

CAPITAL, STATE and REDEVELOPMENT: Newcastle City Centre (1960-1990)

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This thesis is submitted in fulfilment of the Degree of Doctor of Philosophy in Town and
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Capital, State and Redevelopment: Newcastle City Centre(1960-1990).

This research is based on a case study of Newcastle upon Tyne and seeks to understand the redevelopment process in the city and the way in this has developed and changed over time in accordance with institutional changes in governance and changes in the regime of capital circulation and accumulation.

The study suggests that the theoretical framework proposed in the work of David Harvey is able to offer the potential of a suitable analytic framework for understanding of the development of built environment. Such a theorisation is able to offer not only a sensitive appraisal of the everyday mechanisms of governance and property markets in shaping built environment but also to offer a level of access to the workings which lie behind these structures.

The research is therefore organised around three broad sections. First, an exploration of the suggested theoretical framework in its application to both capital circulation and state. Secondly the study addresses the historical development of Newcastle through until the beginning of the 1960s in order to demonstrate the way in which the built environment of Newcastle changed in accordance with the nature of the predominant capital regime at any point in time. Thirdly the city is considered in the light of contemporary development policies from the 1960s until 1990, in order to analyse the thesis that the main driving force influencing built environment in the city is a process of capital circulation.

The research concludes that this process is maintained by public money, whilst it is still under the control of a small number of elite ruling families who originally established themselves in the city through involvement in the coal industry at least three centuries earlier. This elite has been continually sustained by public money.

PREFACE

This research was carried out in Newcastle with the financial assistance of the Yildiz University in Istanbul. It was from the very beginning my desire to construct a piece of research located in the United Kingdom out of the belief that as one of the first major industrialised nations, and indeed, taking Newcastle as one of the earliest areas of industrial development within the U.K., it would be here more than anywhere that the relations to be explored would be most visible. In this sense it is hoped that the framework of analysis explored could be applied to built environments throughout the world.

Whilst implementing the research in Newcastle the development and formulation of the ideas expressed through the work drew many influences from the debates going on at the time in the department of Town and Country Planning, the Centre for Urban and Regional Research Seminar programmes and in particular the debates taking place within the Centre for Research in European Urban Environments. I should also like to give mention to the other post graduate research students in the Department at Newcastle, with whom constant discussions and exchanges throughout the period of the research proved most stimulating and influential.

I would like particularly to acknowledge the enormous patience and encouragement of my supervisor, Professor Patsy Healey without whose support this research would never have reached its present state of composition. Gary Pattison, my partner, who, has little patience, still provided enormous encouragement and assistance in the development of the ideas expressed in this thesis. Also I should like to thank Michael Benfield without whose constant encouragement and financial support over the last two years this thesis would never have reached completion. And my colleagues and fellow post graduate students at Newcastle, in particular Chang Woo Lee and Paul Gauci for their help and advice with the production of the first edition of this text.

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S.T.
Newcastle upon Tyne
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1 INTRODUCTION

This study explores the transformation process in the built environment in a particular locality which is characterised by its peripheral location to predominant economic activities and consequently a marginal location to the operation of the property market forces in a country which is highly centralized. This research analyses the circulation and accumulation of capital and the nexus of relations in a particular locality which determine the organisation and reorganisation of the built environment.

The city of Newcastle upon Tyne in the North East of England provides an interesting location for analysis in that as one of the first areas of the country to face full industrialisation by this century it became the first British region to face long term irreversible economic decline. As such it has experienced much longer historical periods of growth and decline than most comparative British cities, each phase of which has reflected different policy objectives, options and problems upon the built environmental fabric of the city. In effect few cities have experienced the full cycle of economic boom and collapse with the intensity of Newcastle.

The following aims to provide a brief outline of why this study has been located within a Marxist framework of analysis and more specifically within the work of David Harvey. It continues to introduce the case study area of Newcastle upon Tyne and provide a brief description of what is of interest to the present research in the city.

1.1 OUTLINE JUSTIFICATION OF THE THEORETICAL APPROACH

Fainstein (1994) outlines three explanations of economic redevelopment. Most of the studies which she considers however, she sees as originally aiming at explaining urban change rather than regeneration. In this sense, Fainstein's categorisation may be seen to have a much wider application than the specific situations to which she applies them. Here the same framework will be presented because of its wider value to our understanding of the production of built environment. Fainstein is by no means the first writer to devise such a structure (see for example, Kirk, 1980). Fainstein does however present a clear concise and up to date breakdown of the various relevant perspectives.

Fainstein's three perspectives are 1) liberal theories; 2) structuralist theories; this category is subdivided between : a) the functions of redevelopment, and b) rent theory, and 3) regime theory. In liberal theory, actors are seen to determine development options through a process of choice. Choice will be influenced by the political and economic resources at the command of actors. The public choice position is seen to be rooted in the political pluralism of Dahl (1961) or Polsby (1963). More critical theories in the liberal tradition are seen to move towards studies of elites with the power to mobilise resources for their own ends (Molotch 1976). The second of Fainstein's perspectives; structuralist theory is seen to subdivide between studies of the functions of redevelopment and rent theory. These are generally seen to be originally located in Marxist thought but to have more recently moved to studies of structural determination by global capital. That subdivision labelled as the "functions of redevelopment" looks at the economic objectives of redevelopment. It is able to analyse the real functions, that is the accumulation of surpluses, upon which capital markets operate (Harvey, 1985a). Rent theory is again seen as rooted in Marxist thought. It is derived from the Marxist theory of value. Theorists attempt to tie land use

to a theory of production. Regime theory, Fainstein's third category straddles the two already outlined positions. It gives emphasis to ideas of dominant ideologies, agenda setting, and latent power elites (i.e. Stone 1989). Such an analysis allows for a much more subtle understanding of social as well as economic influences (Fainstein 1994).

From the above approaches it is clear that the pluralistic outline engaged with in the first categorisation is lacking in several basic components. It offers no notion of social class, no notion of ideological and hegemonic influences and its understanding of power relations fails to explain the potential of self interest. In conventional pluralism this is simply mediated by the interest group and by group members who make compromises and so avoid extremist bids to take powerful positions. This study acknowledges that a Marxist-based analysis is the only means of successfully explaining the deep seated social antagonisms which are clearly observable in British society (Miliband, 1969). Even pluralist theorists Almond and Verba (1965) in analysing comparative degrees of pluralism in differing countries concluded that although Britain is pluralist it is marred by a mistrust of government rooted in class relations and poor education. Regime theory, in the main what political scientists have conventionally labelled as elite theory, offers a clear understanding of power relations and the role of dominant groups. It is also able to locate itself within a Marxist framework. At the same time however it does tend to focus on direct power relations at the expense of the underlying economic mechanisms through which such may be seen to evolve and to which direction manoeuvres may be seen to be subjugated.

David Harvey's work, located in Fainstein's second categorisation, in providing a structural Marxist approach is able to overcome many of the problems briefly alluded to here as apparent within the first and third categorisation. He is able to show the system as holding its own dynamic,

explaining historical development as a materialist progression. At the same time, Harvey is able to take a realistic approach to power relations and the mechanisms by which certain groups in society are able to take control of dominant positions and use them to their own ends. Whilst one could say the same of several Marxist theorists (i.e. Dearlove, 1979) Harvey may be distinguished in that he takes a particular interest in applying his work to the creation of built environment in his argument that the circulation and flow of the capital and the nexus of relations peculiar to specific localities determine the organization and reorganization of the built environment (Harvey, 1985a, 1989a & 1989b). For these reasons, Harvey is taken as the principle theoretical inspiration within this work.

1.2 OUTLINE CHARACTERISTICS OF THE CASE STUDY AREA: NEWCASTLE

Newcastle as the locality chosen had been a centre of industrialisation since the early 1800s. By the turn of the 19th. century its fate dramatically changed from a prosperous and leading economic regional centre into a declining one. In the process of economic decline, regional-based productive capital integrated itself with national capital and international and global economic systems. In this case regionally-produced surpluses of capital were withdrawn from the region and flowed into other localities. The region was therefore left to the operations of national, international and global capital flows. As a peripheral location the region's economy became very vulnerable and dependent. As a result, public sector intervention was concentrated in the region in the form of regional, urban and planning policies equipped with substantial incentive packages. Regionally based, but nationally powerful, former coal owning families (ruling

class) played a crucial role in the control and direction of public sector initiatives in the region through penetrating the state institutions (regionally based quasi public agencies and forums) subsequently directly participating in the policy making process, powerfully inserting their own interest in the formation of the policies and the allocation of the subsidy packages (Hudson, 1989a)(1). As their interests became confined within the boundaries of their remaining fixed capital assets, the transferring of these assets to more profitable locations became essential (Hudson, 1989a). Their operation was no longer based on the benefits of the region, rather, as always, their own interests originated in capturing excessive surplus capital. The thesis is therefore based on a theory of historical and geographical materialism in order to conceive the origin of mechanisms of economic decline operating in the region.

As a result Newcastle has become a locality directly dependent on national state intervention and global/national capital flows. This study attempts to explore how this is reflected in the transformation of the built environment, establishing what form of nexus of social relations and class alliances is operating on external capital flows in and out of the region. These circumstances weaken the local economy, accelerate its dependency on external forces rather than stabilizing its own economy and property markets. The state, national and local, plays a crucial role in this process of destabilization through establishing class alliances with (national and global) capital and fulfilling their requirements at the expense of the indigenous population and small business. The objective of the study is to identify whether any significant change has occurred between capital and state relations in the specific case of Newcastle in particular between 1960 and 1990. The hypothesis here is that the underlying reasons behind the forms of relations between capital and state remains the same as opposed to the appearances and illusions deliberately produced by both. Capital is still a driving force organizing and

reorganizing the built environment in accordance with its own requirements, however always armed with substantial incentive support packages from the state in regions suffering long term economic decline. What is therefore seen to vary is not the action of capital and state but regional conditions and contingency.

The study therefore attempts to reflect back on the history of the locality from which a specific interpretation of time and space can be established. This offers an intersection of historical and geographical materialism based on the analysis of the specific historical and spatial form of Newcastle and the built environmental forms which have developed there in relation to the mode of production during any specified historical period, and so develops an understanding of the dynamics which have created it.

1.3 THE CONTENT OF THE STUDY

The study consists of three parts, the theoretical, historical and empirical, whilst locating itself generally in the historical development of capital in the locality.

The first part develops a theoretical framework of analysis. The second chapter analyses the relationship between capital and the built environment on the basis of the hypothesis that the production and transformation of the built environment is governed by the circulation and accumulation of capital using Harvey's (1982, 1986, 1989) theorization as a framework of analysis. The third chapter explores the relationship between state and capital on the basis of the hypothesis that the built environment is produced and transformed by the nexus of social relations between capital and state and identifies the

mechanisms from which these relations emerge, evolve and transform using a Marxist notion of state and Harvey's ruling class theorization as a framework of analysis. The fourth chapter outlines the methodological theory upon which the entire work is premised and considers more specifically the research questions to be explored and the analysis to be implemented in the preceding empirical chapters.

The second part of the study explores the urbanization process of Newcastle on the basis of documentary analysis and a literature review. The specific emphasis here is on the origins of surplus value, the nexus of social relations and the production and transformation of the built environment within the framework of the prevalent mode of production, so as to identify the characteristics/peculiarities of the locality, from the middle ages to the period prior to 1960. The aim is to explore the reasons behind why the region has become dependent on the operations of external forces and continues to experience deepening conditions of economic decline. This is partly as a result of the integration of its locally-based productive capital with national and global productive and finance capital, so withdrawing locally accumulated capital, leaving the locality as a basis for marginal capital accumulation.

The third part focuses specifically on the process of production/transformation of the built environment, the operations and mechanisms of land and property markets, the nexus of relations established by key actors from state and capital institutions, and their connection with local, national and global operators. It is demonstrated how, taking Newcastle as a marginal locality, major changes in the built environment depend on external forces, so capital flow from outside and the relationship/alliances between state and capital play a crucial role in the process of transforming the built environment. This part consists of two chapters analysing two different period,

the 1960s and 1980s when the locality opened up to large scale public and private fixed capital and consumption fund investments.

The concluding chapter draws evidence and findings from the empirical chapters and evaluates it within a wider social, economic and political context and interprets it using the theoretical approaches given in the early chapters.

NOTES

- (1) Benwell Community Project Final Report series, in particular, "The Making of a Ruling Class", show the central role that the families, the "ruling class", have played in the post war transformation of the North East region.

2 THE PROCESS OF CIRCULATION AND ACCUMULATION OF CAPITAL, ECONOMIC CRISIS AND UNEVEN SPATIAL DEVELOPMENT

The aim of this chapter is to analyse the relationship between capital and the built environment. The objective is to set out the hypothesis that the production and transformation of the built environment is governed by the circulation and accumulation of capital as theorized in the work of David Harvey (1982, 1985a). The applicability of this hypothesis will be explored in the empirical chapters in terms of transformations (redevelopments) of the built environment in the city of Newcastle as a marginal location for capital accumulation (Chapters. 5, 6 & 7).

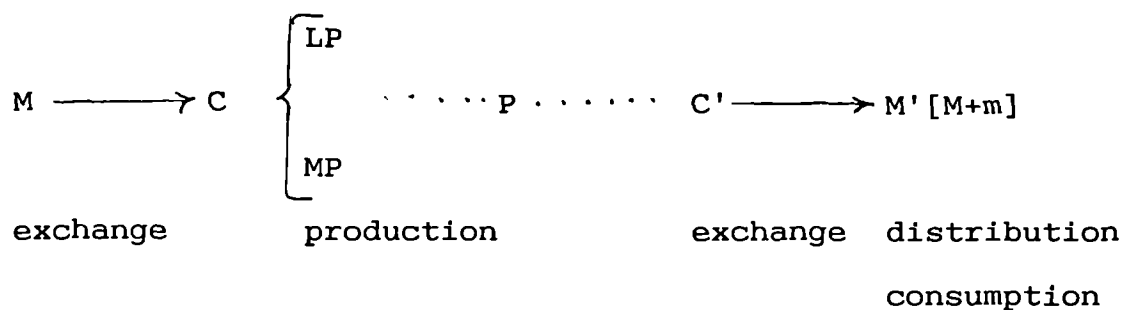
The first part of this chapter gives a short definition and descriptive account of "the circulation of capital" by identifying the stages of production, exchange, distribution and consumption and the forms of capital through its circulation from one stage to another. It, then, continues to analyse each form of capital identified by focusing on their ability to move over space and time. The aim, here, is to explore how different forms of capital flow over space and time

and organize space according to their own requirements. This part, eventually, assesses these disaggregated forms of capital together within the general process of circulation.

The second part of this chapter explores the accumulation and overaccumulation of capital through crisis on the basis of historical materialism as developed by Harvey. It examines the way in which capital has accumulated and overaccumulated, as a result of the way crisis has occurred, and has changed over time through the development of capitalism. The aim, here, is to identify the phases/cycles of capitalist development through crisis. This not only provides analytical tools with which to explore the relationship between the state and capital in next chapter 3; it also provides explanations as to why the spatial organization (landscape) of capitalism changes over the time.

2.1 THE CIRCULATION OF CAPITAL

In Marx's work, capital can be defined as "value in motion" which reproduces itself through its circulation governed by the general process of production (Harvey, 1982; Fine & Harris, 1979). Capital, in this case, is not a thing, it is a process covering all stages of the production system; production, exchange, distribution and consumption. Capital, therefore, manifests unity within the production process, "differentiation within the totality" (Harvey, 1982, p.42). Capital flows from one stage to another through transferring itself from one state/form to another (money, commodity, etc.) as well as interlinking one stage of production with another (production, exchange, etc.). The driving force in this process of circulation is the production, appropriation and realisation of surplus value, in other words, the accumulation of capital. The circulation of capital is defined by Marx as follows:



Money (M) which is held by the industrial capitalist is laid out in the purchase of raw materials, the means of production (MP) and labour power (LP). During the labour process (P), raw materials are transformed by labour power with the aid of means of production into new products which are sold in the market as commodities (C'). The money (M') obtained by the capitalist at the end of the labour process is greater than the money (M) initiated at the outset of the process and so the value of new products-commodities is greater than the value of production inputs. This excess value is called "surplus value", which is therefore produced by labour power in the labour process and realised by the capitalists through the exchange process in the market.

Capital flows from one stage (component) of production to another by taking different forms; money capital (M) from the outset of the production process, then to commodity capital (C), and eventually productive capital (P) in the form of raw materials, the means of production (MP) and labour power (LP) in order to produce new commodities, then turned back to its commodity form (C') and subsequently money form (M') with excess value again (figure 2.1). Circulation of capital, therefore, is a never-ending process (Harvey, 1982; Fine & Harris, 1979). During its circulation, capital also creates different markets, such as labour markets, commodity markets, money markets and land-property markets, within the sphere of exchange and production through its flow over space and time. The potential mobility of capital in different forms varies one to another. Different forms of capital have a "special and uniquely defined capacity for geographical movement" (Harvey, 1982, p.405).

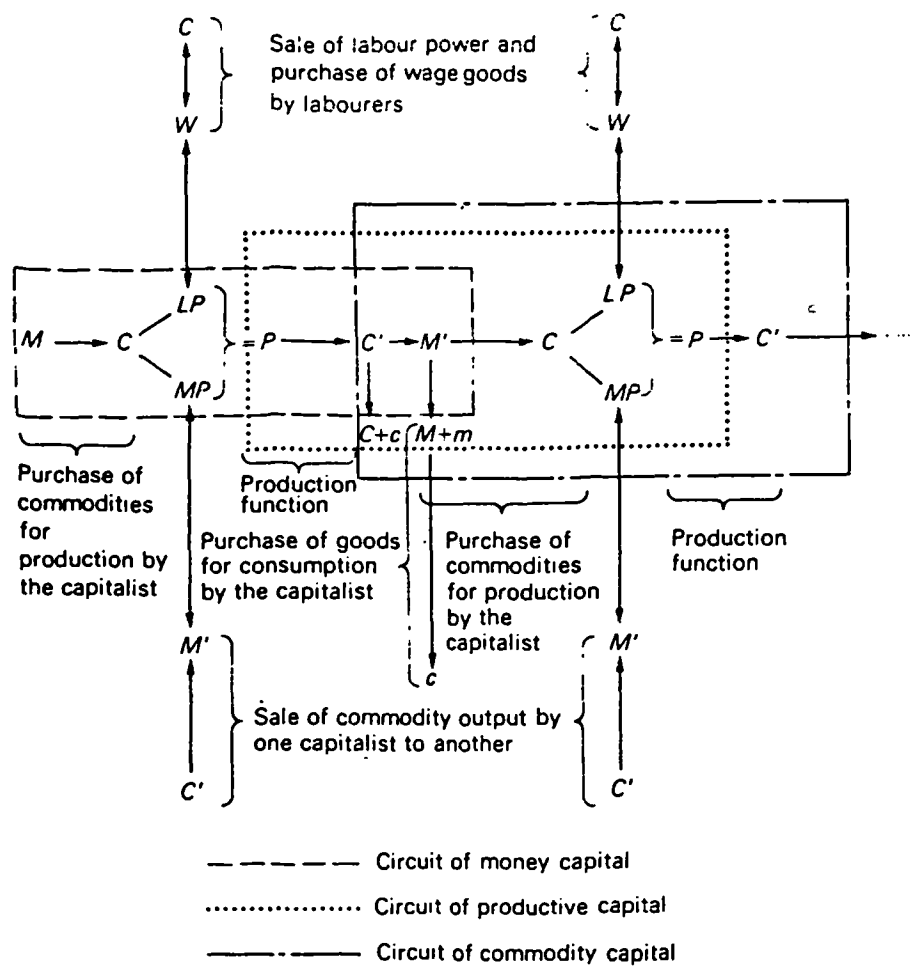


Figure 2.1 The Circulation of Capital (Desai, 1979)

The geographical movement of capital is dependent on the specific attributes of different forms of capital. Each form will require different infrastructure and built environmental investments. Such investments require large fixed capital inputs and/or consumption funds and so in turn will act as a constraint on the mobility or circulation of capital (Harvey, 1982; 1985a).

2.1.1 PRODUCTIVE CAPITAL- LABOUR PROCESSES

Productive capital is used for the organization and operation of a labour process in which productive capital takes the form of the inputs of production (raw materials or partially finished products, the means of production and labour power). It is then transformed into the outputs of production to be sold as commodities on the market.

The labour process requires special built structures in order to carry out this ongoing transformation process. As a result, a large proportion of the productive capital employed in the labour process is expended on purchasing the means of production (machinery, energy inputs, etc.) and the required amount of land for the construction of premises (factories, necessary social and physical infrastructures, etc) in which the means of production is installed and used by labour power for the conversion of raw materials or partially finished products into new products. The labour process is therefore fixed by the specifics of locality and the length of the turnover time of the productive capital employed for the provision of land, built structures and the means of production (called fixed capital assets) (Harvey, 1982 & 1985a).

The location of the labour process can not be changed without entailing the devaluation of the productive capital in fixed capital form. The geographical mobility of productive capital is therefore constrained by the turnover time of

fixed capital assets in the labour process, otherwise, it devalues a large portion of productive capital in order to enable itself to move from one place to another (Harvey, 1982). However, perpetual technological and organizational innovations as a result of intercapitalist competition for "excess profit" (relative surplus value) through an increase in productivity, lead to changes of location by requiring different forms of built structures and spatial configurations with new related markets.

Capitalists compete with each other in the search for "excess profit" which can be achieved by either technological and organizational innovations or as suggested by occupying favourable locations with privileged access (in terms of time and cost) to raw materials, to intermediate products, social and physical infrastructure, financial markets, services, to labour forces in demanded qualities and quantities, and to commodity markets (Harvey, 1985a). The location of production must therefore be integrated with the above through the provision of infrastructure, provided in the locality of production.

The relocation of productive capital as a result of technological and organizational innovations leads to a collapse of infrastructure and the spatial configurations of the related markets in the previous locality in parallel to the development of new configurations to integrate a new locality of production.

2.1.2. COMMODITY CAPITAL

Commodities are material objects (the products of previous labour processes) to be sold and bought in the market. They are derived out of different origins which determine the different forms of commodity capital, such as raw materials, intermediate products, finished goods and the like. Raw materials are either extracted out of nature or produced as agricultural goods by using

land as an instrument. They are necessary material objects for the initiation of the production of commodities.

Commodity capital in the form of raw materials has to move from its origin in rural or natural reservoir areas to production centres whereas commodity capital in finished goods flows from productive centres to consumer centres, while intermediate goods travel between the production centres which have input-output relations with each other.

The mobility of commodity capital depends on the attributes (size, weight, fragility and durability) of the different forms of commodity capital as well as the transportation networks between their origin and final destinations (Harvey, 1982 & 1985a). The continuity in the circulation of capital, therefore, rests on the provision of an efficient spatially-integrated transportation system, organized around different centres of production and consumption. Spatial distance is therefore reduced to the time and cost requirements of transportations and so emphasis is given to improvements in the transportation system (Harvey, 1985a).

Improvements in transportation occur in accordance with developments in the forces of production and technological innovations. The mobility of mass produced commodities, as a result of these innovations, can be achieved by perpetual improvements in transportation and communications systems. The cost of the movements of commodities between different production and consumption centres is therefore reduced through the increased expansion of these communication and transportation networks. This also brings new products and resources into the market for exchange (Harvey, 1982).

Transportation networks, which consist of roads, rails, canals, terminals, docks and the like, require large-scale, fixed capital investments in the built environment to interlink centres of production and exchange markets. They

involve the provision of infrastructures (roads, rails, canals, terminals, docks, etc.) on which commodities in various forms (raw materials, production intermediates, labour power and finished products) are carried by the vehicles (railway wagons, vans, ships and the like) for collective use by capitalists. However, transportation networks easily fall to monopoly control due to the large amount of initial capital investment required. The state therefore makes the investments in the construction of rail lines, docks, motorways and airports. In this way, it creates monopoly control over the provision of transportation networks. The pace and technological change in the transportation industry is therefore subject to the economic power, policies and financial resources of the state. The coordination of new strategies for the formation of new physical structures within transportation networks is limited because of its requirements for large quantities of money investments (Harvey, 1982).

Technological innovations in productive forces within the transport industry always have location specific effects, subject to capital devaluation in one locality as opposed to capital revaluation in the other, such as the construction of new highways as opposed to the existing railway lines. These innovations are not independent, but in parallel with the innovations of productive forces in the labour process. The provision and improvements of transport infrastructure also depend on the location of the productive centres and their related markets. If the location of production centres changes, the transportation network between new productive centres and markets should be provided at the expense of the previous locations.

