design workshops and financial seminars. As a result, Grosvenor was selected as the preferred development partner for the local authority in March 2000. As such Grosvenor and the City Council "formed a 'partnership' to progress development in the area" (Biddulph, 2011, 86).

Grosvenor's approach to the project was not as well developed as others. However, the company showed willingness to adopt a long term investment perspective, which gave the Council the confidence that Grosvenor was the right development partner. Despite considerable development risks, several studies (some commissioned by the Council) showed favourable market demand and likely government commitment. In 2000, a final development brief was issued including the main planning objectives (Littlefield, 2006): to develop a high quality scheme; provide space for quality department stores; provide retail units of sufficient size and quality to attract different retailers; encourage public transport use by providing convenient bus facilities; and create public spaces and viable facilities to enhance the city centre for residents and tourists.

Grosvenor's scheme was based on a master plan divided into seven districts, each designed by different architects. A multidisciplinary master planning team in charge followed the development brief to create a mixed-use heart of the city. Grosvenor's project leaders worked closely with local authority's planners and designers to solve design and timetabling matters as robustly as possible (Parker and Garnell, 2006). In addition, they worked under the direction of a joint steering committee chaired by the chief executives from Grosvenor and the City Council, which guided the overall scheme development. This close working enabled planning officers to participate as an equal proactive partner and ensured that the developer was able to deliver a high quality scheme (Littlefield, 2009). In 2001, after extensive public consultations, Grosvenor submitted a master plan for planning application.

An important issue to be resolved in getting planning permission and reaching development agreement was dealing with land acquisition. Littlefield (2006, 84) argues that "although the Liverpool City Council owned one third of the land that had been earmarked for development (and has prepared to lease it to Grosvenor), the rest had to be assembled by merely making someone an offer, or pursuing compulsory purchase orders." The local authority eventually used compulsory purchase orders to acquire land from existing landowners. In 2002, Grosvenor and the Council signed the development and section 106 agreements, on the basis of which final planning permission was granted. On top of this, a land-lease agreement was signed for 250 years, giving the developer the responsibility to manage the entire site on the condition that public spaces were open to the public at all times. In the meantime, Grosvenor secured investments consisting of £255 million private equity with six equity holders (including Grosvenor), and £400 million debt finance from four banks. In 2004, permission, agreements, land, investment, project management, contractors, and anchor tenants were in place.

At a time of economic boom time, Grosvenor completed this major project within four years, but at heavy budget overrun. As Liverpool had been awarded the 2008 European Capital of Culture, Grosvenor was under great pressure to deliver the project on time and to a high standard. Grosvenor subsequently claimed that the budget overrun put a heavy burden on the company's finances, and that such a scale and speed of development reflected the optimism of practice before the Global Financial Crisis. After completion, Liverpool One won the BCSC Town Centre award (Liverpool City Council and Grosvenor, 2009) for excellence in retail-led urban regeneration, design and public-private partnerships that support and sustain thriving communities.

Analysis

This section reflects on the role Liverpool's local planning authority played in Liverpool One. It does so by analysing the use of shaping, regulating, stimulus and capacity building instruments in order to influence the decision environment and behaviour of the private developer Grosvenor.

The Liverpool case illustrates that local planning authority *shaped* the conditions for development by setting the broad context for developers. First, the establishment of, and participation in, Liverpool Vision by the City Council helped generate private investment interest in the site. Second, the unitary development plan set out the planning agenda for the whole of Liverpool, indicating priority areas for regeneration and investment including the city centre. Third, a publicly-commissioned retail study was used to highlight the market opportunity and encourage developers to express interest in the site. These tools provided a favourable context for market actors as they demonstrated that the Council's vision for the area was both attractive and viable.

In terms of *regulating* development, an outline development brief indicated planning objectives for the site, including functional requirements. However, these requirements remained flexible, as there was no predefined land use plan or functional programme in place. This allowed developers to draft viable proposals to meet both planning and market objectives. Moreover, planning officers used the development, section 106 and land-lease agreements to negotiate the detailed project terms. For instance, in exchange for some developer freedom to achieve the right development mix, the local authority insisted that public amenities and spaces had to be accessible for people at all times.

The local planning authority's *stimulating* role mainly can be found in the use of compulsory purchase orders to overcome fragmented land ownership. Using these powers reduced financial (land acquisition) risks for Grosvenor on such a complex brownfield regeneration site. Private land acquisition would have been a more costly and lengthy undertaking, with fierce opposition likely from property owners. It also could be argued that the 2008 European Capital of Culture event stimulated Grosvenor to promptly deliver a high quality project. However, this event was hardly secured due to the effort of planners and no public money was directly directed to the project itself.

A number of local authority bodies and individuals played a complex yet decisive role in *building capacity* for the development. For instance, Liverpool Vision was very much 'in tune' with the market opportunities and acted as a go-between the development industry and local authority. Consultancy firms were commissioned by the Council to provide market studies and informally engage with developers. Moreover, local authority's planners and designers partnered Grosvenor's managers throughout plan development. This involved informal and formal public-private consultations, and involving councillors in project meetings through a joint steering committee. This helped find common ground, and generated political, business and societal support for the development.

Cross-Case Comparison

Comparing both cases descriptions and analyses provides insight into the empirical use of planning instruments and planners' roles as compared to theoretical classification provided in Table 1 and Figure 1. Table 4 provides an overview of the wide variety of shaping, regulating, stimulus and capacity building instruments that have been used by the planning authorities in Bristol and Liverpool.

These planning instruments and subsequent planning actions highlight the roles of planners in influencing market decision environments in both cases (see Figure 4).