The provision and improvement of transportation networks brings considerable advantages to localities and specifically industries based in the locality by opening up the possibilities for new land uses and new spatial configurations. Transportation infrastructures also lead to a rise in land values and land speculation. The provision of transportation therefore depends on

both speculative and political mechanisms and continues to reproduce new sites for development and consequently new spatial configurations (Harvey, 1982).

The transportation industry is dependent on a high ratio of fixed capital investments, mainly in the built environment. Spatial barriers to the mobility of commodity capital can be overcome through the provision of physical infrastructures/transportation networks which are immobile in space. The location of this network can not be moved without destroying the value embodied within it. It must be immobile in order to achieve spatial integration and so eliminate spatial barriers to the circulation of commodity capital. The existing transportation networks, at some point, become a barrier to the circulation of capital, through this level of immobility and so its inability to relocate itself to new localities at the behest of capital and so to act as a constraint to further capital accumulation. The devaluation of transportation systems through the burdens of fixed capital leads through accumulation crisis to the development of new forms of spatial configuration and levels of integration through large capital investments by the state.

2.1.3 VARIABLE CAPITAL: LABOUR POWER

Labour power is a commodity which can be sold by labourers and bought by capitalists to capture surplus value. Labour power in capitalism is merely a commodity which brings itself into the market. Labourers are free to sell their own power as commodities to capitalists whilst they have nothing but their labour to sell in order to live (Harvey, 1982). This duality reflects their geographical mobility.

Labourers as creative subjects seek to escape from the depreciation of capital and exploitation and to find favourable conditions for their survival (Harvey 1982 & 1985a). However, in this way, they must follow capital to wherever it wishes to locate. Their geographical mobility therefore is governed and regulated by the mobility and accumulation of capital.

Technological innovations also increase the mobility of labourers by liberating the labour process from traditional monopolizable skills to unskilled ones along with the expansion of the provision of transportation networks. Labourers easily move from one sphere of production to another and from one locality to the other. All the legal and traditional barriers are eliminated to accelerate this process. This entails, of course, the disruption and destruction of traditional ways of life.

The mobility of labour power becomes a necessary condition for the accumulation of capital. At the same time, this mobility must be circumscribed by the creation of the industrial reserve army (surplus labour force) which encourages disciplined labour power for the sake of further accumulation. This can be achieved through technological and organisational innovations by reducing skilled to unskilled labour, so mobilizing latent (children and women) and rural population through the migration and immigration policies of the state, as well as replacing labour power with machinery, in the work process (Harvey, 1982)

Capitalists for the sake of the further accumulation therefore attempt to find various instruments to keep an industrial reserve army in place. To some extent, the geographical mobility of labour power can be controlled within the internal market of large corporations through promotion and incentive schemes, such as non-transferable seniority rights and pension agreements as well as the investments in education, job-training, health care etc, for the

improved reproduction of labour power (Harvey, 1985a). Therefore contradiction may be seen to exist between the capital requirement of mobile labour and the immobility of the means of reproduction.

In effect, the family as the central institution of labour reproduction also restricts labour mobility. The family and community act as support mechanisms addressing alienated conditions and workplace organization. This level of support may have a location-based effect in that similar groups may converge on specific localities to develop extended family or community networks, a social convergence which may take place or on occasion be encouraged by capital for its labour reproductive attributes. This allows capital an input into the regulation of labour mobility. At the same time, capitalists also attempt to divide workers into as many groups as possible in order to control their mobility, but this may bring barriers to the accumulation of capital in attempting to mobilize these divisions. This is an ongoing process in the capitalist relations of production (Harvey, 1985a).

"Labour and capital are forced into curious patterns of struggle and compromise over the geographical mobility of labour." (Harvey, 1982, p. 385). The struggle between the contradictions creates these ongoing backward and forward relations. Labour power as a commodity sold on the market for the reproduction of itself remains unchanged.

2.1.4. MONEY CAPITAL

Money capital, especially its modern form of credit money, moves easily over space. However, the movement of credit money confronts barriers attached to the communication system in which the operation of the credit system is based on the transmission of messages (information). Improvements and

technological innovations in the communication system enhance the accumulation of capital (Harvey, 1982). Credit money therefore integrates and coordinates the sphere of production with that of exchange with the assistance of telegraph, radio, telex and other forms of electronic communications, without confronting any spatial barriers. However, its mobility is confined by "certain firm institutional arrangements" (Harvey, 1982, p. 386), often within the limitations of state monetary policies.

Nation states have had a crucial role in regulating and organising their own monetary unit as a medium of circulation. Each nation state therefore has developed a different legal, political and institutional structure in order to protect the value of their currency. These differences, which are territorial differentiations, create social barriers to the mobility of money under certain circumstances whereas credit systems are capable of moving as quickly as electronic waves (Harvey, 1982). Credit money is therefore faced with legal and political barriers derived from the existence of different national currency flows and exchange rates. However recent trends have been to lift legal and political barriers in favour of free flow of capital. The further development of EC and ERM has in recent years enhanced this process as a result of providing further encouragement and response to the centralisation and concentration of money capital.

Credit money must be liberated from being tied to its monetary basis in order to make its operation as spatially diverse and wide as possible for further surplus value production and organization. This is a continuous struggle for credit money to break the legal and political barriers and to expand its circulation freely over the globe, capturing excessive surpluses produced anywhere in the world. In this process, technological innovations in the communication system have been important instruments to enable the circulation of credit money to be faster and cheaper.

Every nation struggles to protect its monetary basis in order to make the credit system reliable and viable. International competition simultaneously enters into the picture with respect to the flow of money. Each nation thus sets out the rules (protective tariffs, production subsidies, foreign exchange control, etc.) in order to restrict the movement of money for the protection of its own money (Harvey, 1982). However this protection is no longer needed by money capital, whilst money capital maintained and strengthened itself under the protection of nation states. Money capital has now challenged the territorial barriers created by nation states, consequently nation states start responding to this new regime of the circulation of money capital. It is credit money which makes these institutional, legal and politic arrangements necessary, and alters and restructures them in accordance with its own requirements over time (Harvey, 1989; Soja, 1989). This is as a result of the ongoing processes of centralisation and concentration of money capital (Harvey, 1982).

During periods of economic crisis, credit capital may be withdrawn from global circulation in order to seek the protection of a specific geographical locality. This will normally mean returning to the national territory from where it originated. This is no longer possible since credit money became separated from its monetary base. The circulation of credit money expanded geographically throughout the world weakening the control of nation states. The nation state's role in this became one of self promotion as a geographic locality suited to the requirements of capital accumulation (Soja, 1989).

fictitious capital

The separation of credit money from the monetary base of capitalist production enhanced the development of fictitious capital.

"Credit is, according to Marx, always to be accounted for as 'fictitious capital' as some kind of money bet on production that does not yet exist." (Harvey, 1989, p. 107)

Fictitious capital therefore has no real value or material base; it is not extracted from any form of production or exchange. It is a necessary instrument for integrating the processes of production and so accelerating the accumulation of capital. In practice this may work in a number of ways. Theoretically however, what is of importance is that a pool of monetary resources may be seen to exist in a capital enterprise providing scope for further or reinvestment whilst allowing time for the creation of real monetary resources.

The existence and operation of capital markets is based on the circulation of fictitious capital. Fictitious capital-based financial instruments offered by these markets are vital in permitting the flexibility necessary to switch between different circuits, for integrating circuits and for cutting capital turnover time. Today it is the financial sector which many writers see as dominating the global capital order (Sassen, 1991; Soja, 1989 & Harvey, 1989a). The existence of fictitious capital intensifies built environmental investments through its mediating/integrating function between different circuits of capital. Each shift holds the potential for introducing new infrastructure and built environmental requirements.

2.2 THE CIRCUITS OF CAPITAL

Infrastructure investments including built environments are to be addressed in relation to fixed capital expenditure and the reproduction of labour. Harvey theorised the production and transformation of built environment in relation to periodic crises of overaccumulation in commodity production. The flow of capital into built environmental investments, Harvey

explains, can become possible when surpluses produced by commodity production are overaccumulated. This overaccumulated capital can not regenerate itself, so it is switched to other forms of investment which require large sums of capital, subsequently it can absorb and regenerate itself (figure 2.2). The requirements of this switch are geographically determined in accordance with flows and circuits of capital investment (Harvey, 1985a).

2.2.1 PRIMARY CIRCUIT

For Harvey, this is the circuit where commodities for the necessity of reproduction and the survival of labour power, and the luxuries of the capitalist class, are produced and consumed. In other words production takes place in this circuit for direct consumption purposes. The primary circuit also manifests the social relations between capital and labour and the origins of surplus value based on labour power, expended in the labour process, in return for labour wages with which commodities can be purchased for the necessity of its reproduction and survival (figure 2.2).

There is always a tendency towards overaccumulation in capitalist systems. Capitalists struggle to capture more and more surplus value over time. Therefore capital, in this circuit, is accumulated, then overaccumulated in the guise of the overaccumulation of commodities, falling rates of profit, surplus capital and labour, over time. This leads to crisis in the primary circuit. Overaccumulated capital can therefore not reproduce itself, devalues itself through its idle and unproductive capacity and therefore should be found a new range of investment options by switching overaccumulated capital from the primary circuit to another (in this case, secondary circuit) in order to reproduce itself and terminate the crisis temporarily (Harvey, 1985a).

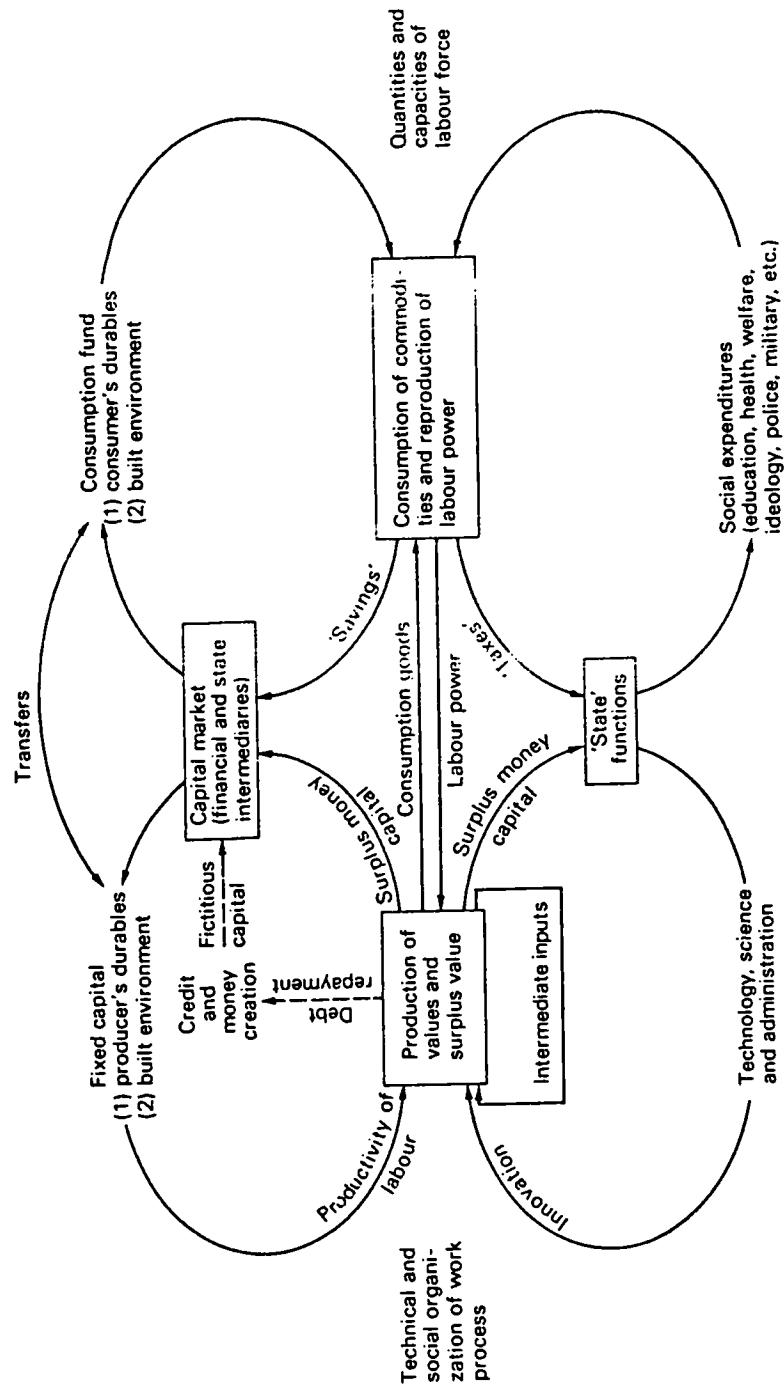


Figure 2.2 The Paths of Capital Flow (Harvey, 1982)

2.2.2 SECONDARY CIRCUIT

The secondary circuit defined by Harvey (1985a) is the flow of capital into fixed capital assets (factories, offices, machinery, etc.) and consumption fund formation (housing, washing machines, etc.) (figure 2.2). In order to flow capital into the secondary circuit there must be both surpluses of labour and capital in the primary circuit. Overaccumulation in the primary circuit on a periodic basis creates the continuous pressure for this switch. A temporary solution to the problem of overaccumulation in the primary circuit would switch capital flows into the secondary circuits of large scale, especially built environment investments.

However, individual capitalists find difficulty to switch their investments from the primary circuit to the secondary ones. Barriers are related to the features of investment which are large scale, long standing and some times collectively used in the built environment. Individuals tend to overaccumulate capital in the first circuit and underinvest into the secondary circuit for the reason given above. They have also considerable difficulty in the flow of capital between the primary and the secondary circuit.

The flow of capital from the primary to the secondary circuit can be achieved by the existence of a capital market and the state to finance and guarantee long term large scale investment with respect to the production and transformation of the built environment. The flow from the primary to the secondary circuit can be achieved under the conditions of transferring overaccumulated capital into money capital which can easily move into these kinds of built environmental investments through the existence of credit systems. This switch can not be accomplished without a money supply through the credit system. This applies both to fixed capital and consumption fund investments in the built environment. The financial and state institutions play a

crucial, particularly mediating and controlling, role in this process. They check and enhance the flow of capital from one circuit to another, integrating the circulation of circulating capital with that of fixed capital.

2.2.3 TERTIARY CIRCUIT

Harvey completes the circulation of capital from one circuit to another with what he calls the "tertiary circuit" (Harvey, 1985a). This comprises investments in science and technology for the progressive development of productive forces and a wider range of social expenditure for the reproduction of labour power. Investments in science and technology are necessary for the reproduction of capital in the same way as investments in social expenditure are necessary for the improvement of the capacity of labour power through investments in education and health care (figure 2.2).

Internal contradictions created under the conditions of competition generate a tendency towards overaccumulation in the primary circuit. This tendency can be temporarily overcome to switch the flow of capital into secondary and tertiary circuits by opening up a variety of investment options. However, individual capitalists may not be capable of shifting their investment into other circuits. This depends on the nature of their own organization. In this case, the financial and state institutions operate to switch differing forms of overaccumulated capital from the primary circuit to either the secondary or tertiary circuits. However, investment in the secondary and tertiary circuit may or may not facilitate the process of accumulation, for example investments in science and technology may not always develop new forms of scientific knowledge applied to expand accumulation.

2.3 FORMS OF CRISES

Crisis are manifestations of underlying contradictions of the process of accumulation. There is always a potential in the capitalist systems to achieve the balance of development. However this potential can never be realised because of the structure of the social relations prevailing in the capitalist system (Harvey, 1982 & 1985a).

Capitalists tend to overaccumulate capital within the primary circuit. The accumulation process may end up at this stage or overaccumulated capital may be found outlets in new investment opportunities in the secondary and tertiary circuits of capital. These types of investments first expand the production of surplus value. A tendency towards overaccumulation within the primary circuit of capital can not be overcome, but transferred into the various investments in the secondary and tertiary circuit. Manifestations of crisis subsequently occur in both the secondary and tertiary circuits of capital.

Chronic overaccumulation results in the devaluation of fixed capital and consumption fund items as well as investments in science, technology and social expenditures. In each case, crisis occurs because the flow of capital does not expand the production of surplus value. A crisis in each of these spheres coincides with the crisis in finance and state institutions which have a crucial role in directing the circulation of capital from one type of investment into another. Crises are the indicators of imbalance and force the rationalization of the process of production, distribution, exchange and consumption. They may also force the rationalization of institutional structures and consequently institutional reorganisation occurs.

Various kinds of crisis appear during this process. Harvey categorises them as partial, switching and global crises (Harvey, 1985a). Partial crisis can occur within a particular sector, particular region or mediating institutions and can

be resolved within this particular sector, region or institution, for example crisis in the built environment can be resolved by the reorganization of its production. Switching crisis involve a major reorganization and restructuring of capital flow or mediating institutions in order to open up the new investment options for production. A distinction can be made between two kinds of investment switches. The first of these is sectoral, through shifting investments from one sector to another. The other is locational, through switching investments from one locality to another. This form of crisis is central to built environmental investments which are immobile and require interregional and international flows of money capital to facilitate production. Global crisis affects all sectors, spheres of production and all geographic regions within the capitalist system; the devaluation of fixed capital and consumption funds, crisis in science and technology, crisis in state expenditure and crisis in the productivity of labour. This type of crisis occurs at the same time everywhere in the world that is under the influence of the capitalist mode of production. As a result, the processes of restructuring and reorganisation take place in both productive forces and social relations.

The capitalist mode of production is characterised by growth-orientation, labour power exploitation and technological and organizational revolutions (Harvey, 1989). All these three characteristics are inconsistent, contradictory and eventually crisis prone. Growth is vital for the economic mechanisms operating the capitalist system whatever problems (political, social, environmental, etc.) occur as a result of this. Profit may be based on growth, but growth is not easy to maintain. In order to achieve economies of scale, mass production techniques require increased investment in the material means of production, in plant and machinery. This introduces two major contradictions. First, capital tied up in equipment is effectively dead capital in that it can not be invested elsewhere; it is at a fixed amount in that it can not be continually

negotiated and reduced as in the case of expenditure on labour. Further to this, such fixed capital investments actually lose value as equipment wears out or becomes technologically obsolete. Secondly, large scale production brings large numbers of workers together in one specific place. This runs the risk of permitting the development of common consciousness of their class position, or rather their position in relation to the means of production. Such consciousness inadvertently runs the risk of provoking workplace and class antagonisms and conflict. It is therefore difficult to sustain profit levels and so capital accumulation in the long term. This can only be achieved by exerting greater control and exploitation of labour in the production process. This implies a perpetual attempt to lower wages in labour markets. The periodic crises which occur as a result of these contradictions encourage or at times force capital to relocate to new sectors of production in order to escape the burden of redundant resources tied up in fixed capital stock. It is at this stage that the state will often be required to intervene in an enabling capacity. This process will frequently involve the creation of new infrastructure and built forms to accommodate capital in new sectors.

2.4 CYCLES

The urban development process is the production of physical built structures for production, distribution, exchange and consumption. How does capital flow into the built environment in general? Built environment investments become possible when capital is overaccumulated in the primary circuit. Overaccumulated capital can be switched to the production of the built environment via financial and state institutions. The tendency towards over accumulation therefore is transferred into built environmental investments.

However, when capital is overinvested in the built environment, crisis occurs and subsequently capital assets in the built environment are devalued. Financial and state institutions which are mediating this process are faced with problems; eventually organisational changes take place. This is an ongoing process which is cyclical in nature. The cycles of investment in the built environment are longer than business cycles and shorter than global crises. Switching crises are manifest as investment cycles in the built environment as well as in the devaluation of these investments as a result of the contradiction which exist within the capitalist mode of production, circulation and accumulation. The cycles of these investments are determined by the contradictory features of the capitalist mode of production which is characterised by a perpetual and ever increasing expansion of surplus value and so capital accumulation.

2.5 CONCLUSION

The capitalist mode of production is based on a perpetual production, expansion and realisation of surplus value and consequently continuous and growing accumulation, what Marx calls "accumulation for accumulation's sake". This accumulative process will in the first instance seek to maximise profits through the suppression of wage demands from labour. Deeper crisis will however demand differing degrees of economic restructuring. This will necessitate the freeing of fixed capital investments in order to create the fluidity of capital necessary for reinvestment elsewhere. Elsewhere may refer to the introduction of new technologies, new productive regimes, new productive sectors or new geographic locations and premises. Very often this will involve a complete shift in the economic sector of engagement. In the latter instance, this

can only be achieved by the production/re-creation of new built environment and the devaluation of existing infrastructure and built environmental investments. On one hand, it opens up new investment/accumulation opportunities for further capital accumulation; on the other it devalues already existing investments, wiping out further accumulation in those sectors. Capitalism is both creative and destructive at the same time in that it holds the seeds of its own destruction as a result of the contradictions inherent within it. It is these same contradictions which act as the driving force for capital to switch from one circuit of production or geographic location to another. In this process the formation of fictitious capital, ostensibly through the financial institutions, and the regulative role of the state, play a major part in enabling shifts between circuits of production or locations of production to take place. The state will play out different regulative roles according to the requirements of capital at any specific point in time.

3

STATE-CAPITAL RELATIONS, THE ROLE AND FUNCTION OF STATE

This chapter focuses on the state and analyses the relationship between the state and capital. The thesis being explored here is that the built environment is not only produced and transformed by the nexus of social relationships in general, but more specifically, affected by the institutional relationship between the state and capital. This chapter aims to identify the mechanisms through which these relations emerge, evolve and are transformed, and therefore provides conceptual tools allowing analysis of the empirical case study in chapters five, six and seven.

The state, as argued in chapter two, is responsible for the regulation and enabling of capital to switch circuits or geographic localities in time of crisis. As is also argued in the previous chapter, the state provides a framework for capital circulation and accumulation through the provision of infrastructure and communications channels, monetary regulation and social control. It is therefore necessary to look at the Marxist explanations of the relationship between state and capital before considering how Harvey himself has analysed the role of the state and what this means for the built environment and the locality.

3.1. THE STATE IN MARXISM

Marx failed to develop a consistent theory of the state defined outside of its social relations. Consequently the notion of the "state" in Marx has led to a great deal of neo-Marxist theorization in order to specify what would have constituted a full and coherent theory of the state in the Classical Marxist theory.

Jessop (1977) is able to provide a list of six different ways by which the state is represented in Classical Marxism.

- 1) Parasitic institution, outside of production, just living off it.
- 2) Epiphenomena, a reflection of the independent economic base.
- 3) Factor of Cohesion, regulating class conflicts on behalf of the dominant class.
- 4) Instrument of Class Rule, under the control of the dominant class, but could be taken back by other groups.
- 5) Institutional Ensemble, empirical statement on the state apparatus.
- 6) Political Domination, mechanisms to carry out such.

The crucial idea is that the state is a body which acts on behalf of capital. It does not stand for the general interest but for the interests of property.

Dear and Clark (1984) argue that within these approaches there is an implicit argument that the ruling class expropriate power from other classes, usually the working class. As will be argued, Harvey's capitalist state is also located very much in the wider social relations of capital. Harvey's analysis locates within categories three, four and six of Jessop's model. For Harvey, the state is responsible for the regulation of class conflict. It is an instrument of dominant class rule and it carries out its own direct political domination.

As a result of the lack of detailed consistency within Marx's own work on the state, Dear and Clark continue to analyse the role of the state in

contemporary Marxist thought. Contemporary Marxian theory in Dear and Clark (1984, p.25) is seen to have addressed the state at three levels, the "instrumentalist model" analysing state elite and ruling class ties. This model suggests that a degree of flexibility exists in the state-capital relations. Miliband suggests that this arrangement is three fold (figure 3.1). First, a dominant class exists blocking entrance to other classes. Secondly, the capitalist class, as the most powerful grouping in society, is able to exert considerable political pressure. Third, because of the state's dependence upon capital accumulation in order to raise its own revenue, its first level of allegiance is always to support the interests of capital (Miliband, 1969). Dear and Clark's second category, the "structuralist" analysis, operates as a three-fold set of relations; the economic, the political and the ideological. These are always set against the mode of production. As such, the role of the state is to regulate conflict and contradiction between these three autonomous elements. The state and capital are involved in a direct relationship, the state (the political) may appear relatively autonomous from capital but it is always subservient to, or interconnected with, the economic base. (Poulantzas, 1972). Dear and Clark's third model, the "ideological" as a means of state control, may in itself be located in either the instrumentalist or structuralist categorisations. In Althusser's structuralist explanation, ideology is seen as functioning to secure the domination of one class over others. It is the imposed belief system which compels workers to accept their role within the relations of production (Althusser, 1971). Paul Hirst may be seen to stand closer to the instrumentalist position in arguing that ideology is interconnected with discourse. Ideology can be constructed from many political standpoints which may or may not be effected by social class or the relations of production (Hirst, 1979).