Table 4 Planning instruments used in Bristol Harbourside and Liverpool One

'INSERT TABLE 4 AROUND HERE'

Figure 4 indicates how these planning instruments and actions have been used and related to each other to create certain market effects in both urban development projects. The figure does not imply any particular order in which planning actions necessarily occur – indeed, they often occur simultaneously and function interdependently, resulting in consequent alterations in both instruments and consequential market effects. What becomes clear from this figure is that each planning instrument unmistakeably relates to others and supports their individual effectiveness through planning actions such as determining market interests, making plan adaptations, defining financial conditions and development requirements that support market decisions. In other words: for planning policy instruments to become effective, planning actions are required. Through planning actions, insights can be generated about the functioning of markets (e.g. development demand, investment constraints) and profit-generating requirements from private-sector developers (e.g. spatial compositions, aesthetic preferences, project branding).

'INSERT FIGURE 4 AROUND HERE'

Figure 4 Usage of and relations between planning instruments, planning actions (underlined) and market effects (italic) in Bristol Harbourside and Liverpool One

The figure also shows that especially building relations and trust through capacity building among development actors contributes to overcoming obstacles to development and releasing development potential (Adams and Tiesdell, 2013) as the cases demonstrate, even though this might be hard to measure exactly or attribute solely to capacity building. For instance, Bristol Harbourside illustrates that during the plan-development stage the local authority was poorly-equipped and informed to handle opposition and objections. In contrast, the Liverpool case also shows the ability of planners to organise and embrace informal public-private interactions which assisted in establishing trust among the actors. Furthermore, by selecting a developer-investor as partner and signing a 250 year land-lease agreement, conditions and incentives were created for long term managerial and financial commitment from the developer. This produced the high quality public realm desired by the local authority, without committing public expense to its maintenance. Simultaneously, the joint agreement meant the developer could manage the entire estate up to its own (high) standards, so de-risking its investment, and encouraging future rental growth.

Significantly, both developments took place largely during a development boom, which according to actors helped avoid delays. In other words; the timing was right. This shows that an important role of planners in times of austerity is to encourage and enable other market actors to prepare plans and schemes ready for timely commencement at the start of a development boom. Such prepared plans consist of partial independent plans that phase the development of the whole site, and are adaptive in terms of development functions to be delivered. Planners who remain influential in the development process will thus obtain knowledge about development challenges and opportunities, as well as about emerging institutional changes to help establish the most favourable time to initiate new regeneration projects.

The establishment of 'enabling partnerships' prior to development, such as Liverpool Vision and the Harbourside Sponsor Group, form excellent examples of governance capacity-building activities of local planning authorities. Such public-private partnering also implies that power is a relative concept; it is distributed amongst public and private actors and even within public bodies, and can be exercised only in relation to other actors. In addition, the cases have shown actors across the sectors depend on each other to realise objectives, as private investment plans prove ‘powerless’ without being granted planning permission (based on public statutory powers).

Conclusions

This paper has provided insight into the roles planners conceptually and empirically play and the planning tools they use within urban regeneration projects in the UK. Here we conclude with some main insights concerning the explanatory power of the ‘planners as market actors’ concept, the potential impact of a conscious performance of various planner roles, the conditional combined use of different planning instruments, and future research on the relation between planning strategy and action.

First of all, the plan-shaped markets concept and subsequent notion of planners effectively operating as market actors enable us to focus the discussion on the role of public planners more accurately. Both empirical cases show that planners do not stand outside markets. They perform a crucial role within development processes by shaping, regulating, stimulating and building capacity for development decisions from the private sector. To put it into other words, the concept of the roles of planners as market actors proves useful to describe the various planning actions from local authorities within what is essentially a (property) development process led by private organisations. Other concepts and theories based on a strict divide between the public and private domain offer limited explanations about how the connection between planning strategy and action, or planning policy and implementation, becomes effective in practice.

Second, the conscious use of various planning instruments offers local planning authorities the opportunity to influence the decision environment for private-sector property investment and urban development strategically. The empirical cases reveal that planners need to be aware of their own potential role within a market environment, and the possibilities created by each planning instrument, in order to become efficient public planners. However, each urban development project is unique and requires planners to deploy a tailor-made approach, acknowledging how the best mix of policy instruments and planning actions may vary between private development decisions.

Third, both UK cases illustrate that local planning authorities use a combination of planning instruments in order to expand their impact on development decisions. Foremost, it is essential to constantly interact with private organisations and by doing so build the capacity for the realisation of urban regeneration projects. Thereby new ideas and concepts about the development possibilities and limitations of a site are generated, enabling planners to adapt and construct policies, visions, plans, and regulatory frameworks in accordance to market opportunities. Hence, that is why generating insight into the behavioural logic of the market through (in)formal interaction with private actors is crucial for other instruments to become effective strategic tools for planners. Importantly, the ability of planners to constantly build capacity enables them to influence market behaviour and development processes as illustrated in numerous instances in both projects.

Finally, we encourage scholars and researchers to investigate the relation between planning strategy and action based on the concepts used in this paper. Planning is not an isolated phenomenon but an interactive endeavour foremost shaped by constant public-private interactions embedded in urban development processes. Understanding and explaining how such (inter)actions take place and shape the delivery of urban places is essential to generate new insights for planning research which are closer to what actually happens within practice. Moreover, studying the relation between strategy and action and between planning and markets, offers the potential to connect the academic domains of planning and property and public administration. In addition, to further increase the broader international significance of the argument made in this paper, we encourage more research to compare the dynamics of state-market relations and the role of planners as market actors across different global contexts.

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