Harvey's analysis locates in all three of Dear and Clark's categorisations. His concept of class alliance may be seen to locate within the instrumentalist

Figure 3.1 MARXIST CONCEPTIONS OF THE STATE:
Dear and Clark's Three Models

- | | |
|-------------------------|---|
| 1) INSTRUMENTAL | Miliband-
1) Dominant Class.
2) Capital as influence on the state.
3) State supported capital. |
| 2) STRUCTURALIST | Relative Autonomy (Poulantzas)
Structuralist Relations
1) Economic.
2) Political.
3) Ideological. |
| 3) IDEOLOGICAL | may be either Instrumentalist (Gramsci*) or Structuralist (Althusser). |

* Gramsci is positioned as an opposite to Althusserian Structuralism in Jessop 1990.

model in that it shows an awareness of the power of organised, structured "ruling class elite" existing at a state level in their own right. Although the state elite may be part of a larger elite, including and subservient to capital, it still holds a degree of autonomy (Harvey, 1985a). At the same time, Harvey's analysis of the way in which state policies always benefit the capital-owning class is suggestive of a much more structural arrangement. By this the mechanisms of state and capital would be seen to always work hand in hand (Harvey, 1989c). The "ideological" in Harvey is extensively related to a notion of hegemonic control within the capitalist system. This is both at the level of passing on the belief systems of the dominant class alliance to society as a whole, and within the ideological structures used to regulate the entrance into and the activities of, the dominant class alliance itself and middle class professional bodies (Harvey, 1989c). Further to Harvey's capacity to draw together the above Marxist perspectives, he also shows an acute awareness of the relationship between the process of capital accumulation (Chapt. 2) and the built environment. When Harvey conceptualises the "class alliance", it is always set within the spatial locality, it is explained through the operations of urban governance, administration and locality-based social relations.

3.2 THE STATE IN HARVEY

Harvey tends to see the state as working at the behest of capital towards clearly discernible objectives. Harvey defines his approach to the basic functions of the state in capitalist society as to:-

- "1. help to stabilize an otherwise rather erratic economic and social system by acting as a 'crisis-manager';
2. strive to create the conditions for 'balanced growth' and a smooth process of accumulation;

3. contain civil strife and factional struggles by repression (police power), cooptation (buying off politically or economically), or integration (trying to harmonise the demands of warring classes or factions)." (Harvey, 1985a, p.175)

The state can perform all these functions and therefore plays an important role in internalizing diverse conflicting interests both within and between classes, factions and diverse geographical groupings.

In Harvey, two concepts are of importance in explaining the nature of ruling class control in the locality. These are the concepts of "the class alliance" and "urban governance". The class alliance is a broad concept covering numerous people and groups brought together to further the cause of capital accumulation. This is effectively a forum for policy articulation and stabilization between potentially competing bodies. This is not a ruling class although there will be ruling class representation. Indeed a ruling class may develop out of a class alliance. It may not be a formal body but rather a series of informal and social interconnections (Harvey, 1989c). The notion of urban governance is defined as:-

"... the real power to organise urban life lies ... within a broader coalition of forces within which urban government and administration have only a facilitative and coordinating role to play. The power to organise space derives from a whole complex of forces mobilised by diverse social agents." (Harvey, 1989c, p.11)

Harvey does not always make a clear distinction between the concepts of class alliance and urban governance. In many respects, it is as though the idea of class alliance is the theory of how ruling elements come together whilst urban governance is the practical application of the class alliance. Urban governance in this sense may be defined as what the class alliance actually does. When Harvey applies the concept of urban governance, he uses it as a process in which change may be identified. Change at the local level reflects changes in the nature of capital circulation and accumulation via the

formation/composition of the class alliance and their policy formation. In consequence, a direct relationship can be established between locality (urban governance) and the process of capitalist production. It is through this mechanism that the built environment and infrastructure requirements of capital besides developmental projects for capital gain can be successfully envisaged and mobilised. Urban governance can regulate capital in two ways, first by protecting the locality from devaluations in the existing stock of fixed capital assets in the locality, and secondly by enhancing capital accumulation through infrastructure and other enabling schemes.

3.3. THE LOCATION OF THE STATE IN THE CAPITALIST MODE OF PRODUCTION

At every stage Harvey's work relates the state to the capitalist mode of production. It is in Marx's theory of value which Harvey locates the principle objectives of the state. The state is seen to directly assert influence through its involvement in four specific issues, 1) defence of private property rights, 2) regulation of competition 3) maintenance of a ready labour supply, and 4) assisting a smooth flow of capital circulation. Each of these fields of involvement brings the state into contact with issues concerning the built environment. The defence of private property through the maintenance of a legitimate system of law and order enables safe capital investments in property and development markets. As a result of the state's regulation of competition, it is directly involved in attracting investments into localities as a result of marketing specific built environments and plant and infrastructure provision. The state holds responsibility for the provision of transportation infrastructure to carry workers to the site of production and to enable communities to have

access to centres of exchange and consumption. The state also has a regulative role over the location of houses relative to the means of production and consumption. Finally the state plays an important role, mainly through infrastructure provision in new localities and economic sectors, in permitting capital to switch smoothly from one sector of production to another.

3.3.1. PRIVATE PROPERTY RIGHTS

"... a condition to exist supposes not only a solid legal foundation to exchange but also power to sustain private property rights and enforcement contracts. This power of course resides in "the state". The state in some form or another is the necessary precondition to the establishment of values." (Harvey 1982, pp. 18-19)

The maintenance of private property rights is essential to the rise of the bourgeoisie (capitalist class), and consequently to the establishment of social relations in the capitalist mode of production (Jessop, 1990; Harvey, 1982). The state, in this context, is seen to be a necessary agency, which holds the power of maintaining capitalist social relations through the provision of a "legal foundation" for property rights in the form of law which brings about the realization of values in the form of the commodity capital in exchange markets. In effect through the safe guiding and legal regulation of property rights, the state provides a framework of rules defining the field of capitalist enterprise (Harvey 1989b, Jessop, 1990)

Private property rights are the fundamental component of the maintenance and enhancement of functioning commodity exchange markets through notions of "individuality", "equality", "freedom" and competition (Harvey, 1982, p. 19). Individuals therefore have equal rights and freedom to produce commodities in their property, independently from each other and to sell them freely to, or buy commodities from, whoever they wish to. However, private property

rights bring privileges to the owners of differing commodities, and are therefore a basis of inequality and injustice (Harvey, 1982, 1989b). In this respect, labourers who do not possess capital freely are forced sell their labour power as commodity in return for wages. The owners of the means of production (industrial capitalists) freely buy labour power as a commodity and sell its products on the basis for being the owners of productive forces. This manifests how social (class) relations in the sphere of both production and distribution rest on private property rights which are legitimated by the state.

The capitalist form of social relations, in all spheres of production, distribution and exchange, is established through the maintenance and protection of private property rights by the state in order for the commodification of labour power, the functioning of commodity exchange markets and the realization of surplus value as capital to take place. The role and function of the state in this context is essential as a provider and promoter of the "necessary preconditions" for the establishment of the capitalist form of social relations, consequently the capitalist form of accumulation. This means that the state is an instrument of the dominant class.

The establishment of private property rights, more importantly, commodified land as a marketable entity, gives privilege (monopoly) rights to individuals to use and exchange property. Land is a unique entity. It exists naturally. It therefore has an inbuilt scarcity value once commodified in accordance with its quantity and quality, unlike human labour which can be continuously reproduced, and is therefore of little value. At the same time, land is a necessary source for the production and reproduction of the built environment through the creation of physical infrastructure for production (e.g. factories), circulation (e.g. transportation and telecommunication channels), exchange (e.g. built structure for the activities of retailing and wholesaling) and

consumption (e.g. domestic built structures/houses); in short the organisation of life as a whole.

The mechanisms in which land property markets work, the commodification of land, leads directly on to the commodification of property. Property development for rent or sale is only possible as a result of the safeguarding of property rights by the state.

3.3.2. COMPETITION

In the sphere of exchange, the individual capitalist acts in accordance with his or her own self-interest and competes with others for the realization of surplus value. Competition may force each individual towards the reorganization of the labour process (through the lengthening and intensification in labour power or the detailed division of labour) or technological changes in productive forces (through the increase in productivity and the diversification of outputs-products) in order to gain a competitive edge in this process. All these produce extra capital investments and disruptions in the process, which individual capitalists may not afford. Competition between the individual capitalists is therefore directly manifest as changes in the sphere of production. However their individual actions can endanger their own reproduction through producing extra capital investments, devaluing existing fixed capital investment and consequently the accumulation of capital in general. Individual capitalists therefore:-

"produce an aggregate result which goes against their class interest ... and are forced to constitute themselves as class - usually through the agency of the state - and put limits upon their own competition." (Harvey, 1982, p. 34)

Competition reveals the contradiction between the individual capitalist and common (class) interest of the capitalist class or "individual action and class requirements"(Harvey, 1982, p. 34). The state in this case acts on behalf of the common interest of the capitalist class by intervening in the process of competition through bringing legal and political constraints on the operations of individual capitalists. The internal contradiction between the individual capitalist and the common interest of the capitalist class turns into a contradiction between individual capitalists and the state for the sake of the continuation of capital accumulation. The role of the state here is as a mediator and articulator of the relationship between the conflicting interests of individual capitalists.

The state regulates competition to develop sites through planning controls. Through promoting sites, the provision of infrastructure and the granting of outline planning permission, the value and attractiveness of land is increased. The state is able to regulate competition in property markets by individual capitalists and present a level of non-aligned legitimacy to quieten any discontent in the community through the agency of planning.

3.3.3. THE SUPPLY OF LABOUR POWER

The production of surplus population through the process of primitive accumulation, and the mobilization of latent sectors, for example migration from rural to urban areas, is unique to capitalism (Harvey, 1982, Harvey, 1985a, Chapt. 2.1.3). At the same time, it stimulates the reproduction and accumulation of capital by creating pressure over labour power through competition between labourers under the threat of losing employment. Industrial capitalists therefore discipline labour power against unexpected and unwanted disruption through labour revolts in the labour process as well as the

determination of the rate of wages by keeping them as low as possible in order to enhance the accumulation of capital.

"Direct action on the part of capital or action taken on behalf of capital through the agency of the state (enclosures, etc) becomes the main focus of his (Marx) analysis of the forces regulating the supply of labour power. and although he does not do so we can easily see that population and immigration policies implemented by the capitalist state would fit into this perspective of the overall management of the supply of labour power by capital". (Harvey, 1982, p. 51)

The state again has a role in providing the necessary preconditions for the control of labour supply by the capitalist class. This involves the implementation of welfare policies to (a) make labour more productive, and (b) to make labour more docile through removing the necessity of class struggle for the purpose of survival. In this sense, the state regulates class antagonisms through providing a safety net to limit the harshest aspects of capitalist exploitation of labour. The function and role of the state is therefore compatible with the requirement of the capitalist class and consequently with their objective of capital accumulation.

3.3.4. THE CIRCULATION OF CAPITAL

The circulation of capital produces costs such as transportation, accounting, storage, information, banking facilities, payment mechanisms and the like which are necessary and unavoidable. These costs, Harvey argues, are incurred as a result of the circulation of capital in commodity and money forms. Harvey argues that:

"the drive to accumulate must also be manifest as a drive to reduce these costs of circulation". (Harvey, 1982, p. 87)

and therefore:

"certain state functions" are "necessary to preserve and enhance the mechanisms of circulation." (Harvey, 1982, p. 86)

The state in this case acts as a provider of physical infrastructure such as, transportation and communication networks accelerating the circulation time and facilitating the circulation of capital as well as forming a body for the articulation of institutional relations both between the fractions within the capitalist class, and between the state and capital institutions. This regulatory arrangement enables and reduces transaction and marketing expenditure. In this respect the state is directly involved in providing, or enabling capital to develop, the form of built environment and infrastructure which it requires on switching between capital circuits. Further to this the mechanisms which the state utilises will very often act to alleviate the effects of redundant fixed capital investments through the renovation and renewal of ex-industrial and other redundant sites as capital flows between locations and circuits of production.

3.4. THE STATE AS A SET OF MECHANISMS

From the above explanation of state-capital relations it will be necessary to focus upon the specific functions of the state in the work of Harvey in order to demonstrate in what ways the state is able to assist capital in the locality.

In the "Urbanization of the Capital", Harvey explains the state in terms of three attributes (Harvey 1985a).

1) Crisis Management, the stabilization of the economic and the social.

This may be taken to incorporate Welfare provision such as social reproduction, act as an agent of social harmony, and provide ideological hegemony as covert social control (also in Dear and Clark, 1984).

- 2) The creation of the conditions for balanced growth and accumulation. This involves the conditions for consumption, the social value systems as an ideological tie with the hegemonic force listed in (1) and the provision of social and physical infrastructure such as the training of labour, transportation, communication infrastructures, etc.
- 3) The control of social conflict, civic strife and fractional struggles through military and police repression, cooptation and the integration of opposition.

The state, in order to fulfil these functions, must incorporate its policy with the conflicting interests of all classes, factions and geographical groupings. Failure to do this may lead to populist backing being sought by dissident capital fractions, geographic localisms, capital-backed religious or ethnic subgroups, etc. A balance of power must also be maintained between conflicting interests to prevent any one capital grouping or faction seizing direct power.

Different political systems will obviously reflect different aspects of the above to differing degrees, as will differing levels of state apparatus. In the post war years, it was obvious that the welfare role was played out in the British Scenario as in most Western European state structures. During the 1980s welfarism, was to be replaced by ideological notions of the free market economy.

By the late 1980s, Harvey is keen to analyse the changes which have taken place in the state apparatus in accordance with the development of "Late Capitalism". Change in this instance is located at the tier of Urban Governance.

For Harvey urban governance is more than just the political institutions. It combines local politics, with capital institutions and local elites articulating

their power through an ongoing set of interrelations and mutual support mechanisms. The role of the local state is generally limited to the co-ordination of the other groupings. We have therefore to look to class alliances for the motivational mechanisms within the urban environment.

Other writers have expanded this notion of the local state as a coordinating structure for capital elites, notably John Dearlove (1979). At one level the state for Dearlove is an arena of conflict between classes, on the other hand however it represents the interest of the dominant classes. It may be relatively autonomous from the direct involvement of capital but this does not alleviate or alter its role as a representative of such interests in any way. This is as true of the local state as it is of the national. The local state does however seem to lack the autonomy of the central state. In Britain, the local state has increasingly come to be perceived as lacking autonomy from either the central state or capital. Studies of local planning, for Dearlove, have been the area where the local state has been most clearly seen to work within the interests of capital. He cites studies by Monahan and Ambrose:

"Monahan's (1976, pp. 180-1) study of the redevelopment of Covent Garden pointed to the 'collusion of public and private sector' so that 'in the end the planners were no more than agents for the developers, and their job was merely to control some of the more gross manifestations of greed' Ambrose (1976, p.5) in his study in Brighton, points out that it is becoming 'increasingly difficult to distinguish between local authorities and developers', and Ambrose and Colenutt (1975, pp. 63 & 67) note, not just that 'the developer is in a very strong position compared with the planners or the public' but that 'the main beneficiaries of the (present planning) system are not the public or the local authorities but the development industry'. that work which although not seeing local government as the instrument of business, nevertheless sees its interventions as directly functional for business" (Dearlove, 1979, pp. 215-6)

A further expression of a Marxist analysis of the local state may be seen in Cockburn (1977) where the state's primary role is "continually to reproduce the conditions within which capitalist accumulation can take place" (Cockburn, 1977, p.51). The local state is seen as important in this process, for example it was the local state which was at the for front of the post war urban reconstruction. This Cockburn locates within the work of Gramsci, arguing that the state is only the first encounter with a "robust chain of fortresses", things which are often considered "unofficial and private" (Cockburn, 1977, p.57). Dearlove accepts that this sort of approach has important elements of truth within it, but it does tend to simplify the situation. Governmental processes, he argues, have a "certain internal dynamic" which serves to place them beyond any control once set in motion regardless of the needs of capital (Dearlove, 1979, p.221). He does however concede, from this position of arguing the relative autonomy of state from capital, that even a simple Neo-Marxist class conflict model offers greater potential to the understanding of the local state than the vast amount of research which has been carried out into the local state from liberal democratic perspectives.

Dearlove suggests that the planning function of the local state is one of the areas where its relations are most clearly visible. This would be seen to locate well with Harvey's emphasis on planning from "the Urbanization of Capital" (1985a) and elsewhere. Planning is seen as reproducing the social order. Within this exists a further interest for capital, in that certain factions of capital seek to produce gains through the construction of new elements within the built environment. It is these factions which will come together to form influential elites within the locality. It would however be difficult as a result of booms and slumps in the market for such elites to come together on a permanent organizational footing. Rather they appear at specific times around specific interests (Harvey, 1985a). The role of the planners is not only to mediate inter

class conflicts with the general objective of reproducing the social order but also to mediate between different factional interests. For Harvey:

"The problem with the built environment is that much of it functions as collective fixed capital (transport, sewerage and disposal systems, etc). Some way has to be found, therefore to ensure a flow of investment into the built environment and to ensure that individual aggregative needs of capitalist producers are met." (Harvey, 1985a, p. 172)

This is crucial for the maintenance of stable labour conditions in the locality. Without sufficient consumable production, workers will in effect, by having more in terms of wages than they need, become restless a situation which could potentially degenerate into civil strife. The built environment is therefore not only tied to locality and elite factions but crucial to social control. Harvey argues that there are three means by which this can be coordinated; by:-

- 1) market mechanisms.
- 2) hegemonic controlling interests. This may be landowners, developers holding monopoly control, financial interests etc.
- 3) state intervention.

The composition of these three possibilities will vary between localities and at different times. What is ultimately of importance is the element of social reproduction and the minimisation of crisis. The role of the local state in this sense is essential to the creation of balanced growth, social reproduction, containment of strife and crisis management. The planner is not always a direct supporter of the status quo. What planning is however responsible for and indeed planning always has been from its very inception, is, for Harvey, an "Ideology of social harmony" (Harvey, 1985a, p. 177). This objective of social harmony is the limitation of the planners' world, an ideological content on which all actions are based. It is this more than anything which locates the role

of the planner in the local state apparatus as an agent responsible for the reproduction of a social order suitable to the means of capitalist production.

In the light of the above, different variations could never have been successfully implemented by a centralised political order. The development of relations between the local state apparatus and capital have varied according to the degree of capital development in specific localities. Economic development was never geographically balanced. It had, during the years of expansion, in Britain in the 19th and early 20th century, built up substantial surpluses allowing for substantial investments in the built structure of towns and cities. Structural changes in the economy brought about mainly by technological innovations during the 1970s and 80s led to dramatic decline in the economic and fiscal base of large cities. From this situation a clear need existed for a transformation in the relationship, or more specifically the form, role and function played by the state in the urban environment. Harvey argues:-

"The managerial approach so typical of the 1960s has steadily given way to initiatory and entrepreneurial forms of action in the 1970s and 1980s" (Harvey 1989c, p. 4)

The question was therefore, by the 1970s, to what extent should urban government play a direct supportive role in the establishment of new enterprise, or should the local state remain in the position of infrastructure provision in its attempts to attract capital. In citing Boddy (1984) and Cochrane (1987), Harvey is able to present a case that the local state in Britain has, since the early 1970s, become increasingly involved in economic development activity (Harvey, 1989c). The object analysis in chapter seven will be to establish how this involvement has operated in practice in the specific case study locality.

3.5. RULING CLASS ALLIANCES

The new position of the local state in its supportive role towards new enterprise further assisted in the integration of the local state into a further aspect of state-capital relations in Harvey. It was located within the same territory as the state apparatus, through his concept of the "Ruling Class Alliance" (Harvey, 1985a, 1985b, 1989c). A ruling class alliance is a coalition between economically and politically powerful agents. This involves the state and capital institutions in order to preserve and enhance production, consumption, physical and social infrastructures, profit levels, the quality of labour, etc., in a specific locality.

In Harvey:-

"a ruling class that sees itself as the symbol of community and appropriate the necessary means (traditional symbolic as well as legal, financial and technical) to legitimize its authority and power. It usually speaks "in the public interest" and finds ways to command sufficient authority or mass support (by way of concession, cooptation, horse-trading and repression)." (Harvey, 1985a, pp. 152-3)

Harvey sees the "Ruling Class" taking two forms. The first based on a perception of the urban as a growth machine, the second actually seeing itself as an entrepreneurial presence, with the objectives of innovation and intervention. These coalitions are based on the preservation or advancement of capital in the specific locality, and as such offer a way to incorporate elements of the political although this is not always the case. Such alliances will differ according to the requirements of capital circulation in specific localities. This adds to the notion of relative autonomy. The power of ruling class alliances depends on the economic and competitive position of the locality. Possibly by the mid to late 1980s in many localities, with the upturn in property markets, it was these elites, which local planners had traditionally had to mediate between, that demanded a more direct role in the spatial organization and

development of certain localities. Hence in many areas the local state was directly displaced by central government-appointed quangos such as the Urban Development Corporations, with direct capital representation.

3.6 CONCLUSION

In Harvey, the state is subject to capital. Capital needs constantly to seek new ground to exploit, to open up new potentialities for accumulation. In what Jessop (1983) terms "accumulation strategies and hegemonic projects", it is essential that differing social, entrepreneurial and political priorities are explored. The state is therefore tied to making political and policy shifts as part of an ongoing process at the behest of capital's continuing quest to maximize accumulation. This Harvey sees as a theory of "relative autonomy" between capital and the state which is perfectly in keeping with the objectives and requirements of capital accumulation and as such a part of the functioning of the local as much as the nation state. It is a state tied to an economic dynamic but with an understanding of space and time differentials and linked to capital for the sake of covertly maintaining the social order, as its principle function. As suggested, however, it is clear that new alternatives to this model were been sought throughout the latter half of the 1980s.

It is through the concept of urban governance that the above configuration of state and capital is able to intervene directly in the locality. The overall model will be effected by the time differentials involved in movements of capital according to switches between different capital circuits and localities. Different phases of the capital circuit will require different built environmental and infrastructure investments. For example, in the instance of a complete

switch of circuits, new plant, site and infrastructure may all be essential. A politics of urban governance would be based on attracting such new investments through the provision of infrastructure and environmental incentives.

In many of the Nineteenth Century industrial cities, in the north of England, with their base in heavy industrial manufacture and extractive industries, had long since collapsed as a result of the burden of non-productive, technologically-inefficient fixed capital assets. As a result of this level of economic decline the central state has increasingly attempted to establish new local alliances capable of attracting new investment through the provision of extensive incentives. This has very often had a direct impact upon the built environment. In the case of Newcastle upon Tyne, as will later be explored fully in the case study materials (Chapters 6 and 7), this was to take the form of the Tyne and Wear Development Corporation which acted to remove powers from the local state machinery and hand them to a central government appointed elite.

4

THE METHOD OF ANALYSIS

This study uses the Marxist theory of materialism based on the capitalist mode of production and social relations, and Harvey's historical, geographical and materialistic approach, as methods of analysis for the case study of Newcastle. The aim here is to analyse how the built form of Newcastle has changed, identify the key actors operating in this process of change, the form and network of institutional relations (alliances) they established and their integration with local, national and global systems. The study continues to identify the underlying forces driving this process of change and locates them within the wider economic, social and political context.

This chapter follows the theoretical issues as they relate to the structure of the thesis as a whole. As such it continues to use the concepts of Marxist materialism as a methodological construct for the analysis of the creation of built environment. It suggests that any analysis must be based upon the mode of production rather than the object of production in order to maintain a structured stability. The mode of production is located within the Marxist notion of dialectic as a means of providing a dynamic to historical change. The concept of dialectic is in turn considered from its origins in Hegel to its materialist form in Marxism and its historical geographic form in Harvey. In presenting this, the major theoretical tenets of Marxian method are outlined, providing a base in order to move on to the considerations of the structure and objectives of the empirical analysis.

4.1 THE METHODOLOGICAL APPROACH: MARXIST MATERIALISM

In the "Grundrisse", Marx (1973) attempts to identify the characteristics of the capitalist mode of production. In order to specify what is characteristic, he approaches the aspects of social life which offer themselves as observable phenomenon, providing the routes of access to the structures and mechanisms which lie beneath.

Capital as such is a particular historical formation, the economic laws of which are superficial if not analysed in the context of the historical structures within which they are located. It is these structures therefore which must be analysed in order to gain an understanding of economic commodity fetishism.

4.1.1 COMMODITY FETISHISM

In Marx, commodity fetishism is seen to be that point at which the object of human production appears to take an independent existence. This independence provides a power within the object which invariably returns to oppress its human producer. When large sectors of production are fetishised in the above way, the whole economic order is threatened with a sense of the unreal. Commodity fetishism leads therefore to a level of superficial economic analysis dwelling with the realm of appearance or at best in a gap between the appearance and the essence, as the reality of capitalist production. The approach to analysing the relations of capital and labour must therefore be based in the production of surplus value rather than the object of production, thereby allowing one to gain a full understanding of the logic of the underlying structures which constitute the mechanisms of capital accumulation and so the maximisation of surplus value. This brings groups of capitalists together and

leads to the establishment of alliances, what Harvey calls "class alliances", to maximise their surplus value through the extensive exploitation of labour power. This study therefore aims to address the attempt of class alliances to derive surplus value not just from labour power but from the manipulation of property markets and property development activity.

4.1.2 MODES OF PRODUCTION: RELATIONS AND FORCES

In the preface to "A Contribution to the Critique of Political Economy" (Marx, 1970), each set of relations of production is seen to correspond to a definite stage in the development of the material forces of production. By analysing the development of the city of Newcastle through history, it should be possible to see how the built environment of any specific stage corresponds to a definite stage of the material forces of production. Material forces of production may be defined as including land, labour power, raw materials, plant, machinery, tools, technical and scientific knowledge and technical organization of production (Keat and Urry, 1982). In the case of the present study the issue of materialisation of the forces of production is seen in terms of its effects within the creation of built form, principally within the first of these categories through the acquisition of land and the development process.

By starting with the precapitalist modes of production in Newcastle, it is possible to explore how the accumulation of capital has influenced the formation of the built environment. In turn, the built material form may be located in the underlying historical structures, the forces and relations of production and so built form may be seen to change in accordance with changes in the mode of production and capital accumulation.

4.1.3 DIALECTIC MECHANISMS

The process of historical change is seen to be operated through dialectical mechanisms. In Hegel, the dialectic reflected a process by which human thought was followed by realization. In this process, the understanding of reality is speculative, starting with a spiritual manifestation within the thought process. The material world is the end product, not the starting point. Through a series of negative and positive positions within the thought process a more general consciousness is able to develop into more concrete forms. In this sense, Hegel's formula succeeds in positing a developmental or historical theory of human thought and its materialisation within the real world.

In Marx, Hegel's position was reversed. The world existed already upon which the ideal form was developed as a result of human reflection upon it. Hegel is consequently seen as idealist, starting with the ideal rather than with the material condition. Hegel's theorisation of the dialectic offered Marx a usable structure but only when it was effectively juxtaposed to locate the influence of a pre-existent material condition upon the thought process. This is a core notion in Marxist theory in that it is this which actually permits an understanding of historical development and progression. Further to this, it demonstrates the ways in which the human species is able to locate itself at the heart of the social world through material development :-

"It is just in his work upon the objective world ... that man really proves himself to be a specific being. This production, is his active species being. Through this production nature appears as his work and his reality. The object of labour is, therefore, the objectification of man species-life, for he duplicates himself not only as in consciousness, intellectually, but also actively in reality and therefore he sees himself in the world that he has created."

(Collected Works 3:277, cited Callinicos, 1983a, p. 38)

To see the above dialectical mechanism in operation, it is necessary to break down the production process into its various components. As all components

will reflect the base structure, so it will be possible to see the contradictions within the relations between the base structure and man's self realization and objectification in the material world. In effect this is the relationship between the base and superstructure in Marxist theory, whereby the economic base is reflected in the social and political organisation of the superstructure. The base and superstructure are intimately interconnected through the dialectical mechanism.

For Marx the issue is to explore the contradictions thrown up within the dialectic of production. It is here that he is able to locate the starting point for his theorisation within the analytical parameters of the real world :-

"The premises from which we begin are not arbitrary ones, not dogmas, but real premises from which abstraction can only be made in the imagination. They are real individuals, their activity and material conditions of their life, both those which they find already existing and those produced by their activity. These premises can thus be verified in a purely empirical way" (Collected Works 5.31, cited Callinicos, 1983b, p. 72)

Marx therefore makes it clear that analysis must be empirically located first of all in those components which are visibly observable, the theoretical is secondary, the first phase of analysis is with the empirical from which abstraction can then be made. The empirical relations within the dialectical structure may be observed in all aspects of the capitalist mode of production. In the case of this study, the point of interest is taken as the interconnections between a set of social relations materially represented within a specific built environment and the economic base structure, although as the proceeding subsection will suggest, writers such as David Harvey have made considerable contributions to the expansion and updating of this model. This is particularly true of Harvey's explanation of the production of built environment.

4.2 THE HISTORICAL GEOGRAPHICAL MATERIALIST APPROACH: HARVEY'S THEORIZING

Harvey bases his historical geography of urbanization on a Marxist framework of analysis. For David Harvey, the principle concern is how the production of space locates into the dynamics of history as understood through the dialectical method of historical materialism. He argues:

"Historical materialism has to be upgraded ... to historical-geographical materialism. The historical geography of capitalism has to be the object of our theorization" (Harvey, 1985a, p. xii)

His objective is therefore to account for both time and space as something more than the abstracted components of land or plant, as in Keat and Urry's (1982) interpretation of classical Marxism. The historical and geographical are seen as interdependent equals in Harvey's theorisation. The task is to find the dynamics of this in a specific mode of production. Such theorization never takes place in complete abstraction however, but entails a continuous dialogue with experience, action, concept formation and dialectical theorizing. In this way theory of whatever perspective will always reflect the base structure. Perspective is in this sense the way in which groups and individuals speculate. Speculation forms the background against which new perspectives are questioned and juxtaposed against one another over time. Reflection is therefore also a process based on the evolution of experience. It is these experiences which suggest new areas of enquiry. For Harvey, this is the process implemented in the Grundrisse by which Marx is able to identify the component of production, effectively through a process based on the assessment of speculation (Harvey, 1985a, xv).

It is in effect the everyday material items which enable us to see the material forms of the theoretical abstractions presented by Marx. Harvey presents the most simplistic of examples to demonstrate how this operates. He

presents the instance of "a typical breakfast" to show how almost all components are "produced as commodities under a similar system of the circulation of capital" (1989b p. 9). Such materialisations of the system are however dictated by historical and geographic circumstance. It is within the historical and the geographic that economic base and superstructure relations may be perceived. Superstructure may be taken as political, social and cultural regimes as opposed to the base which comprises the mode of production. In this way it is important to draw an understanding of the broader historical and geographic context within which capital reproduces itself in order to analyse the problems inherent within the capital system. One example which Harvey uses to demonstrate this point concerns the construction of the Church of Sacre Coeur in Paris. Montmartre, the hill upon which the church is constructed, was the sight of a notorious skirmish and series of mass executions following the defeat of the Paris Commune in 1871. Following this, the area became a site of popular resentment as those executed were revered as martyrs by large sectors of the population. As a consequence the Church was effectively constructed as a mark of dominance by the victorious parties including the Catholic Church :-

"The ashes of the city became a symbol of the commune's crimes against the church and were to fertilize the soil from which the energy to build Sacre-Coeur was to spring" (Harvey 1989b, p. 216).

By 1880, with an increasing drift towards economic modernisation, the oppressive structure of Sacre-Coeur was to be seen as increasingly dated if not indeed obstructive to the liberal notion of free economic development. Harvey explains that a motion was put before the city council to construct a huge statue symbolising liberty, republicanism and democracy which was to be located in front of the church. The statue was constructed but never actually sited. Eventually it was shipped to United States where it was to become the Statue of Liberty in New York harbour.

What Harvey is in effect demonstrating through the story of Sacre-Coeur is that the contradictions inherent in the mode of production created a mass impoverished class at one particular time and place. This led to open class conflict which eventually materialized itself in the construction of Sacre-Coeur. Likewise when changes in the nature of the economic base required social consolidation rather than antagonism, steps were taken to materialise this new approach through the creation of the statue. Harvey is therefore able to demonstrate the development of built environment through a methodological approach located within the theoretical framework of historical materialism whilst holding onto the empirical experience of the material form. In this instance, the material form was the real conditions of class oppression and conflict leading to the idealisation of the various parties and the eventual materialisation of that idealisation in the built structure of Sacre-Coeur. In effect, this was a process of historical materialisation, from the real material world, from which an idealist notion emerges to be eventually constituted again in the material world.

Harvey's theorisation is heavily indebted to a notion of time and space or, to put it another way, history and geography. Whilst the historical is an inherent part of the classical Marxist analysis of historical materialism, the notion of space is introduced ostensibly under the influence of the work of Henri Lefebvre (1991). Lefebvre argues that natural space is disappearing to be replaced by the production of social space. That is space structured by the social order of the day. Lefebvre sub-divides social or produced space into three categories, "Spatial Material Practices"; these are material and productive flows across space; "Representations of Space"; the signs and points of signification which allow material practice to be discussed, and "Spaces of Representation"; social inventions, these may be material constructs which present a code or sign or meaning (Lefebvre, 1991, p. 33; Harvey, 1989b, p. 262).

Harvey is able to demonstrate how this operates in diagrammatic form in its direct relation to the production of built environment (figure 4.1). It is these categories, which he suggests, will govern what is constructed where. At the same time however, from a methodological position, these categorisation are only of value when based in the experience of the material world. They may in fact be seen as the influences or pressures which mould the dialectical process of historical materialism.

For the purposes of this research, the issues engaged with are located ostensibly at the level of material spatial practices in relation to the economic base. Within this limitation the present research could easily be taken as a stable basis for further expansion into the spheres of perception and imagination suggested by Lefebvre and expanded by Harvey.

4.3 THE EMPIRICAL APPLICATION OF THE METHODOLOGICAL THEORY

The study therefore reflects on the history of the locality enabling a specific interpretation of time and space to be established, offering an intersection of historical geographical materialism. It is based on the analysis of the specific historical and spatial form of Newcastle and the built environmental forms which have developed, as related to the mode of production during specified historical periods. In this way, the aim is to develop an understanding of the social dynamics which have created these built forms and spatial arrangements.

In this light the study attempts to illustrate empirically two fundamental processes derived from historical materialist theorisation:

Figure 4.1 Spatial Practices

	<i>Accessibility & distancing</i>	<i>Appropriation & use of space</i>	<i>Domination & control of space</i>
MATERIAL SPATIAL PRACTICES (EXPERIENCE)	Flows of goods, money, people, labor power, information, etc.; transport & communications systems; market and urban hierarchies; agglomeration	Urban built environments social spaces of the city & other "turf" designations; social networks of communication & mutual aid	Private property in land, state & administrative divisions of space; exclusive communities & neighborhoods; exclusionary zoning & other forms of social control (policing and surveillance)
REPRESENTATIONS OF SPACE (PERCEPTION)	Social, psychological and physical measures of distance; map-making; theories of the "friction of distance" (principle of least effort, social physics, range of a good, central place & other forms of location theory)	Personal space; mental maps of occupied space; spatial hierarchies; symbolic representation of spaces	Forbidden spaces; "territorial imperatives"; community; regional culture; nationalism; geopolitics; hierarchies
SPACES OF REPRESENTATION (IMAGINATION)	"Media is the message" new modes of spatial transaction (radio, t.v., film, photography, painting etc.); diffusion of "taste"	Popular spectacles-street demonstrations, riots; places of popular spectacle (streets, squares, markets); iconography and graffiti	Organized spectacles; monumentality & constructed spaces of ritual; symbolic barriers and signals of symbolic capital

(Harvey, 1989b, p.262)

- 1) How the circulation and accumulation of capital shapes the built environment.
- 2) How the institutional relations of state and capital are manifest within the process of production and reproduction of built environment.

To demonstrate how the above two sets of social relations are reflected in the built environment the study draws on historical record and contemporary empirical research. This analysis emphasises relations in the core of the city; the area where traditionally economic and politically powerful actors have played out their respective roles in the mobilisation of capital accumulation. After looking at these relations historically the study continues to focus on the production of built form in the 1960s, 1970s and 1980s, and so set the context of the historical geographical relations of the local economy as these built up over a long time scale. This therefore involves:-

- a) social relations of built environment.
- b) historical geographical context.
- c) space specific relations.

When these three influences are combined to provide an ongoing interpretation of change in the built environment. This is effectively an application of David Harvey's theorisation of the production of built form.

Through the application of Harvey's usage of historical materialism, taken as a variant of the concept in Classical Marxism, applied by Harvey to identify the specifics of built environment, it is possible, in Chapter 5 to analyse the development of the city within the medieval context, of free mercantile and craft guild development within a larger feudal environment beyond the spatial terrain of the city and the gradual shift towards extractive and industrial capital by the 16th and early 17th centuries, an economic base which continued to support social relations in the region until relatively recently (Hudson,

1989a; Benwell Community Project, 1981 & 1978c). The main reason for this is to attempt to draw an understanding of the historical context of the research :

- 1) To show how surpluses were produced and reinvested.
- 2) To identify the ruling class within the predominant socio-economic structures at any given period of time.
- 3) To assess the effect of the above on the built environment.

This process follows the development of the regional capitalist economy in the 18th and 19th centuries through until the 1960s. History is therefore used in an introduction to the social relations of the city centre which is looked at in depth in Chapters 6 and 7.

Through an application of a theorisation of accumulation and circulation of capital, it is possible to develop a clear model of how the North East region, with Newcastle at its core, gradually moved from first a peripheral border region to a productive capital-intensive locality, then to a peripheral region and what changes took place in capital and institutional relations through these changes in economic circumstance.

The empirical study from the 1960s onwards focuses on land and property development in the city centre. The crucial objective is to analyse institutional (state and capital) relations in the production of the built environment, through focusing on the selected case study sites. This involves identifying key actors in this process and variations in the mechanisms responsible for the financing of built environmental projects. Chapters 6 and 7 specifically focus on the development process of the selected case study sites. These sections address issues of relevance to the contemporary situation. They :

- 1) identify key actors
- 2) identify key interests and the roles which they play.
- 3) identify and analyse resource and power bases.
- 4) identify and analyse forms of relations.

5) identify and analyse driving forces.

4.3.1 THE SELECTION OF THE CASE STUDY AREAS

The objective of the empirical research has been to explore the generalised relations discussed above within the specifics of the locality. The empirical source material used has been documents, files deposited in the City Planning Department, newspaper cuttings and interviews. In approaching city planners and planning documentation it was important to firstly assess what planning policies were implemented in the city. Case study sites were chosen from regeneration/redevelopment areas initiated by the city council and other bodies from the 1960s and onwards, where public sector activities were concentrated to attract private sector initiatives. By focusing on these sites, it is possible to identify change and continuity in the regulation of land and property markets and in the power relations within the property development industry during the 1980s. These relations were, in practice, often affected by the direct intervention of the central government. As a consequence of local or national state level interest in the regeneration of the selected case study areas, it is in these that state/capital relations are most apparent.

In the first place, the selected sites are used to explore the development processes in order to illustrate state/capital relations and the role of ruling elites. Secondly the analyses drew out what objectives the city planners hoped to achieve, and what instruments had been utilised (for example, compulsory purchase, financial subsidies). Emphasis was given to the negotiation process between planners and developers, what each demanded of the other and what division of finance supported projects between state and private developers. This work aimed for a more complete analysis than the recording of direct fiscal subsidies. Questions enquired into more qualitative ways of dealing with

who finances what and the source of finance, rather than quantitative figures on how much public and private money went to what, such as infrastructure provision, car parking facilities, environmental improvements schemes, construction costs, city or agency promotion of private developer interests, etc. Finally, a question to arise particularly from the study of the Eldon Square Shopping Centre development onwards concerned the displacement of local capital and its replacement with national and international capital.

4.3.2 RESEARCH MATERIALS

The empirical approach has therefore drawn together various sources. Local literature, records and maps are used to analyse the periods prior to the 1960s under the objectives of the study. The mode of production, the forms and nexus of social relations and subsequently the social formation peculiar to the locality are identified, analysed and interpreted within a wider social, economic and political setting.

Local and central governmental publications, in particular Newcastle City Council's publications, records and plans; files related to area based policies and files dealing with selected projects deposited in the City Planning Department; and newspaper cuttings; are used to analyse the period from 1960 onwards under the objectives of the study. This part is also supplemented with interviews made with various public and private actors operating in the land and property markets in Newcastle, and existing literature in that particular field (1). Interviews were made with local state representatives and importantly with officials in the city council's planning department. Interviews were also conducted with representatives of all relevant public agencies such as the Newcastle and Gateshead Inner City Partnership Authorities and the Urban Development Corporation. Inter-related bodies necessary to the above for

funding and a variety of other purposes, such as the regional branch of the Department of Environment and English Heritage, were also consulted. Semi-structured, open ended questions were used in these interviews with the objective of allowing maximum responsiveness to issues arising in the course of an interview. Questions did however generally express a desire to explore the role of agencies in development projects and from where project ideas had originated.

4.3.3 DIFFICULTIES/CONSTRAINTS

By the 1980s the role of the planners had in many instances been superseded by quasi government agencies, principally the Tyne and Wear Development Corporation. Where the city council planners proved most helpful, the development corporation in many cases proved obstructive, several officers refused to be interviewed, access to files was refused and requests for documentation turned down on the basis that such was expensively produced for business interests, not for research. Never the less a number of representatives offered their full assistance, with both interviews and supportive literature and documentation.

4.4. CONCLUSION

The work of David Harvey, although well illustrated with examples, tends to remain on a general theoretical plain. This research attempts to use Harvey's methodological and theoretical approach as a tool in the empirical analysis of a specific case study.

4.4.1. CONTRIBUTION

Numerous studies exist to demonstrate the workings of development and property markets (Ambrose, 1986; Fainstein, 1994), few studies have however grasped fully at the deeper economic mechanisms as a part and parcel of the overall system of capitalist production as a clearly perceivable motor of historical development and change. As such the present research is more than a simple analysis of change within the built environment, but rather part of a wider set of relations governed by its own dynamic embedded within a Marxist notion of historical materialism.

4.4.2 POTENTIAL FOR FUTURE RESEARCH

The present research, whilst covering considerable ground, at the same time opens up several areas which may prove fruitful for future research. To refer back to the section of this chapter dealing with Harvey's historical geographical materialism, as explained, the present work, because of limitations of time, concentrates upon the development process and the class alliances which are seen to be operating such. This tends to locate within Harvey's category of "material spatial practices (experience)" at the expense of his other two categories, "representations of space (perceptions)" and "spaces of representation (imagination)" (figure 4.1). Further research within these two spheres would no doubt produce interesting results concerning the social and psychological effects of built structure upon specific populations, and indeed the nature or potential for the development of oppositional trends or movements. Further to this, the capacity to broaden the research onto a comparative level recording the experience of several different cities may prove interesting in establishing clear regional trends within the overall theorization.

The present study does however provide a clear theoretical basis which could be used to do further valuable empirical research.

NOTES

- 1) Documentary and interview sources are specified with footnotes where required in Chapters 6 and 7.

5

HISTORICAL GEOGRAPHY OF NEWCASTLE

Newcastle has, at least for the duration of its existence as an industrial city, considered itself as the capital of a North East region, although this has always remained illdefined and never successfully stimulated any large scale regional consciousness in a political sense. Industrialization took place at an early stage in its history, in part due to early access to mineral resources, principally coal, which had been mined in the area at least as early as the Roman period.

This chapter applies Harvey's theorisation to the historical development of Newcastle, providing an account of the development of capital accumulation and the investment of surpluses in the built fabric of the city. In a historical capacity it also fulfils an important role in setting the context for Chapter 6 and 7.

GEOGRAPHICAL LOCATION

The North East region is naturally remote and isolated from other parts of the country surrounded by the Pennine hills stretching to the west, the Cheviots and the Border Fells to the north bordering with Scotland and the North York Moors to the south. As a region it suffered constant violence, turbulence and instability through most of its history from the Roman withdrawal until the seventeenth century. The economic and social life of the region was inevitably retarded relative to regions further south.

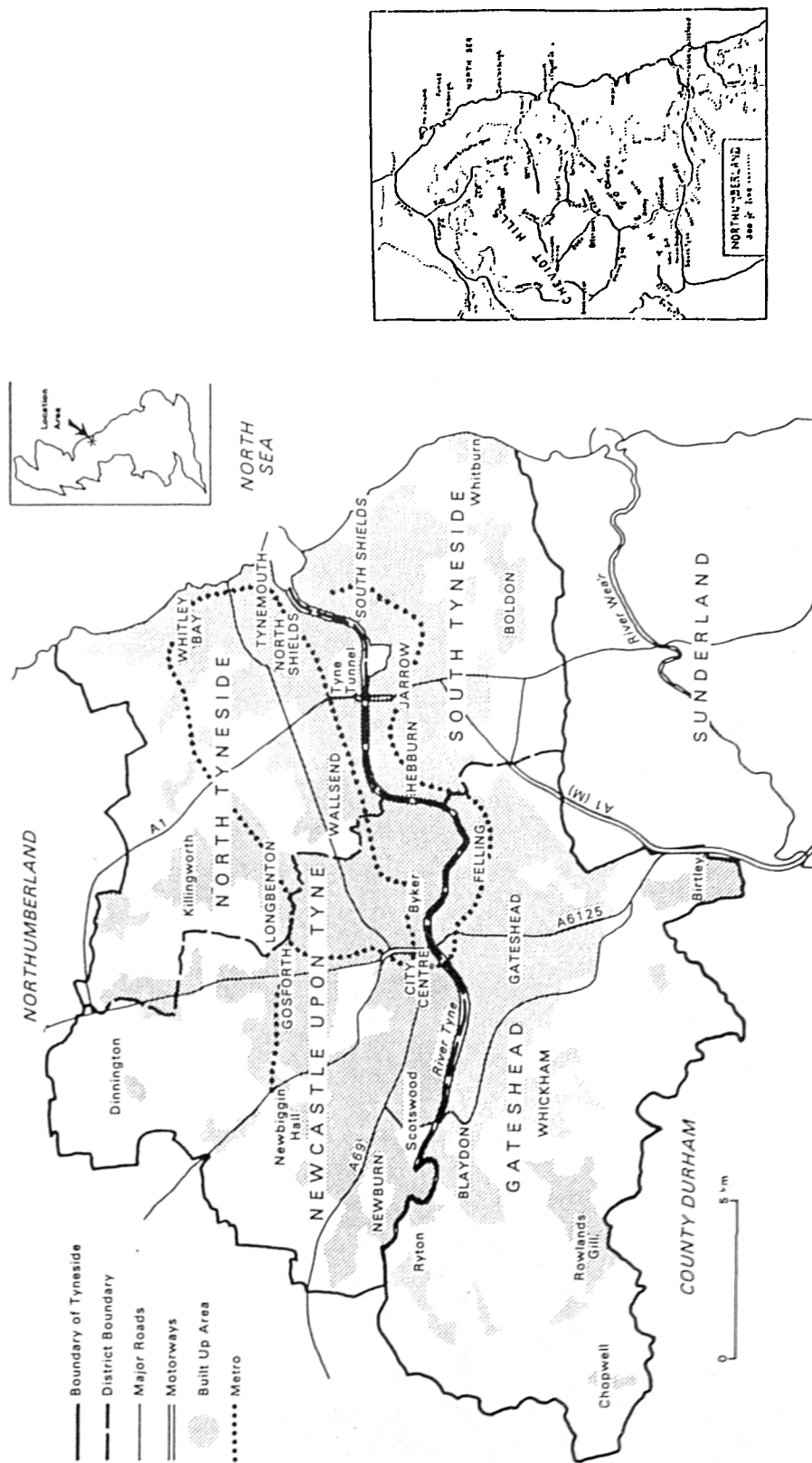


Figure 5.1 The Location of Newcastle (Robinson, 1988; Hearnshaw, 1971)

Bleak Upland Fells cover much of the region whilst arable land is limited to the coastal plain and the lower reaches of the Tyne, Wear and Tees. The Tyne Valley forms the largest east-west passage, what Barke (1980, p. 9) describes as "a natural corridor leading from the Solway lowlands to Newcastle and the North Sea". The river Tyne therefore played a significant role in the development of the region acting as a nature corridor for the provision of raw materials from the hills to the coast to be shipped south, and as a line of military command west to Carlisle.

Newcastle is located on the north bank of the river Tyne, approximately five miles distant from the river mouth. Its location on the navigable and defensible river bank, provides favourable conditions for its development as an important commercial port town for the surrounding agricultural and rural areas (Figure 5.1). Newcastle is also situated on the main communication networks between London and Edinburgh.

The natural (geological and geographical) characteristics of its location also played a significant role in the psychological, social and cultural formation and the development of the town. The topography of the area was fairly rough, consisting of a plateau on the steep river banks divided by the deep valleys of the Pandon, Lort and Skinner Burns, creating natural barriers to both the expansion of the town and defence against military attacks.

5.1 THE ORIGINS OF NEWCASTLE

The earliest archaeological records and remains suggest that a Roman bridge across the River Tyne existed around where the present Swing Bridge stands. At the same time, a permanent Roman frontier station stood around the present

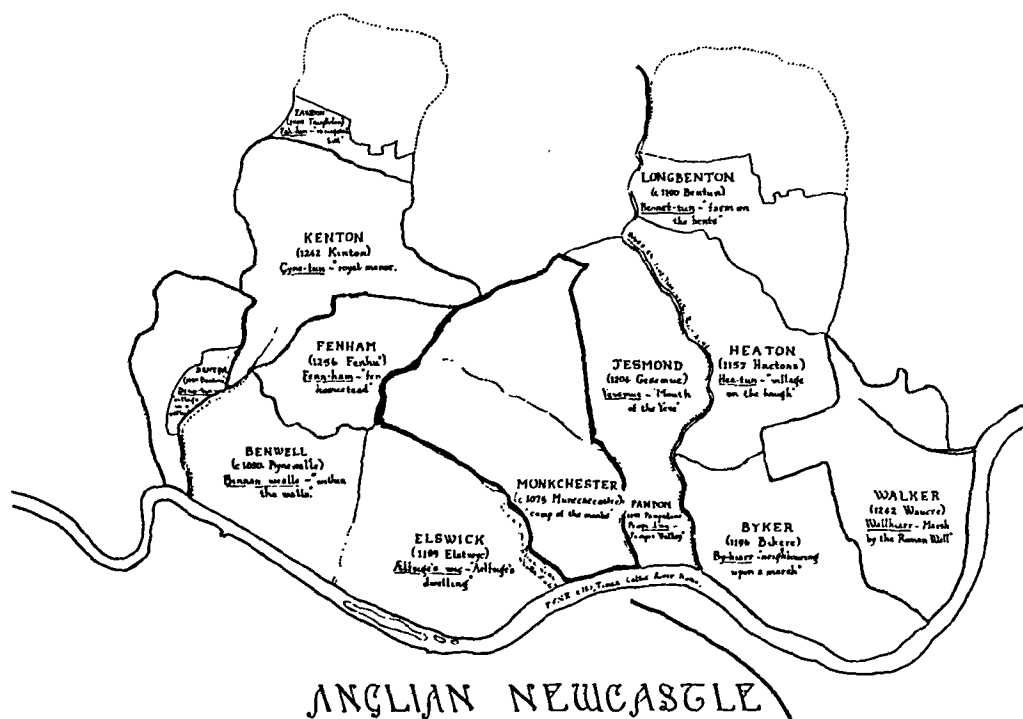
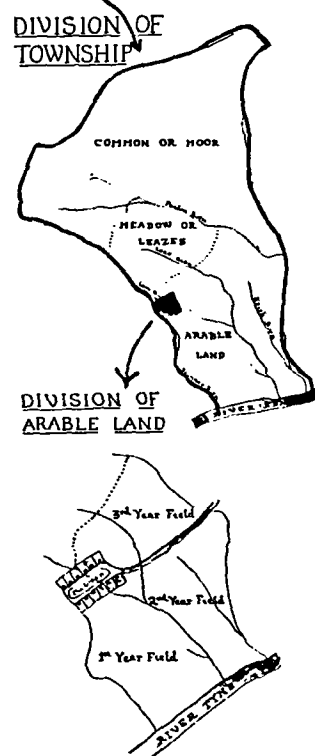


Figure 5.3 Anglian Newcastle (Graham, 1984)



castle to protect the river bridge and river wharfs assisting with the supplies needed by other garrisons on Hadrians Wall (Brown et al, 1989). The Wall passed through the southern half of the city centre around the present St. Nicholas Cathedral stretching to the present Westgate Road towards Benwell in the west (Figure 5.2). The earliest present remains are, however, dated from the Norman occupation in the eleventh century.

It may be that the sectors of what is now the city centre were occupied, destroyed and rebuilt several times during the Dark Ages. Several sources suggest that there was a Saxon monastic agricultural settlement with its market place (White Cross) around St. Andrews church (Graham, 1984). This settlement together with its agricultural land, which was at that time called Monkchester, probably occupied the area between the Pandon and the Skinner Burn, whilst the former Roman site was utilized as a grave yard by the settlement (Brown et al, 1989)(Figure 5.3). A Saxon palace of the Northumbrian Royalty existed on the edge of the Pandon Burn (Hearnshaw, 1971). It is not however until the establishment of the Norman fortress that steady development of the town proceeded. It is the structure of the Norman development which has shown its presence through until today.

5.1.1 THE TOWNSCAPE OF MEDIAVAL NEWCASTLE

The original Norman Castle was built of earth and timber on the ruins of the former Roman fort and Saxon cemetery in 1080. The site was a natural fortress in the shape of a rough triangular ridge on the steep rocky hill descending to the river on the south, surrounded by the deep valleys of the Lort Burn (where Dean street now runs) and its tributary (descending to the Side) on the north and east. The castle only had easy access from the west, where the hill naturally

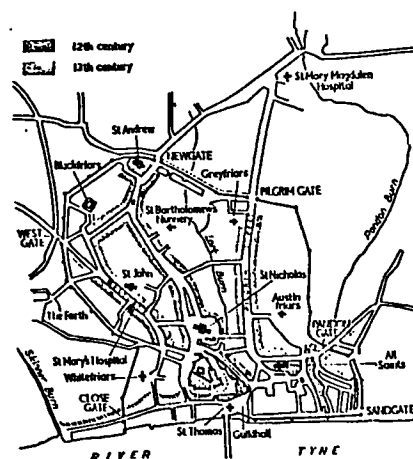
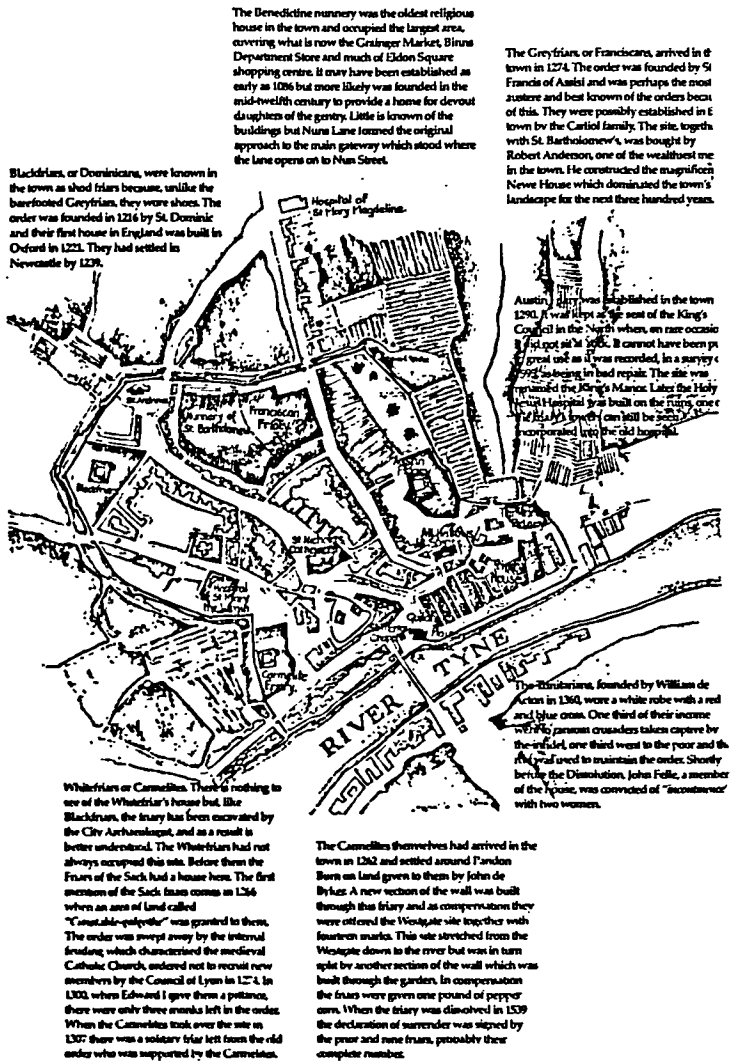


Figure 5.4 Medieval Newcastle (Brown, 1989; Emsley, 1973)

levels with its surrounding areas. This natural defensive feature of the site was strengthened by the construction of the fortification.

The primary reason for the foundation of the castle was to protect the northern frontier of the kingdom from the ongoing native revolts and Scottish attacks by maintaining the loyalty of northern lords through a powerful military presence reflected in the castle (Hearnshaw, 1971). The castle was the centre of royal power in the region . This provided the ground for the steady growth of the town from the eleventh century and onwards. The castle was however not strong enough to protect the northern frontier from increasing local unrest. The previous castle was therefore replaced by the stone one between 1175 and 1185 in parallel with the increasing power and prosperity of the kingdom. The new fortification included the present square stone keep (Brown et al, 1989).

This Norman Keep powerfully dominated the landscape of the area in the early twelfth century. Its connection via steep stairs descending to the river bank and the Mediaeval bridge over the Tyne strengthened its defensive function as well as its imposing domination in the Mediaeval townscape symbolising the military power of the Crown (king) in the town. The Tyne bridge was also fortified reflecting the importance of its role as the main communication route to the south.

Churches always occupied the core areas of medieval towns in Britain. The religious order was well represented in Newcastle with the foundation of St. Nicholas Church at the nucleus of the early Norman settlement, located to the north of the Castle, by the Norman conquerors in 1090, just ten year after the invasion. The early Norman settlement thus started developing mainly around St. Nicholas Church, occupying areas between the castle and the church, tending primarily to grow towards the north, by creating early market places in

the town in parallel with the growth of the population and increasing commercial activities in the town under the protection of the castle around the eleventh century and onwards (Middlebrook, 1950; Hearnshaw, 1971).

A further two churches were erected during the second half of the twelfth century, which formed two of what were to be four parishes in the town. One of these churches, St. Andrews, formed the nucleus of a growing agricultural community developed over the ruins of a former Saxon village. A market place, mainly for agricultural production, soon developed at White Cross (formerly the market place of the Saxon village) to the south of the church, forming the core of the Parish of St. Andrews. This parish developed towards the south west of the church, with White Cross forming the present Newgate street and so linking the parish with the prominent market place and church of St. Nicholas (Emsley & Fraser, 1973).

The other church, All Saints, was located in the south east of the chief church of St. Nicholas, again over the ruins of a previous Saxon settlement. Sailors, fishermen and the people who were engaged in the similar river business resided on the steep slopes around All Saints church. A market place developed to the east of All Saints church around Stock Bridge on the west side of the Pandon burn, forming the centre of the parish under All Saints church during the twelfth century. Also, Pandon, an early industrial suburb, rapidly developed to the east of All Saints parish. Pandon was included in the boundaries of the All Saints parish at the end of the thirteenth century (Brown et al, 1989).

The parishes of St. Andrews, All Saints and St. Nicholas formed the main communities in the town during the twelfth century. All of them developed separately accommodating different economic activities and built fabric. The form and organization of the built environment in the town was therefore a

result of social relations based on defence, religion and small scale market exchange and production. The churches were the focal point of community development as well as the dominant edifice of the market place. The manifest power of the church in effect dominated economic, geographical and social space.

By the beginning of the thirteenth century in parallel with increasing commercial activities in the town, the main communication channels started developing. Westgate Road on the former Hadrians Wall formed to link the main market areas of the town with the settlements on the west, such as Elswick, Fenham, Benwell, Hexham, Corbridge and Carlisle. St. John's church was erected at the centre of a fourth Parish covering Westgate Road and surrounding areas as a result of increasing population in the first half of the thirteenth century (Barke & Buswell, 1980). Pilgrim Street developed running northwards from the west of All Saints church. This also formed a connection with settlements to the north, such as, Jesmond, Gosforth, etc. Both of these communication lines also provided accommodation for travellers in the forms of inns and public houses (Middlebrook, 1950). All these developments were a reflection of the increasing commodity circulation between Newcastle and its surrounding agricultural areas, manifesting its development as an assembly centre of agricultural surplus regardless of the repeated border conflicts and turmoils.

The bridge over the river Tyne was erected in stone, replacing a previous wood one devastated by fire, in the first half of the thirteenth century. A chapel at the head of the bridge was also constructed at the same time as the bridge was built. The chapel was charged with the collection of tolls and donations to help finance the upkeep of the bridge. A harbour was located at the estuary of the Lort Burn at that time. Following the construction of the chapel and bridge, the area around Sandhill towards the Side started developing as a market area

in parallel with increasing commercial activities and trade with other localities (Graham, 1991).

The connection of the town's core areas with the river bank and harbour was provided by two main routes. One, on the east, ascending the steep slopes of All Hallows bank to the junction of the Pilgrim Street and All Saints church and linking with the north of the town. Another route started from Sandhill and ascended the Side curving eastwards, following the channel carved by the Lort Burn and one of its tributaries, reaching the principle market area and chief church of St. Nicholas's. This communication line thus primarily followed the course of the Lort Burn. It later developed into a favourable commercial and residential area.

The diversity of trade in parallel with the increasing wealth and prosperity in the town led to the presentation of a royal licence (charter) in 1256, enabling the corporation of the town to collect tolls in order to finance the erection and maintenance of town walls (Middlebrook, 1950). The walls occupied an important position in the townscape of medieval Newcastle as prominent defensive structures. The primary aim of the construction of the walls was to protect the town from continuous attacks. At the same time they powerfully symbolised the wealth and prosperity of the town. The construction of walls absorbed much of the town's surplus merchant capital gained from the circulation of commodities. The walls were completed in 1312 (Barke & Burnswell, 1980).

One of the most striking characteristics of the town was the existence of a number of imposing friaries. They occupied an extraordinary large portion of land, although this was not exceptional for other medieval towns in England in the thirteenth century (Hearnshaw, 1971). This reflects the importance of religious belief, but also the crucial role of the church in the daily life of the

people as a social, political and spiritual force. Friaries, as ordinary religious houses, helped the churches in preaching, teaching and caring for the poor and sick people. The Friaries were invited to the town by the wealthy merchants who devoted land and money to them (Middlebrook, 1950). This manifested the wealth and prosperity of the merchants in Newcastle during the thirteenth century. Their surplus capital was in the main absorbed by the establishment of religious houses.

In parallel with increasing trade with other localities via the Tyne, the area to the east of the present Quayside started developing and accommodating port facilities. The Quayside was characterised by the chares, long, narrow roads and alleys stretching back at the right angles to the river. Here warehouses, merchants' houses, and porters' and sailors' accommodation developed. There were also inns, taverns and public houses which formed meeting places for merchants and artists. Most business contracts and relations were regulated here. West of the bridge, the Close also accommodated wealthy merchants' houses, warehouses and workshops. The river bank became the most favourable location in the town for the wealthy merchant class in the fifteenth century and onwards. One of the wealthy merchants of Newcastle, Roger Thornton, founded a hospital, Maison de Dieu, on the Sandhill, east of the bridge head, devoting the upper floor for the meetings of the merchants adventurers company in 1416. The core of the commercial activities related to river traffic were regulated on the river bank at the Quayside and Close. The core of the market area developed around Sandhill towards the Side, marked by the Cale Cross (Middlebrook, 1950). These were the core areas of the accumulation of merchant capital through the circulation of commodities; wool, corn and coal.

The market places of the Parishes started merging with each other, as a result of increasing commercial activities and population growth. The main

area stretched from the St. Nicholas Church towards the north consisting of specialised market areas; the Cloth market, Big Market and Groat market, eventually connecting with Newgate Street and the market at White Cross. The two separate market places united over time, although each kept their original functions, White Cross remaining a market for agricultural products and livestock.

5.1.2 CAPITAL ACCUMULATION THROUGH THE CIRCULATION OF COMMODITIES

Medieval Newcastle was a market town for the surrounding agricultural areas. It was a place where surplus production in the rural areas was assembled. Some products were processed by the craftsmen and artisans, some were directly either consumed in the town or exported to other localities. The upper part of Medieval Newcastle, in particular around the town walls, areas such as Castle Moor, Castle Leazes and the Forth remained rural in character (Emsley & Fraser, 1973).

The wealth of Newcastle at this stage was derived mainly from the export of grindstones, hides, wool and coal. By the end of the thirteenth century, Newcastle was the predominant port exporting hides in the country. Over the next two centuries hide exportation declined as a result of the development of the leather industry elsewhere in the country (Middlebrook, 1950). Wool became its main commodity for export. The quality of wool produced in the north was inferior, and consequently could not compete with localities and towns in the south and south west of the country producing good quality wool. Newcastle and Berwick however were granted a special licence by the crown to export wool free of duty directly to the Netherlands during the fourteenth century. This privilege made possible the export of wool from Newcastle and

consequently increased the prosperity and wealth in the town. The export of wool from Newcastle, as throughout the rest of the country, steadily declined with the expansion of the native cloth industry from the mid-fifteenth century onwards, whilst the export of coal steadily increased, to become the predominant commodity of export and primary source for the wealth and prosperity of the Newcastle merchants (Emsley & Fraser 1973; Middlebrook, 1950).

The burgesses of Newcastle obtained the royal licence (charter) to dig coal from the Castle Leazes, the Fort and outside of the walls in the second quarter of the thirteenth century. Coal soon became an article for export to overseas countries (Dunn, 1844; Nef, 1932).

There were rich coal reserves close to the surface to the west and south of the town, in areas such as Benwell, Elswick, Fenham, Gateshead, Whickham. All these areas were owned by the Duke of Northumberland, the Priory of Tynemouth and the Bishop of Durham. Collieries were leased to the burgesses in the second half of the fourteenth century, whilst owners wanted control over the amount of coal extracted. The leases were short term. This led to conflict between the burgesses and the duke, bishop and priory. In spite of the conflict and control over coal extraction, coal export steadily increased and became the primary source of the city's wealth and prosperity (Nef, 1932).

Coal was mainly shipped to London and Western European countries. The demand from London was mainly from large fuel users such as smiths, dyers, lime-burners and bakers. It, along with other articles of export, was carried by the keels and transferred to larger vessels at the river mouth. Commodities were carried mainly by foreign vessels from the Netherlands, Artois, Picardy, Italy and later from the Baltic (Nef, 1932). The bulk of the coal exported from the Tyne was carried by French and Dutch vessels by the fifteenth and

sixteenth century (Middlebrook, 1950). British vessels at that stage were limited in number, and not yet dominant in international trade. The number of the British vessels employed in international and internal trade steadily increased during the sixteenth century and onwards (Nef, 1932; Middlebrook, 1950).

5.1.3. CAPITAL INSTITUTIONS: MERCHANT AND CRAFT GUILDS

Commerce and industry in Newcastle was regulated and controlled by the cooperative bodies, so called merchant and craft guilds as elsewhere. The general merchant guilds were the first established cooperative bodies in the town in parallel with increasing commercial activities during the twelfth century. They formally received the recognition by the king in 1261 (Middlebrook, 1950).

Some of these soon developed their own distinctive, separate cooperative bodies. The first specialist merchant guilds not surprisingly were the wool merchants (drapers), the corn merchants (boothmen) and the general dealers (merciers) who commanded the exportation and importation of commodities in the town, determining the quantities of commodities in circulation as well as fixing the price of these commodities (Hearnshaw, 1970). They powerfully dominated and regulated commercial, and industrial activities in the town. Their power increased as a result of increasing commercial activities with foreign countries, in other words, increasing international trade in the town through the exportation of wool and other commodities for exchange for corn and luxury commodities during the second half of the thirteen century and onwards. This was paralleled by the erection of a new bridge and the development and improvement of the river bank, in particular Quayside, Sandhill and the Side (Emsley & Fraser, 1973). These three powerful specialised

guilds were amalgamated and formed the company of merchant adventurers (Middlebrook, 1950). Similar companies were also formed in other towns during the first half of the fourteenth century. This brought full corporation, coordination and regulation between these guilds, and strengthened their monopoly control over commercial activities in the town.

There existed dissension between these companies and the other burgesses (ordinary dealers, merchants and craftsmen). Craft burgesses, in particular, struggled to receive formal recognition for their own guild establishment in order to share the privileges granted to the merchants such as representation and involvement in the governance of the town (Emsley & Fraser, 1973). Nine of them were eventually recognized by the king and to some extent shared exclusive privileges with merchant adventurers company around 1340. These twelve specialised guilds elected the corporation from their own members, and so directly controlled and regulated social, political and economic life in the town (Middlebrook, 1950), a form of local spatial alliances.

The conflict and dispute over the recognition of different specialist guilds by the crown in order to obtain privileges continued without any major change taking place (Hearnshaw, 1970). By the early sixteenth century, around 1515, twenty one of them received the status of by-traders, which granted the right to freely exercise and organize their own guild structure without having any power in the corporation (Emsley & Fraser, 1973). This illustrates the increasing diversity of commercial and industrial life in the town.

5.1.4 THE ORIGINS OF THE LOCAL STATE

Following the Norman invasion in the eleventh century, the manor of Newcastle was a Royal holding. It was therefore governed by the King (Crown)

through a Sheriff, the earl of Northumberland, whilst the other Northumberland manors were granted to feudal lords or the church (Hearnshaw, 1970). This status, as a Royal manor, brought considerable advantage (in the degree of freedom and flexibility) to the affairs of the burgesses in Newcastle who gradually obtained exclusive privileges, so called "liberties", by the charters (royal licence) from the King in order to command the social, economic and political life in the town (Middlebrook, 1950).

The burgesses (freemen) of Newcastle had rights to buy, process and sell commodities in the market. However they could only use this privilege under the control of the Sheriff who was empowered to govern the juridical, commercial and fiscal affairs of the town by presiding over the courts, controlling the markets and collecting all rents, tolls, fees and fines on behalf of the King during the twelfth century (Middlebrook, 1950). On the other hand, the burgesses in parallel with the growth of wealth and prosperity in the town sought to obtain "liberties" in order to govern their own affairs through weakening and limiting the power (interferences) of the Sheriff during the thirteenth century (Emsley & Fraser, 1973).

The power of the Sheriff gradually passed onto the wealthy Newcastle burgesses by the means of charters granted by the King (Crown). Charters were enormously important devices in the process of transforming the power of governance from centralized military based forces (the Sheriff) to localised mercantile ones (the wealthy Newcastle burgesses), consequently leading to the establishment of the mediaeval borough as an independent political unit (Middlebrook, 1950).

Merchant guilds comprised the nucleus of the system of local governance when they were first recognised by the king in 1261 (Middlebrook, 1950). Their involvement in the governance of the town gradually increased by obtaining a

royal licence to collect the tolls in order to finance the erection and maintenance of the town walls (Barke & Buswell, 1980). This was a clear extension of their power through controlling the fiscal affairs of the town, defending the town and so limiting the involvement of the centralized, military forces, in this case the sheriff, in their own economic affairs.

By the mid-fourteenth century the town was governed by a council of twenty four members elected by the twelve leading guilds, a mayor and four bailiffs (Middlebrook, 1950). The twelve leading guilds (merchant adventures company, skimmers, tanners, bakers, tailors , smiths etc.) became the controlling authority in the town. Each of the principal twelve guilds elected two of their members as a representative of their companies who comprised the council and elected a mayor, four bailiffs and other officers of the corporation (Middlebrook, 1950). In parallel to the increasing prosperity and wealth of the merchants, the corporation sought full independence to govern its own affairs, empowering itself against increasing conflict with the surrounding rural areas and strengthening its monopoly power over all kinds of commercial activities in the lower Tyne valley area (Hearnshaw, 1971). The town eventually separated from the county of Northumberland and recognized itself as a separate political unit, a county to itself, around 1400, a position already taken by three other towns, York, Bristol and London. The town thus became an independent political unit. The town borough consisted of a mayor, a sheriff, six aldermen and a council elected by the leading guilds described above, fully governing the fiscal, judicial, social and political affairs of the town (Middlebrook, 1950).

The corporation was governed by the same members without any major change. It was an oligarchical institution with full control over the economic, political, social and most importantly juridical spheres. This form of organization remained little altered through until the mid-nineteenth century

(Cadogan, 1975). The merchant adventurers company had monopoly control in the governance of the town.

5.1.5 INSTITUTIONAL RELATIONS: POWER RELATIONS

The merchants adventurers company maintained its own monopoly control over the circulation of commodities in and out of the town. Their interest was in exerting control over the quantities of commodities in circulation as well as fixing their price. They bought all commodities produced and brought into the town from outside and then distributed them to interested groups, such as ordinary traders, craftsmen and artisans in the town or exported them to other localities. They soon had the power in local governance to strengthen their involvement in the every day life of the town.

Guilds were cooperative organizations, based on joint action. Ecclesiastic institutions and aristocratic families owned the mineral reserves to the west of the town (Nef, 1932). Their strict control over the extraction of coal from their reserves through short term contract-based leases created enormous conflict between the merchant adventurers' company and the ecclesiastic institutions, the Bishop of Durham and priory of the Tynemouth (Hearnshaw, 1971). This conflict would be later resolved by the reformation. This as will be seen in the next section opened up a new era in the development and transformation of the city.

5.2. PREINDUSTRIAL STAGE

This period was characterized by major changes in power relations. After the Reformation, sovereignty was maintained by the nation state, whilst ties were dissolved with the old, hierarchical, religious order of Rome. At the same time, the military and aristocratic order, much of which remained supportive of the old religious order, was drawn into line with the central state apparatus. The crown played a leading role in this process of transition, the centralization of power, as being a primary beneficiary, maintaining its own absolute power through establishing alliances with the merchant class and the small land holding nobility (gentry) (Sabine & Thorson, 1983).

The existing old power structure was economically based on the possession of large scale (either agricultural or mineral bearing) land holdings through direct command over the volume of agricultural production and mineral extraction, whilst newly established mercantiled forces whose activities were primarily dependent on the volume of surplus agricultural production were able to circulate capital through trade. The portion of surplus production in circulation which was the origin of the prosperity and wealth of the merchant class was therefore restricted by the land holding (religious and aristocratic, feudal) order (Thompson, 1963). This created constant and increasingly intensive conflict between these two forces, whilst providing favourable conditions for the crown to utilize, to subordinate the power of the religious and aristocratic order through the confiscation of their assets. The crown therefore possessed the land holding power of the old order and redistributed it through new arrangements of sale and lease contracts (Nef, 1932).

Following the reformation, a major transformation took place in the urban areas, from the religious-based ruling order to the commercialized (mercantiled) based ruling class, facilitating the accumulation of surplus

capital through trade and subsequently providing the necessary conditions (surpluses of capital and labour in urban areas) for industrial development. At the same time, the ruling order, to some extent, shifted in the rural areas from powerful military, large scale land holding, aristocratic families to gentry with small land holding power. The fragmentation of land holding power in rural areas subsequently promoted the process of the centralization of power in the sovereignty of the nation state (Moore, 1969).

The crown sought to maintain its absolute power through subordinating the power of parliament and the law by utilizing existing conditions, such as war, during the following decades. The crown also sought the independent financial means to strengthen its power, liberating itself economically from that of parliament. The dispute intensified between the crown and the parliament over time. Parliament on the other hand sought both to gain centralized power over mercantile activities and to reduce the power of the crown. As the result of a long struggle and subsequent civil war, parliament substituted the power of the crown by assembling centralized power in itself as the legislative body of the nation state, liberating judicial functions from the control of the crown and maintaining the supremacy of the law. The following decades were marked by flourishing growth in commercial activities and a subsequent accumulation of capital, facilitating later developments in productive based activities (Sabine & Thorson, 1983).

These two events, the reformation and the Commonwealth had significant roles in the process of transition to a mercantilized order. Monopoly control over commercial activities in the region was held by Newcastle's merchant class. The reformation therefore facilitated the process of surplus capital accumulation predominantly based on the coal trade, so providing favourable conditions for subsequent fixed capital investments in the built environment. This section therefore analyses how these external forces affected the process of

transition in a locality whose structure was based on a secular and royalist order.

5.2.1 BUILT ENVIRONMENT

Following the reformation, Newcastle enhanced its power as a centre of flourishing and diverse commercial, and subsequently industrial, activities in the region. Its location on the river bank, accommodating port facilities, surrounded by rich coal-bearing areas, along with unrestricted, long term coal extraction lease contracts, provided favourable conditions for the accumulation of surplus capital through the growing, long distance coal trade in the decades following the reformation (Nef, 1932; Dunn, 1844). As a result, commercial activities as well as locally-based industrial activities in the city were enhanced and diversified alongside a rapid increases in population (Ellis, 1984).

Newcastle became the fourth largest town in England with its thriving agricultural hinterland and a centre for the supply of goods and services to that hinterland. By the year 1700 (Middlebrook, 1950), it was also a centre of trade for agricultural surplus products and the marketing of locally-produced commodities.

The river remained a predominant communication and transportation channel, in particular for coal and coal related activities. The traffic on the river in parallel with increasing commercial activities intensified over time. The town's communication and transportation with the centre, London and other localities at home as well as overseas localities was provided by the river and sea (Barke & Buswell, 1980).

There was no significant change in the form of the town, still determined by the town walls. The main communication lines with its rural hinterland via

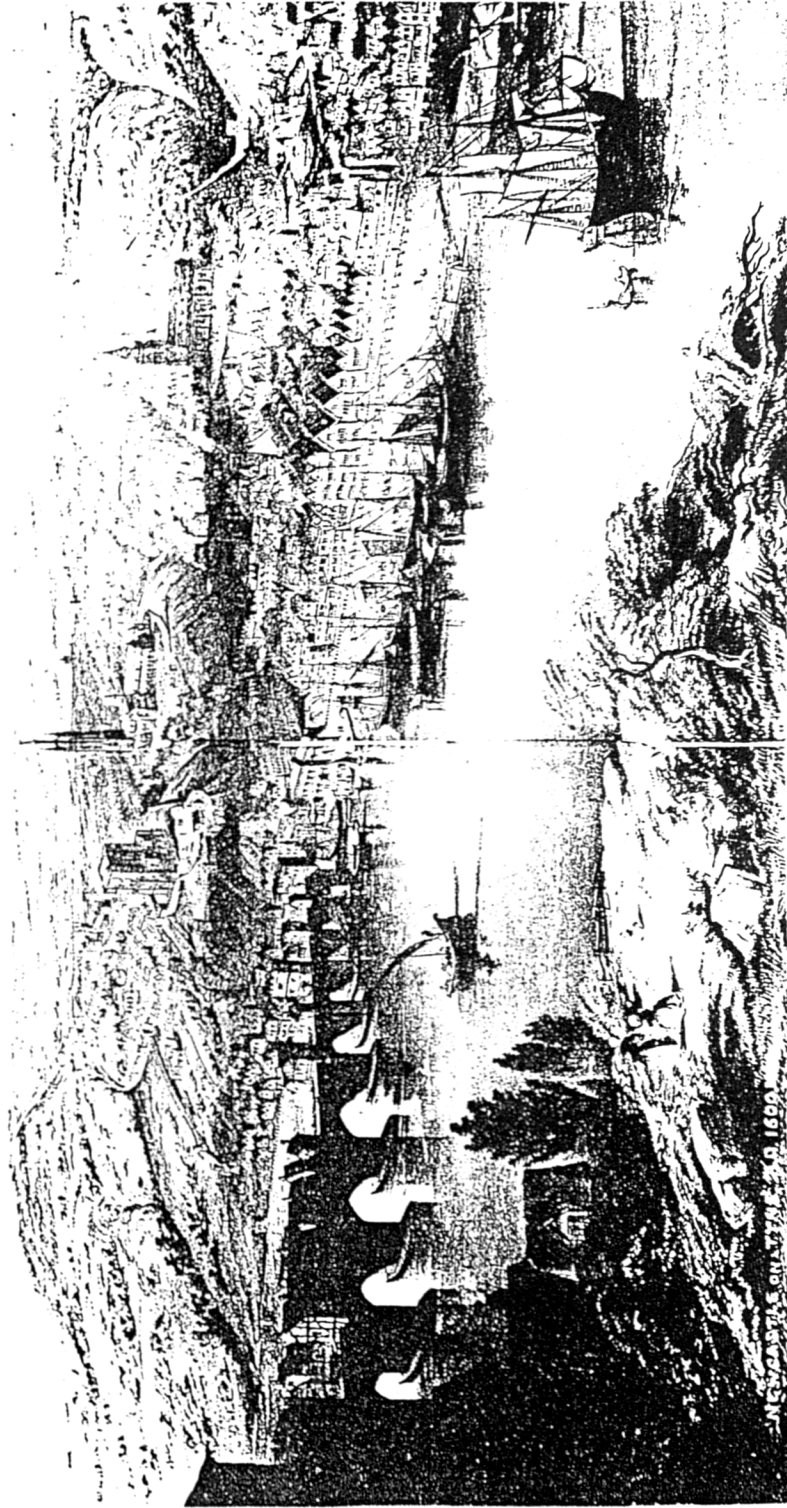


Figure 5.5 View from the Tyne in the time of Queen Elizabeth (Hearnshaw, 1971)

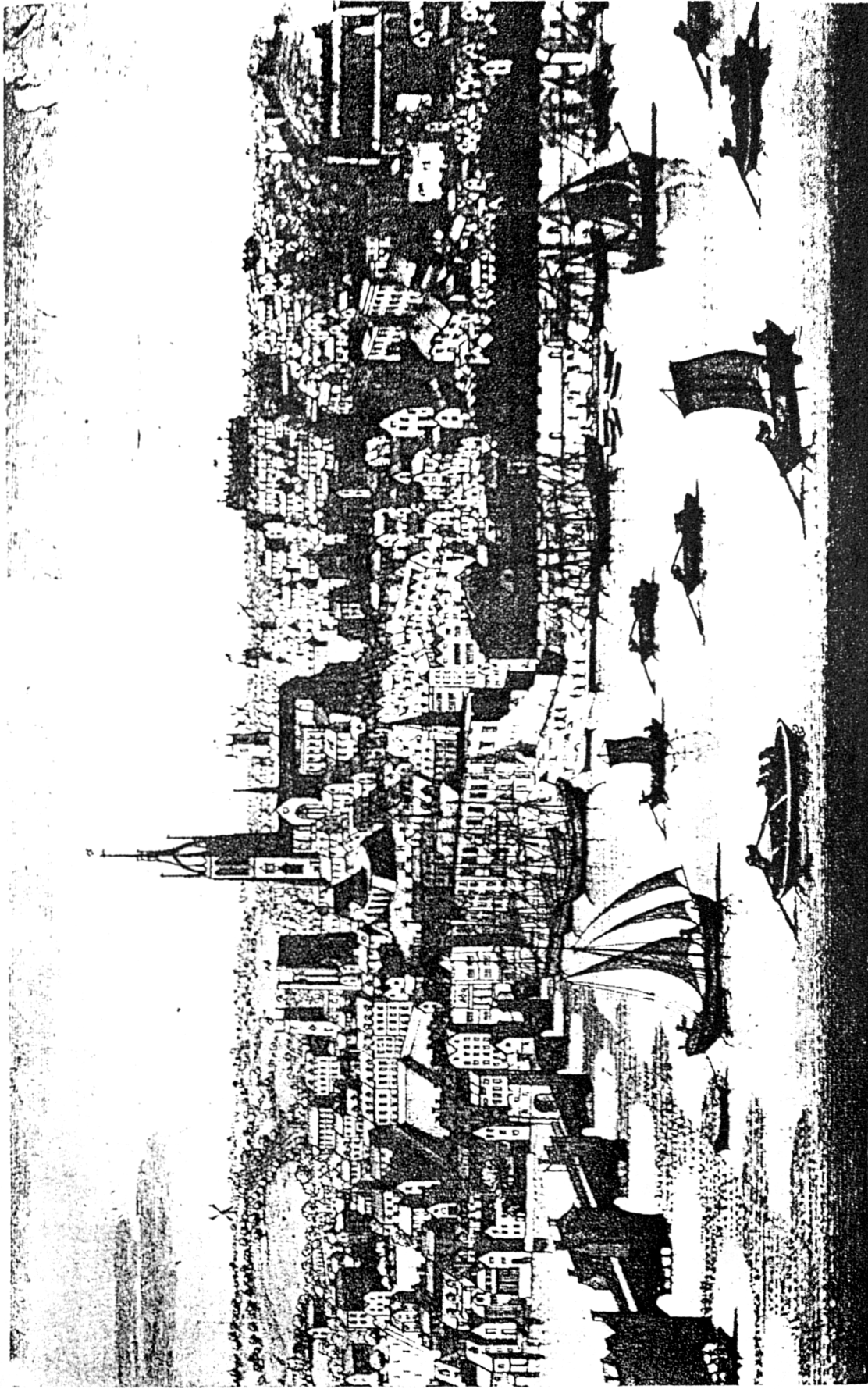


Figure 5.7 Newcastle in 1745 (Middlebrook, 1950)

Westgate Road and Pilgrim Street, representing an example of early linear form development in the town, whilst the areas behind these houses were occupied by agricultural activities and subsequently remained rural in character (Barke & Buswell, 1980). The major built-up areas concentrated around the major areas of commercial activity, centred in two functionally different but interconnected market place areas, around St. Nicholas's church and Sandhill (Middlebrook, 1950).

Changes in Landownership

Major changes however took place in the pattern of the land ownership in the periphery of the town around the walls where the friars and religious houses were located in the mid-sixteenth century. The friars, the vast land holding power in the town, were dissolved as a result of the reformation. Their land holdings and assets were passed on to the crown, then sold and resold, changing hands several times, before subsequently becoming available for development (Middlebrook, 1950). The pressure for new development in the town was towards the river bank where commercial activities were concentrated. As a result, the land left by the friaries remained idle and the buildings decayed (Barke & Buswell, 1980).

Blackfrairs was however bought by the corporation and leased out to the nine ancient guilds as a meeting place whilst Grey Friars was bought by a wealthy merchant family, the Blacketts, for the erection of a mansion house. The Austin friars site was also bought by the corporation in the last quarter of the seventeenth century for the construction of the Jesus hospital for the care of the poor (Middlebrook, 1950).

The transformation of the land-holding power from the religious houses via the crown and eventually to their acquisition by the corporation and the towns' wealthy merchants reflects the changes taking place. The power of the

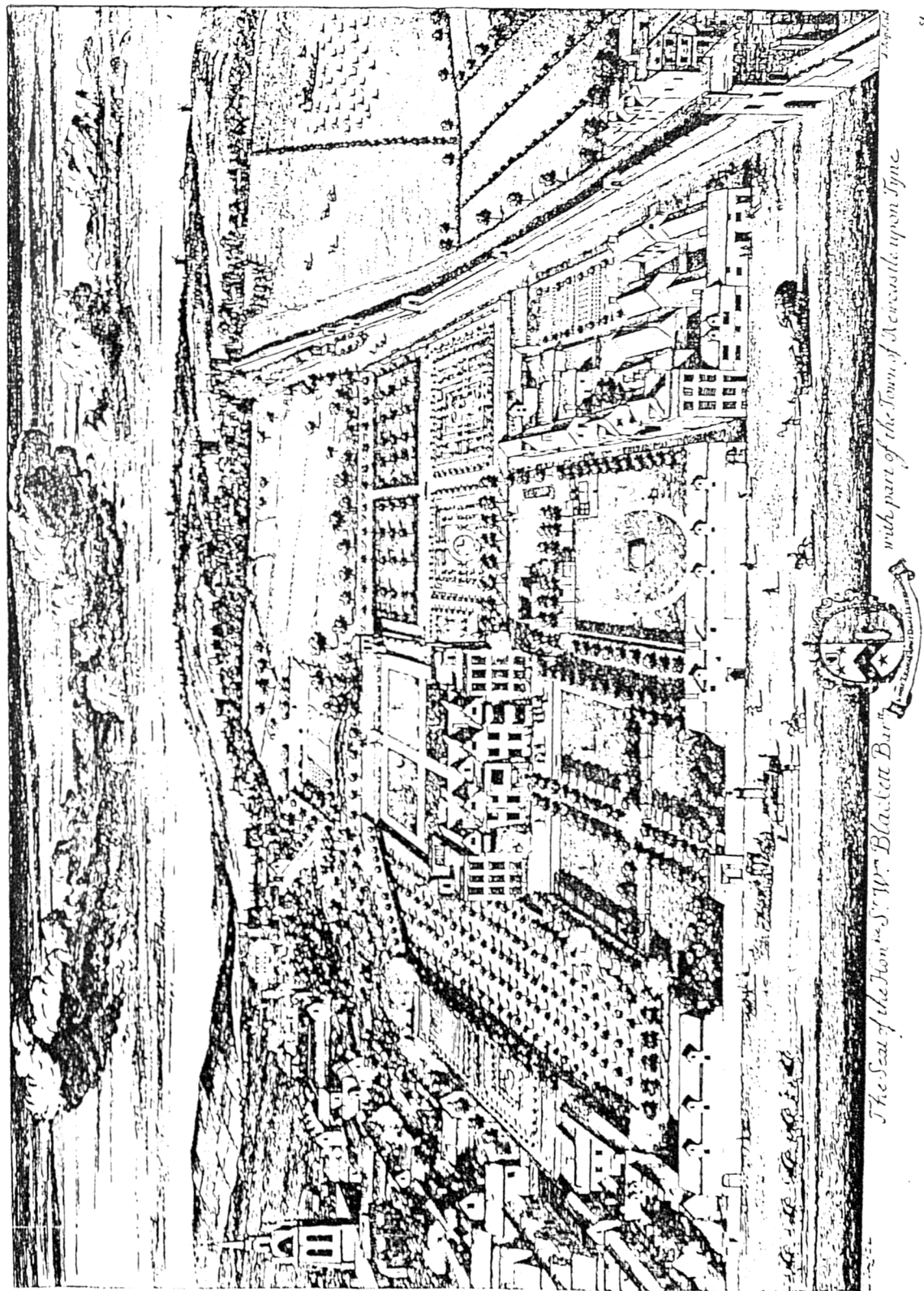


Figure 5.8 Blackett House (Dodds & Wilkes, 1964)

religious houses was replaced by the new social order, controlled by the wealthy merchants (hostmen and merchant adventurers company) via the corporation. Much of the wealth which had been absorbed by the friars, eventually went to commercial activities and luxury consumption.

Flourishing Development on River Bank

The river bank between the walls, the Quayside, Side and the Close was intensively developed as accommodation for commercial activities related to the river traffic. Sandhill was occupied as the central location for these activities with the accommodation of the Guildhall, Exchange Building and adjoining Merchant Adventurers' Company in the late 1600s (Allsop, 1969). The Guildhall and Exchange Building with their dominant position at the head of the bridge, along with the refurbished old Maison Dieu, which was used as a Merchant Adventurers Company Hall, reflect the centralized, monopolized power of the corporation (local state) with its extraordinary Gothic architecture. This illustrates the diversion of surplus capital investment from the religious houses towards merchants' own accommodation during the late 1600s and 1700s. The Close and Side also became predominantly the accommodation of wealthy merchants with their impressive, tall, timber framed houses reflecting the growing power and prosperity of the merchant class (Graham, 1991). The surplus capital derived from the coal trade was partly invested in the erection of these large, spectacular built forms as a symbol of the power and prosperity of the merchant class and their dominance over the river as well as the town. The Quayside however accommodated a variety of functions and was densely developed during the sixteenth century. Communities who were engaged with river related activities found their accommodation there. The spatial form was characterized by the chares. The Side, Sandhill and Quayside also continued to accommodate public houses, inns, and coffee shops which functioned as the meeting places of merchants and artists (Graham, 1991).

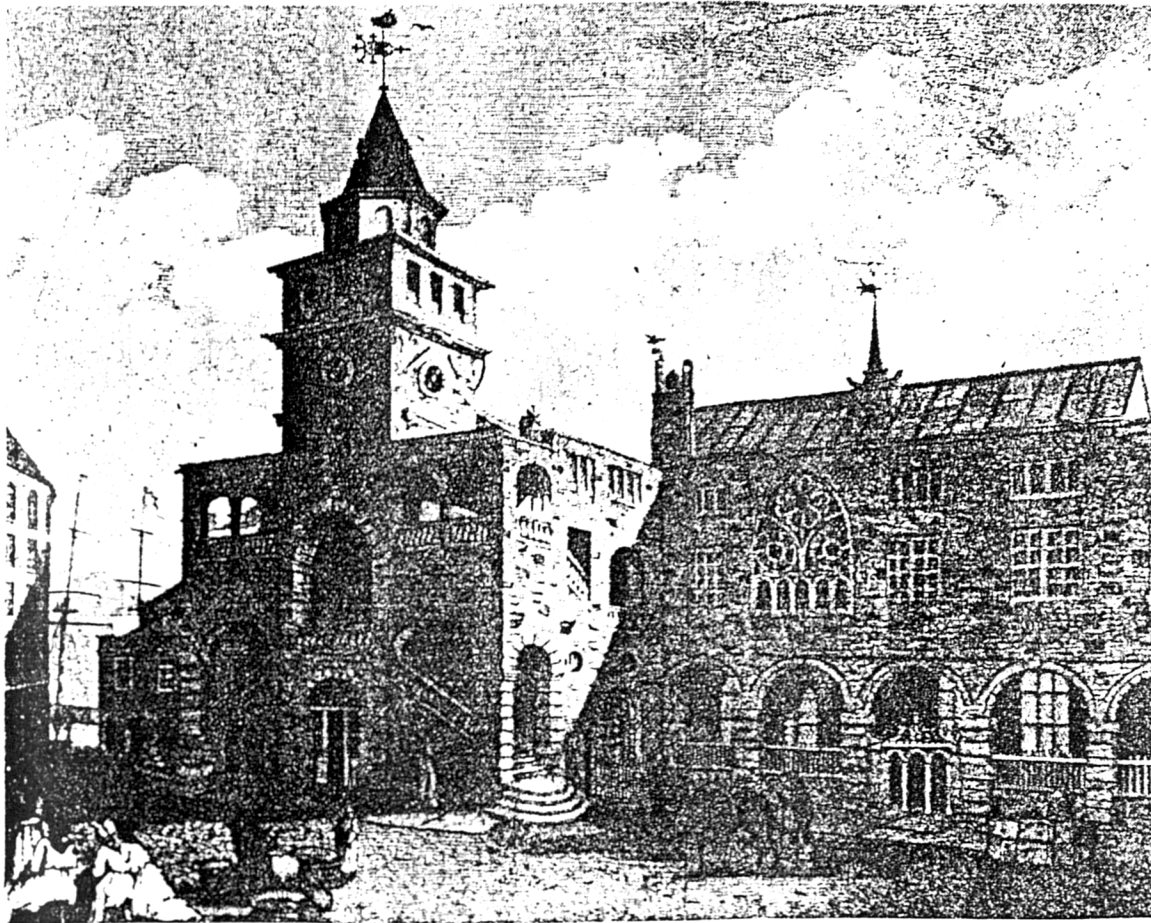


Figure 5.9 Guildhall and Exchange (1789;1827)
(Middlebrook, 1950)



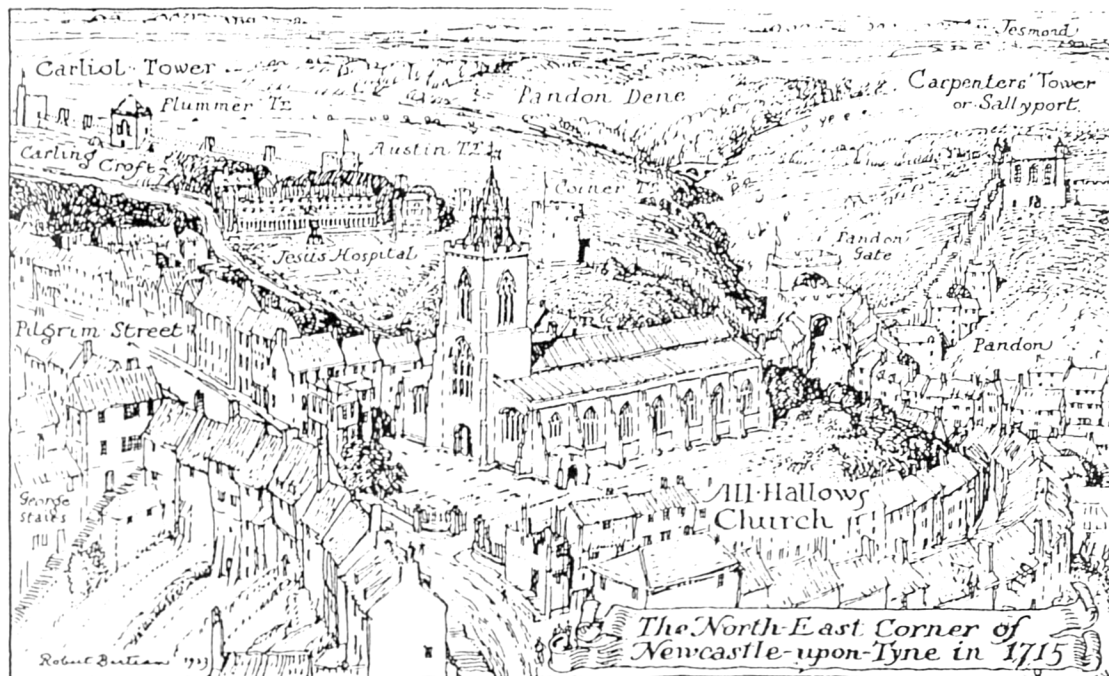


Figure 5.10 All Saints Church 1715 (Hearnshaw, 1971)

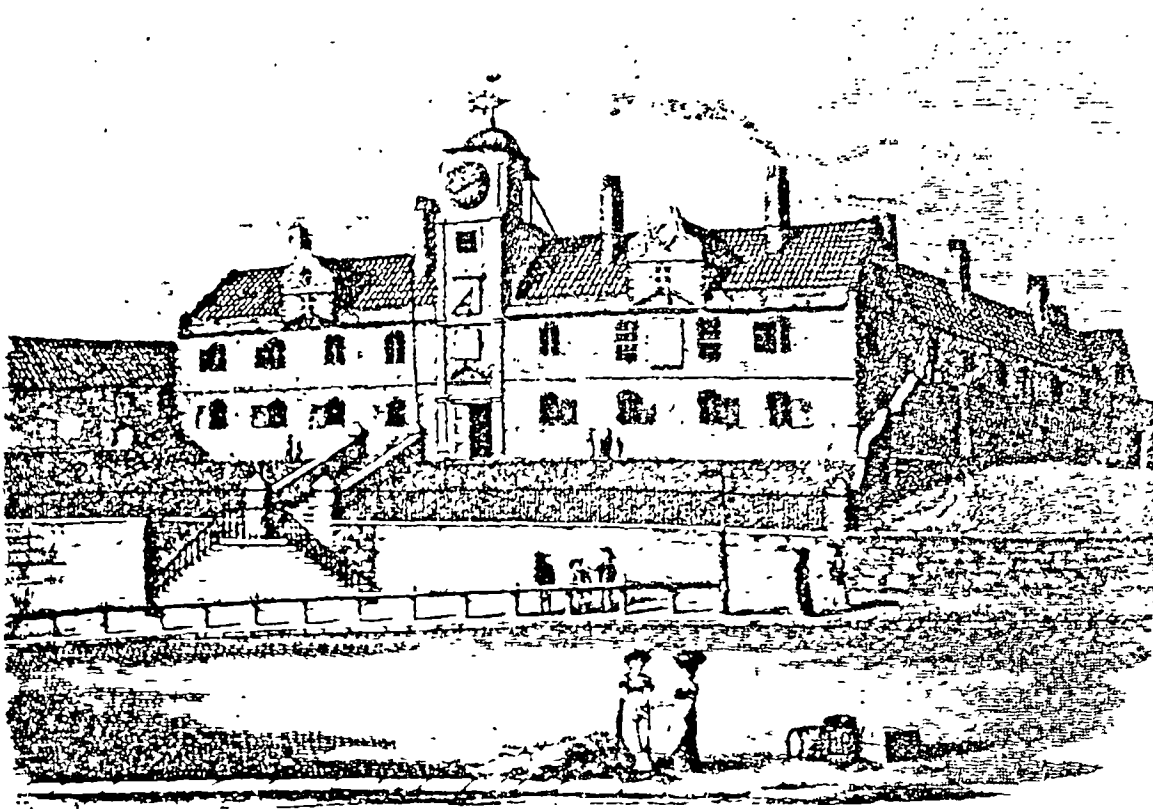


Figure 5.11 Keelmen's Hospital 1701 (Middlebrook, 1950)

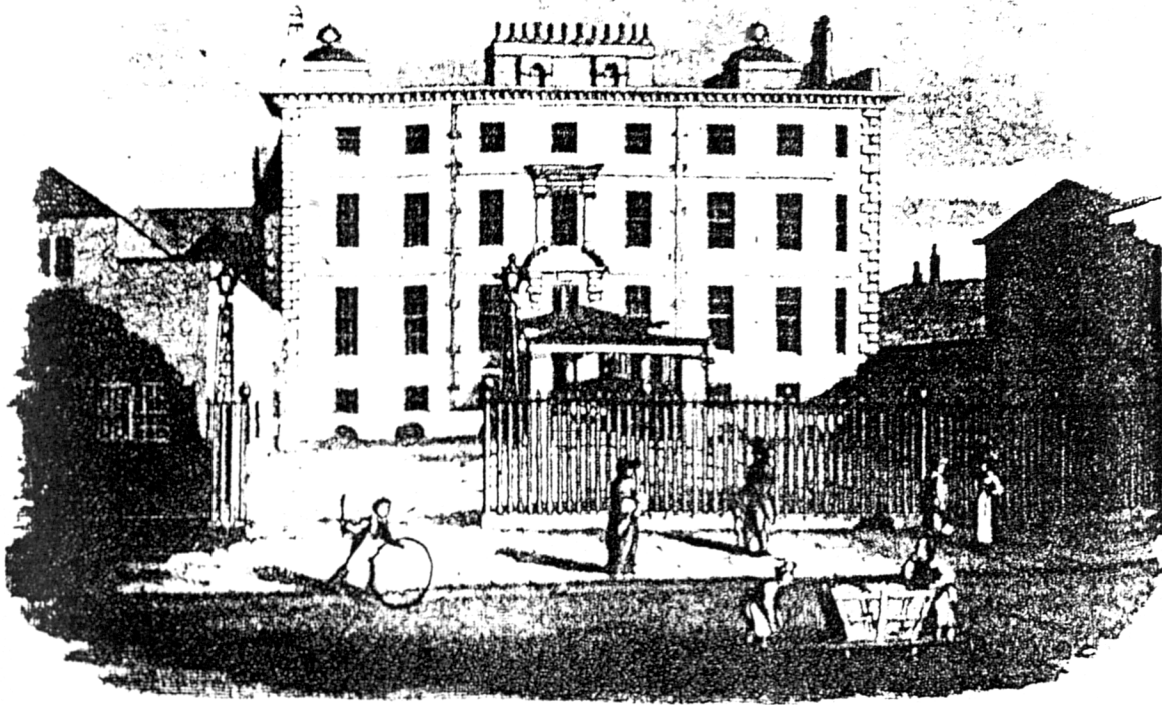


Figure 5.12 Mansion House in the Close 1691
(Middlebrook, 1950)

The first area developed outside of the town walls to the east of the town, namely Sandgate, was the location of the keelmen's houses. This area was separated from the town by the walls, presenting one single occupational groups' concentration whose character was similar to the later proletarian communities, for example coal mining villages (Ellis, 1984).

The areas around and to the north of the St. Nicholas church accommodated predominantly retailed-based activities, supplying goods and services for its hinterland and indigenous population. This part of the town also housed textile and metal based workshops at the back of the retailing units, on subdivided plots (Barke & Buswell, 1980). Charity-based houses were also located in different parts of the town to house the poor, such as Jesus and the Keelmen Hospital (Middlebrook, 1950).

The major building process was characterised by the redevelopment of densely concentrated built-up areas rather than expansion towards areas of rural character. Certain functions tended to cluster in certain areas, commercial activities located on the river banks. Certain income groups were concentrated in certain areas, the poorer around All Saints Church, the wealthiest in the Close, Sandhill, Pilgrim and Westgate Streets. Residential segregation as well as the functional separation thus proceeded to reflect the spatial organization.

The production of the built environment was based on use and symbolic values. The craftsmen were the architects and builders of these structures. Merchant houses were the last, important examples of the production and design of the craftsmen. The structures of these buildings also illustrate well advanced timber framed techniques (Allsop, 1969). Built structures in the Quayside, Close, Sandhill, Side and the bottom of Pilgrim Street symbolise the power and prosperity of the merchant class, hegemonically dominating the townscape.

5.2.2 CAPITAL ACCUMULATION

The landscape of the river bank dramatically changed with the cluster of industrial activities in and around the valley of the Tyne and prevailing along the river bank. The river became the main channel for the circulation of commodities produced. The capital to finance these activities derived from the increasing coal trade. The reformation played a significant role in these developments through either changing the pattern of landownerships in coal bearing areas, such as Benwell and Elswick, or bringing favourable conditions for the lease of these reserves, such as at *Whickham, Gateshead and other areas* on the south bank of the Tyne (Middlebrook, 1950, Nef, 1932).

Following the reformation, the crown obtained the land holdings of Tynemouth Priory and leased the land holding from the Bishop of Durham for ninety nine years. This lease, well known as a "Grand Lease" covered large coal reserves in the north of Durham. The reserves around Whickham and Gateshead changed hands several times before being eventually bought by the corporation (Middlebrook, 1950; Dunn, 1844). These reserves were then leased by the corporation to eminent coal merchants who were able to arrange lease through the privileged position of having family ties with members of the corporation.

The grand lease was therefore an important turning point in the growth of coal extraction and trade, facilitating the conditions for capital accumulation during the following decades, providing favourable conditions through the appropriation of surplus value from the growing coal trade, for the development of coal-related industries. More influential and powerful merchants utilised the opportunities created by the Grand Lease via their dominant power in the affairs of the corporation (Nef, 1932). This led to a constant source of dissension between wealthy and lesser wealthy traders,

whilst wealth gained from the coal trade continued to grow during the seventeenth century (Emsley & Fraser, 1970).

Coal reserves near the river bank were utilised with small fixed capital investment, such as the erection of staiths on the river bank to load and unload the coal to keels, using primitive open cast mining techniques, accommodating a small number of workers during the sixteenth and seventeenth centuries (Dunn, 1844).

The exhaustion of coal reserves on the surface of the river bank to the west of the city led to innovations and improvements in coal mining extraction and transportation techniques financed in part by the profit derived from coal extraction and trade. Deep mining techniques therefore developed, whilst wood tracks for the transportation of the coal were invented (Middlebrook, 1950). As a result, coal extraction was not only freed from a dependency on certain localities, but eventually prevailed throughout the region following major innovations in the transportation of coal. It also altered the labour process requiring large scale fixed capital investment before the initiation of the actual production process in the eighteenth and, in particular, at the beginning of the nineteenth century. All these led to early agreements in terms of cooperative productive cartels. The earliest such agreement in Newcastle, known as "Grand Alliances", was founded to control the price of coal through regulating production in 1727 (Nef, 1932). A new era began in the mining industry during the mid-eighteenth century.

The increased volume of the coal extraction and trade following the decades to the reformation, in particular during the seventeenth and eighteenth centuries, stimulated the growth of shipbuilding (small boats and keels), ship repairs and related trades such as rope making (Ellis, 1984). At the same time, the availability of cheap coal and river transport facilitated the development of

salt and glass works. The glass-making industry expanded, benefiting from supplies of sand brought as ballast in exchange for coal and salt. In the mean time, the coal, salt and shipping industries demanded increasing iron work, encouraging the growth of the iron industry (Ellis, 1984). Traditional industries continued to play a modest part in the town's export trade, but mainly supplied local consumers (Ellis, 1984). Port-related activities also dramatically increased as a result of the increasing exportation of the coal and coal-related industries. This expanded the work-force in these developing economic sectors rapidly (Ellis, 1984).

5.2.3 CAPITAL INSTITUTIONS

The burgesses who dealt with the coal trade established themselves within the Merchant Adventurers Company in the fourteenth century. In parallel with the increased coal trade following the reformation, they founded their own separate cooperative company called the "Newcastle Hostmen Company" in the early sixteenth century, consequently establishing their superiority in the "Merchant Adventurers Company" (Middlebrook, 1950). Even more important than this, they gained monopoly control over the coal trade fixing the price of coal in London coal markets during the sixteenth century (Nef, 1932). This led to conflict with the coal-transporting London and East Anglia-based companies, who wanted to obtain more profit from the coal trade by loading extra free coal onto shipments to cover taxation levied on the transportation of coal. The dispute continued until the end of the civil war, disrupting the coal trade and creating unfavourable conditions for the Hostmen Company (Nef, 1932; Richardson & James, 1983).

The restrictions given by the Hostmen Company to individual members became barriers to the increasing production and realization of surplus capital

from the increasing coal extraction and trade (Nef, 1932). The individuals therefore sought more favourable conditions for excessive surplus capital out of the coal. This led to a new form of institutional organization in the mining industry. The best known of these early eighteenth century capital institutions (coal owner charters) were the "Grand Allies" in 1726, a combination of aristocratic landowning families such as Brandling, Ridley, Wortley, Liddell, Russell, etc who bought or leased staiths and large areas of coal-bearing land on the Tyne and the Wear with the object of controlling production and sale (Middlebrook, 1950). Following technological innovations, the extension of coal mining activities in the region weakened the power of the Hostmen company whose interests were confined by the trade in coal rather than production (Nef, 1932). New forms of capital institutions based on production and finance came into existence stimulated by the requirements of large-scale fixed capital investments in coal mining. This led to the formation of a partnership between aristocratic landowning powers, individual coal merchants and technicians.

5.2.4 LOCAL STATE

The Merchant Company, later the Hostmen Company, fully controlled municipal affairs with their long established hegemonic position in the corporation (the Common council) during the 1600s (Empley & Fraser, 1973). There was an ongoing dispute between the companies who had representation in the Council and those which did not during the seventeenth century (Ellis, 1984). As a result, electoral power was extended to include fifteen craft and small trade guilds in addition to twelve ancient companies. This did not however bring about the shift in power envisaged by the craft and small trade guilds (Ellis, 1984).

On several occasions, craft representatives disrupted elections. They also attempted to change other merchants' privileges, as for example when the conditions of the economic and social power within the town had led to a contraction in the number of merchants engaged in overseas trade. The group dominating Newcastle's overseas trade in the early eighteenth century was notably small and limited to the members of seven or eight elite families.

The members of Newcastle's wealthy and restricted elite united in defence of their privileges, but there is evidence of dissension even within this united circle. However, the elite consolidated behind their control of the most influential sectors of the Merchant Adventurers Company. Potential aldermen, the Common Council members and the mayor continued to be drawn from a group of families established in the town for several generations and united by business and family ties. The Blackett, Carr, Fenwick, Johnson and Ridley families provided Newcastle's mayors and representatives in Parliament. There were signs that the existence of narrow access into the elite was becoming more restricted over this period and that trading merchants were increasingly excluded from representation.

5.3 INDUSTRIALIZATION

The capital accumulated in the previous period was through predominantly coal and coal-related industries, providing the necessary conditions for the scale of the transformation of built environment. Large-scale fixed capital and consumption fund investments in the built environment dramatically changed the landscape of the region. The process of change covering all spheres of life (economic, social, political) was relatively slow at the beginning of this period. However the following decades and more remarkably the second quarter of the

nineteenth century, witnessed dramatic changes through technological innovation and new forms of organizing economic activities.

The role of the coal mining industry in this process of change facilitated technological innovation through improvements in transportation and developments in deep mining techniques. Capital accumulation was expanded as coal was consumed as a cheap energy source for industrial activities (Nef, 1932). The river played an important role as a cheap commodity circulation channel, so providing a favourable location for industrial development, whilst highly-advanced technological knowledge stimulated further innovations which led to the diversification of industrial activities (McCord, 1979).

The invention of the steam engine and subsequent major changes in transportation which took place with the development of railways led to changes in the location of industrial activities along with the size of the industrial units, the scale of production and the numbers employed, creating new industrial configurations, surrounded by residential areas for labour.

In parallel with the technological innovations and diversification of industrial activities, large-scale initial fixed-capital investments were demanded by industry. This necessitated new forms of organization in capital institutions, for the emergence of new business partnerships and flourishing joint stock companies, leading to complex relationships between different sectors of industrial activity. This started mainly as a result of the diversification of coal mining interests into the other industrial sectors. Subsequently organisational variations grew out of the previous relations. The effects of this diversification in turn led to new developments in the financial sector.

For the first time, land became an actual financial asset, a capital based commodity as a result partly of a rapid increase in population and growing

middle class groups within the existing social structure, demanding new residential areas and partly as a result of surpluses of productive capital switched to the production of new residential areas. Capital consequently flowed from productive sectors into land speculation through the operation of alliances between the banking sector, architects and land speculators (Benwell CP, 1978d). Small builders also operated the building process with their own resources or through mortgage agreements.

Religion also revived, penetrating into the every day life of the people through Sunday schools and new churches with large numbers of immigrant workers from catholic countries. The Church of England also revived, whilst non-conformist religious groups, such as the Methodists prospered, possibly appearing closer to the day to day lives of workers. Politically major changes took place in parliamentary representation as well as the establishment of a unified local state organization.

5.3.1 INDUSTRIAL LANDSCAPE

The landscape of the river bank dramatically changed during the seventeenth and eighteenth centuries from a rural character to an industrialised one, dominated by high chimneys, the shafts of collieries, ship yards, docks, glass works, chemicals, lead and iron works. The river bank thus became an important industrial district, stretching from Lemington in the west to Shields in the east, accommodating diverse, large scale industrial activities. Some industries tended to cluster at certain locations, such as shipyards, chemicals, glass works, salt pans, whilst others existed along the whole river bank. As a result, population was drawn into small agricultural villages surrounded by factories. The whole character of the area changed unpredictably.

Newcastle was at the core of these diverse industrial activities, providing commercial, banking and other services. Industrial units predominantly clustered into areas around the Skinner Burn, Close and Elswick to the west, areas around Sandgate, Ouseburn Dene, Walker, Felling and Hebburn to the east. Skinner Burn, Close and Elswick were the locations of diverse industrial activities, mainly based on consumer goods, with the exception of the Elswick lead work. They were predominantly medium and small size plants until the second quarter of the nineteenth century. This then became the location of large scale, heavy industrial establishments such as the Stephenson and Armstrong works, whilst Ouseburn was the centre for glass production, even though this industry stretched along the river bank from Lemington to Shields. Sandgate Shore and St. Peters were the location of early shipbuilding yards and docks, whilst Shields, in particular South Shields, became the centre of shipbuilding and related industrial activities. Felling, Heworth and Walker became busy centres for a variety of manufacturing activities, predominantly the location of a cluster of chemical works by the first quarter of the nineteenth century. Collieries also stretched along both banks of the river.

5.3.2 SPATIAL INTEGRATION: COMMUNICATION CHANNELS

Spatial integration with other localities as well as within the town was not well developed at the beginning of this period. Increasing production of coal and related industries, coupled with a dramatic increase in agricultural production in the region demanded better, more advanced transportation facilities with other localities. This required large-scale, fixed-capital infrastructure investments. At the same time, the increasing diversification of commercial activities in the town necessitated better connections between the commercial, banking and retailing sector as well as demanding more space for these

activities. This led to major changes in the spatial organization and integration of the town with other localities with which the town was connected.

The river had been the main focus for the development of industry in the region. Development was predominantly in and around Newcastle. It was not only a dominant communication channel, in particular with long distant localities, but it also stimulated the development of diverse industrial and commercial activities along its bank (McCord, 1979). Moreover, increasing trade facilitated the production of transportation vehicles and technological innovations in this field. All these developments were primarily as a result of the cheap and easy transportation opportunities provided by the river along with rich coal reserves in the locality. The river and subsequently coastal transport remained as a dominant form of spatial integration in the area. However, the river was not suitable for large and medium scale vessels and ships. It required large scale fixed capital investments in order to provide suitable conditions for the navigation of the river. However, the improvement in the river did not materialize, as a result of the power struggle between economic, social and political forces, between the existing and newly established ones (Middlebrook, 1950). The possible navigation of the river was insufficient in spite of the expansion and diversification of industry, commerce and trade.

The first half of the nineteenth century witnessed remarkable changes in the mode of transportation with the coming of the railways. The use of waggons and the erection of wood rail tracks had already been implemented during the eighteenth century. However, the development of steam engines along with the replacement of wooden tracks by iron ones were new revolutionary interventions in the transportation industry which provided cheap and swift commodity circulation (Middlebrook, 1950).

This era was consequently characterized by massive investments in the construction of railways. Two phases can be distinguished. The first is characterized by the development of short, fragmented rather than integrated, railway lines between places of production and shipment, primarily built by private (coal mining) companies. Large profits derived from the coal industry were the dominant driving force behind the construction of these flourishing and complicated rail roads. Several competing lines within the same locality were characteristics of this era.

The second phase was characterised by the process of integration of the railway lines, providing services for wider areas and subsequently integrating localities throughout the region then the country. This new railway system of networking subsequently provided spatial integration between towns and cities. Railway networks increased both the mobility of people and the circulation of commodities. Elsewhere in the country canals also contributed to this process of change.

As a result of technological innovations in the transportation industry, the dominant coastal mode of transportation by sea linked up with the railways network, producing a more sophisticated and well-connected form of spatial integration, so facilitating the circulation of commodities along with the mobility of people.

There was also, generally, a considerable improvement in the extent and condition of the region's roads as a result of the increased export of agricultural production although the invention and construction of the railways inhibited the improvement of some existing roads. The Great North Road linked localities in Newcastle to the North and South at this period.

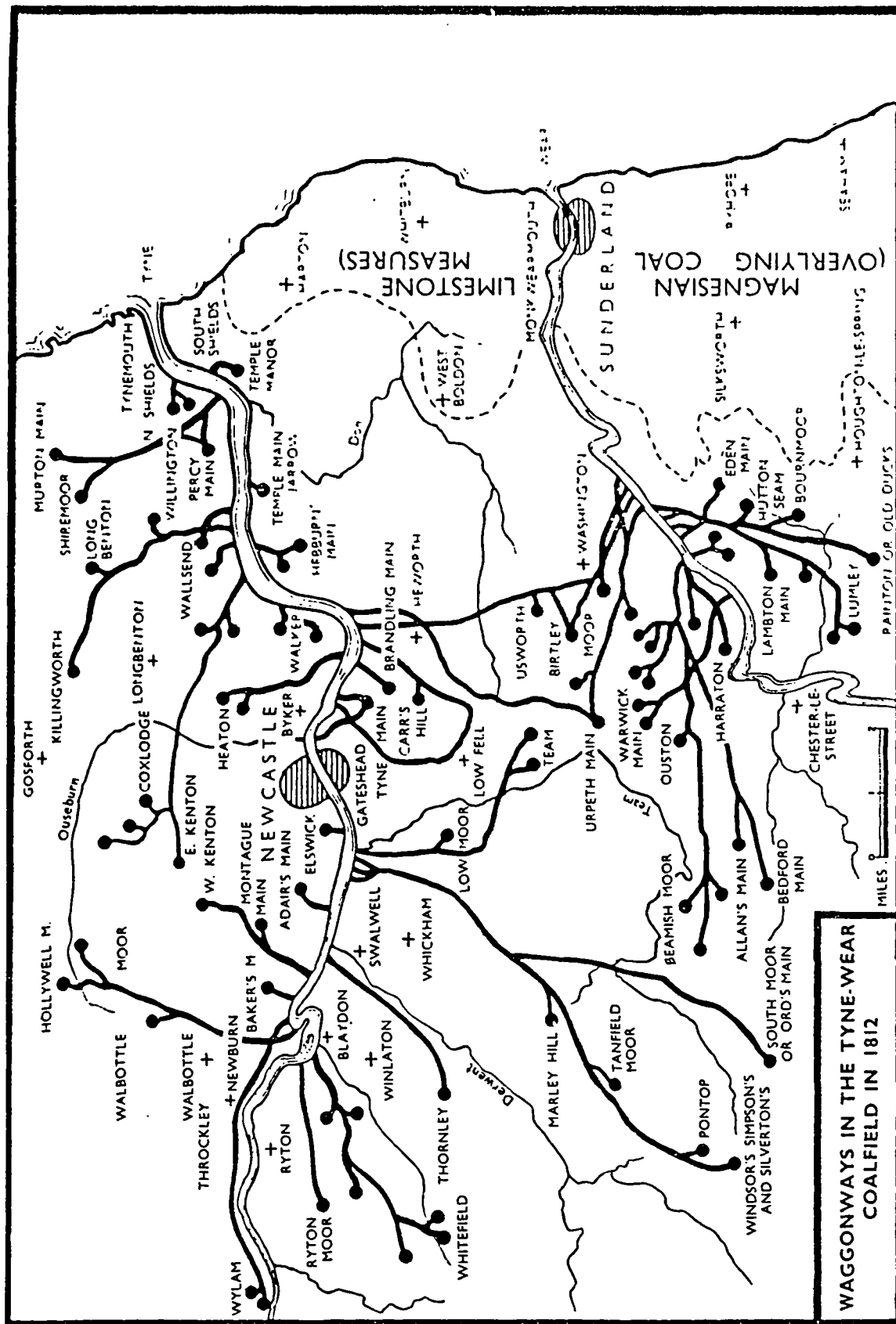


Figure 5.14 Tyne and Wear Wagonways 1812
(Middlebrook, 1950)

5.3.3 BUILT ENVIRONMENT

The townscape of Newcastle dramatically changed from the medieval structure to its contemporary urbanized form, in particular in the 1820s and onwards. The areas within the walls, namely the medieval core, was redeveloped as a regional commercial centre for the flourishing industrial activities on the river banks, whilst the areas around the outskirts of the walls witnessed substantial speculative residential suburb development. The former was characterized by a process of concentration and integration in the core areas of the town by large scale commercial redevelopment. The latter was characterised by a process of decentralised, fragmented and dispersed residential developments in the peripheries. Functional differentiation as well as residential segregation became apparent in the built environment (Barke & Buswell).

Building activity was relatively slow until about the 1820s. Developments were primarily initiatives of the corporation (town council) through the erection of the new streets and public buildings, and small scale residential developments. Charlotte Square was one of the first example of these sorts of development activities in cooperation with the council.

Increasing population, the diversification of economic activities and the emergence of new classes (middle class) produced unprecedented demand for all kinds of speculative activity, which was often to be expressed through investment in residential development during the early 1800s. One of the significant changes in this period was therefore the emergence of the property and land market. Land became a financial asset, integrating itself with the general circulation of capital.

Grey Street and shortly after Clayton Street were early examples of large scale speculative development in the city. Grainger, who undertook these developments, was able to buy the land cheaply as the retail core of the town,

based around Bigg Market, showed no desire to relocate. Grainger commissioned the architects, Dobson and Oliver, to plan the layout. Grainger also brought the Town Clerk, John Clayton, who also run a solicitor's business, into the scheme. Clayton took on the responsibility for arranging all of the necessary finances for the development, as well as acting as legal adviser and negotiator. It was therefore to Clayton that the job of arranging land acquisitions also fell, as well as the finances for purchase. There were however only a few small land owners in the area, and it was possible through compulsory purchase by the council to buy the land up cheaply. The plans and the final decision of the council were very fast, so speeding up the development process (Dodds & Wilkes, 1964).

Opposition came from traders and landowners in Bigg Market and Dean Street, and small landowners on the Quayside. At the same time, Anderson Place which Grainger wished to develop was famous for its criminal fraternity. The desire to dispose of the criminal fraternity was one of the main reasons for the scheme going ahead. Grainger employed about 2000 building workers and set up a stone and brick quarry on the site. It was financed by mortgaging land and lending the monies acquired by this process. Secondly there was an agreement with the previous land owner, that the land would be paid for when the scheme was completed (Dodds & Wilkes, 1964). *The Grainger and Grey Streets* scheme was to succeed in bringing about a major shift in the core of the city. It was considered at the time as a comprehensive redevelopment scheme (Barke & Buswell, 1980).

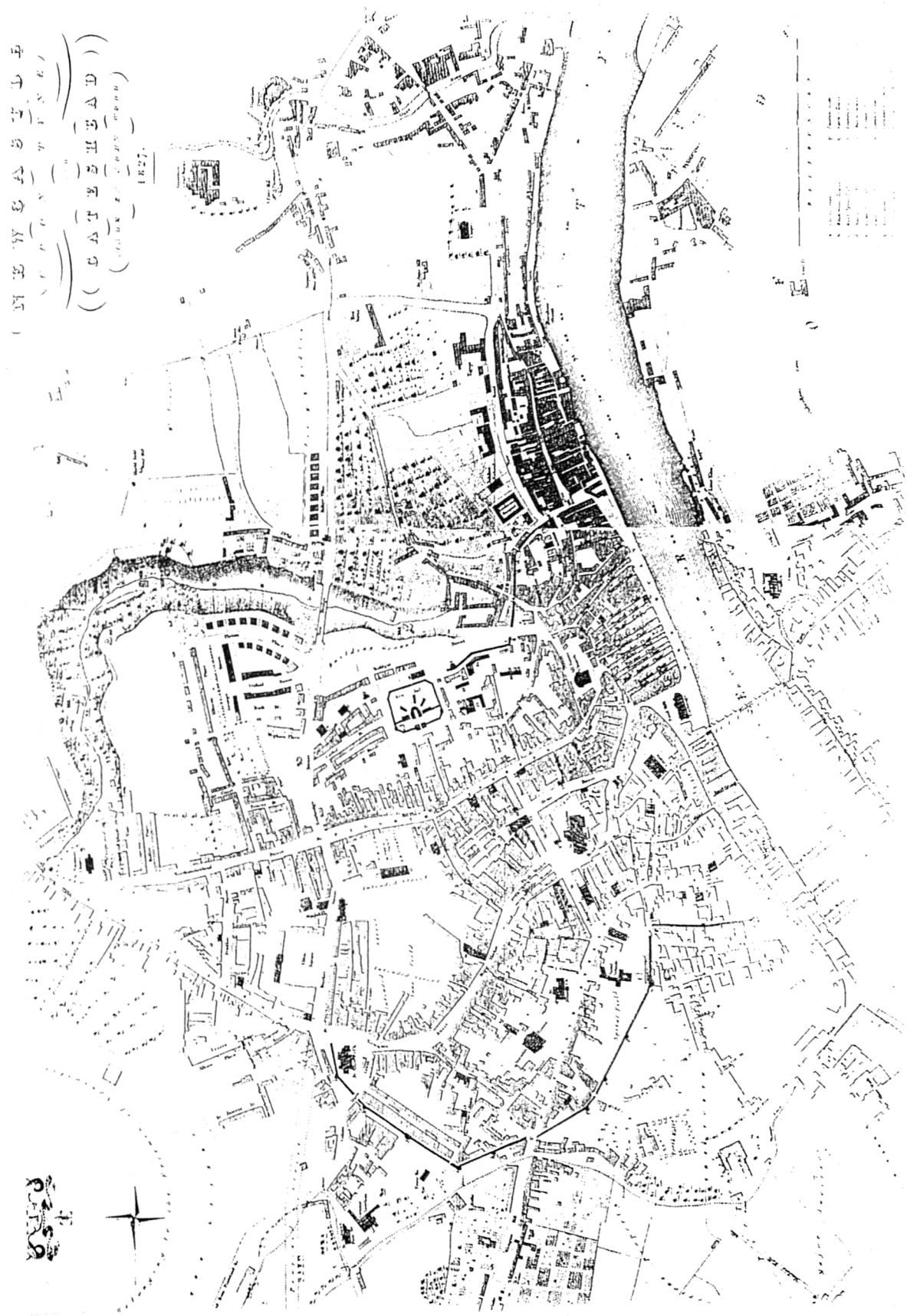


Figure 5.15 Newcastle, 1827 (Graham, 1984)

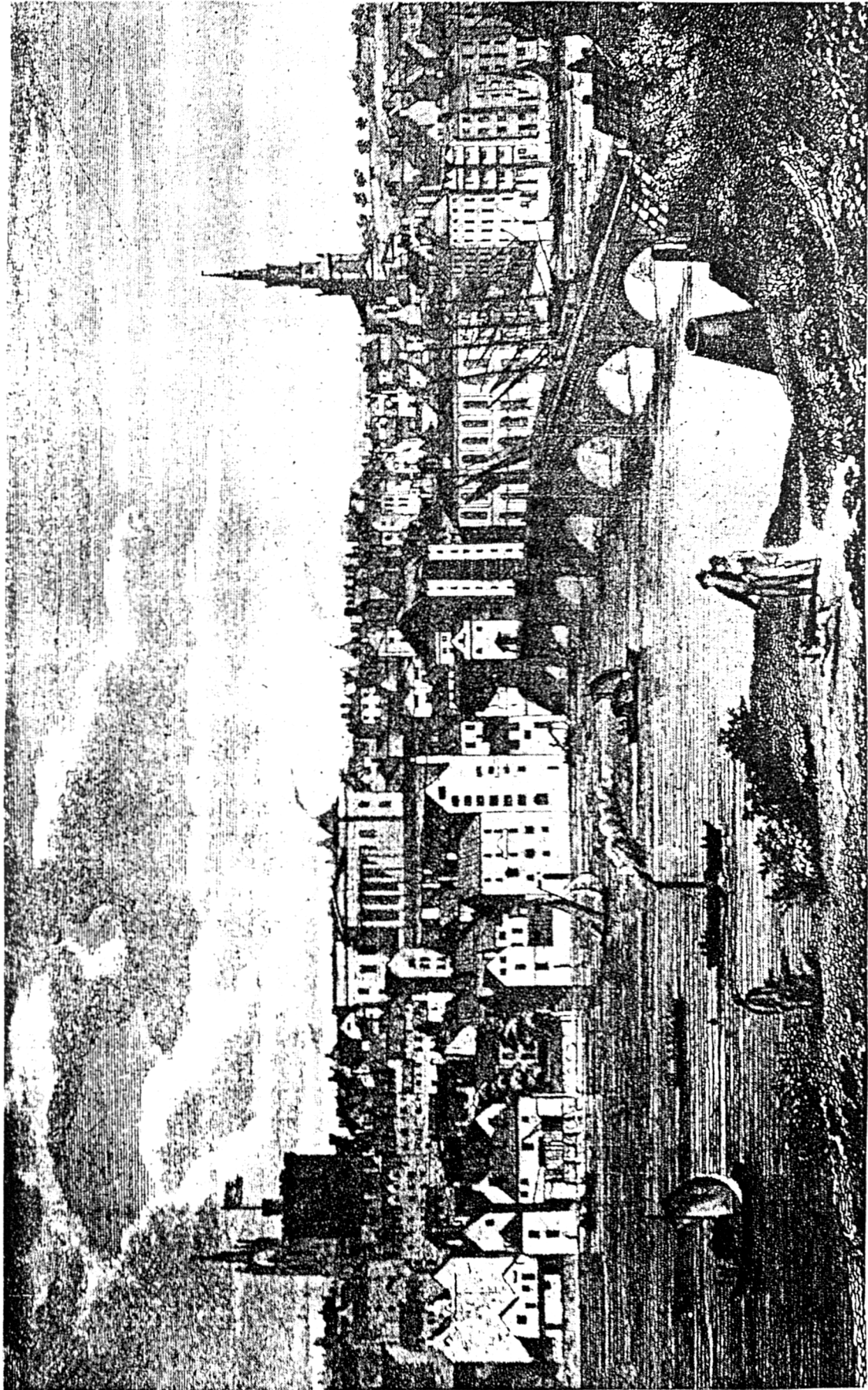
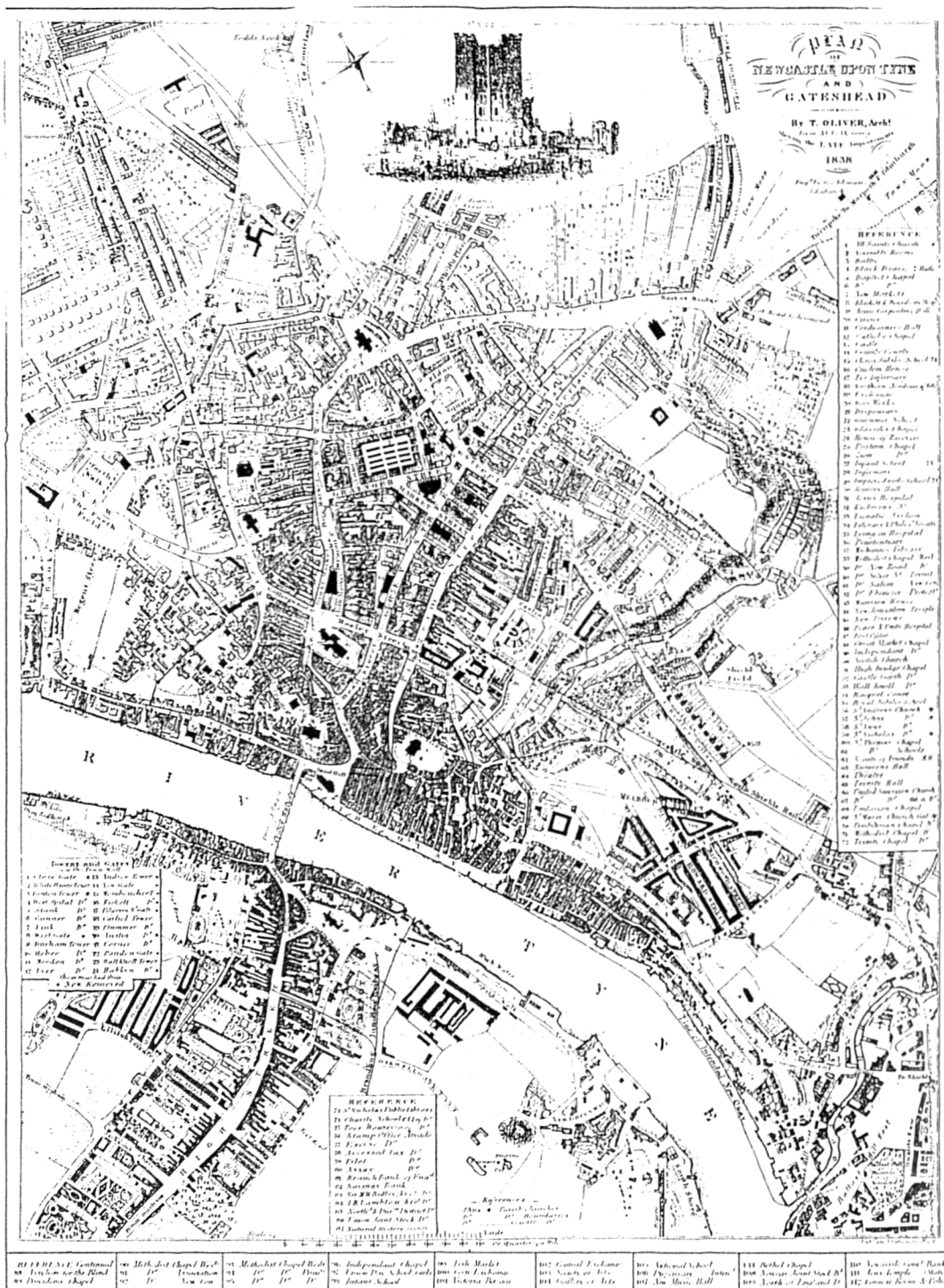


Figure 5.16 Newcastle, 1827 (Graham, 1984)



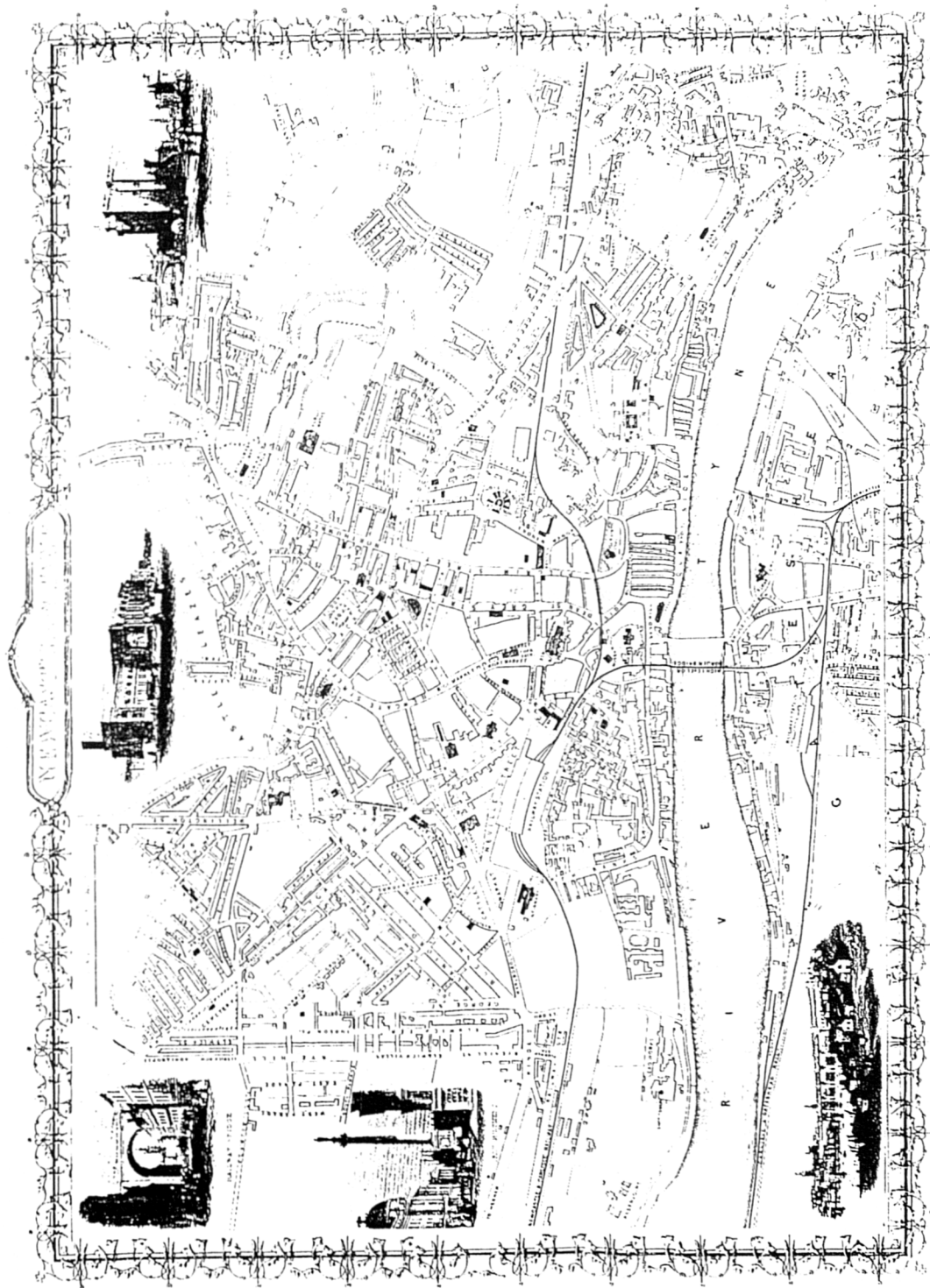


Figure 5.18 Newcastle, 1851 (Graham, 1984)

5.4. TRANSITION

In the second part of the 19th century, the small nucleus of Newcastle enlarged into a large industrial city incorporating several surrounding villages. Heavy engineering, chemicals, and shipbuilding played an important role in this process. These large scale fixed investments employed a large amount of labour, consequently large scale migration to the region took place. This required a rapid expansion of the residential areas surrounding the said industrial establishments. Initial capital for such industries came from a consortium of coal owners. The riverside west of the city was occupied by the Armstrong works taking over land from existing firms by forcing them to either close or by buying them out. The industrial capital-owning class involved a handful of families who had benefited from earlier industrial development in the area who now controlled a substantial amount of coal production in the northern region. They diversified their accumulated surplus capital primarily into the banking and finance sector, thus making money available for development.

Local industries using new technology and requiring large fixed capital investments grew rapidly, such as Armstrong and Stephenson's work, from the mid-nineteenth century. These industries by the turn of the century went into decline.

Small firms were affected by these large scale heavy industrial developments. The land of small companies was acquired by large scale industrial establishments. For successful small companies and entrepreneurs, relocation outside of the area was a more likely solution and so local works were either sold off or retained as a part of a larger enterprise. For example, Armstrong became an international company when it opened a 22 acre armaments work and shipbuilding yard in Italy. Robert Stephenson and Son

Co. on the other hand moved their locomotive building complex from the Forth Banks in 1900 to Darlington, selling off their land on the Tyne to Hawthorn Leslie. The successful companies and entrepreneurs moved from their former premises, particularly those located in the Forth and Close, in order to expand their activities. This expansion took place in parallel with diversification.

An alternative response to the problems of competitiveness was to adopt a close working relationship with contemporary companies. This was easily achieved through family ties and the interlocking interest of many of the major industrialists. Heavy engineering firms worked with each other, in particular, shipbuilding yards and engine producers, such as a partnership between Armstrong and Mitchell. This relation was to supply material at predictably, lower costs. This brought advantages to both purchasers and suppliers as well as the interdependency between many of these large companies. As early as 1900, the larger industrialists on Tyneside were attracted by other, more profitable, localities overseas or to seek relocation within the region in order to expand.

Beside the organizational changes of concentration, integration and diversification their surplus capital was also invested in landed estates and high levels of conspicuous consumption. This brought them social status and symbolized their economic as well as political power. They showed little interest in the city and the building of imposing, spectacular public buildings, as was the case in other industrial cities, such as Leeds or Birmingham. Their relation with the city remained through its function as a geographic location for the production of surpluses. Therefore, it was left to local speculators and the local state to build Grey Street.

The companies in this period were controlled by a few families. There was a potential for shifting capital from one productive sector to another, often non

productive ones. The diversification of capital investments covered three main areas:

- 1) banking and finance capital,
- 2) land speculation,
- 3) purchase of large agricultural land and estates.

When a company became successfully established, capital for new investment and expansion was internally generated from the profits of the company. The ruling class played an important role as financial capitalists. They predominantly financed public utilities. Electricity companies were formed by the large industrial capitalists. They were closely related to the coal owning companies. This allowed them to control the coal production on which electricity generation was based. They formed a monopoly, eventually expanding their boundaries to cover the whole of the North East area. Another was the Tyneside tramways and train roads company, established by the primary shareholders of the electricity suppliers.

When new opportunities emerged with higher returns from overseas investments in public utilities, they diversified their investment in other countries, such as the erection of railways, many in the extraction industry and speculative commodity production. This export of Tyneside capital led to delays and neglect of investments in research and development. For example, Lord Armstrong was the director of the "Waterston Gold Company of Mexico"; the "Cria Tramways and Hellioc Polis Oasis Co."; likewise Lord Joicey was a director of the "Great Northern Coal Company of New South Wales", Australia (Benwell CP, 1978).

The purchase of land for speculation was another form of diversification of investments, including the provision of finance capital for smaller operators, such as builders. An early example of this was George Cruddas who purchased 48 acres of West Elswick Estate in the 1860s. Thomas Hodgkin, a banker, bought

a 135 acres at Deleval Road in 1882 selling it 16 years later and making a large amount of return (Benwell CP, 1978c). Another practice was for the big industrialists to lend money on mortgage to speculative owners and developers. By 1888, the two children of Grainger provided finance for the development of Elswick Estate by two early coal-owning families (Dodds & Wilkes, 1964). In another example, the town clerk of Newcastle, John Clayton financed the Elswick Estate on the basis of a mortgage. He was also actively involved in the redevelopment of the city centre by Grainger (see above), deriving much of the capital from coal owning interests (Dodds & Wilkes, 1964).

A more conspicuous form of spending was the purchase of large estates, in particular, in rural Northumberland. This type of purchase involved large sum of capital (Benwell CP, 1978c). These types of investment were nothing to do with capital returns, but rather for the social prestige which the erection of a mansion house or castle could bring. The investment by the industrial families in the built environment therefore did not reach the city's public buildings. They went outside of the city, to merge with the romanticism of the countryside and admiration of the aristocratic order.

Hebburn, Benwell and Wallsend were developed as dense working class residential areas, as suburbs, far from the central areas, whilst peripheral areas, such as Westgate, Jesmond, Heaton became middle and upper-middle class residential areas (Barke & Buswell, 1980). There was also a tendency towards long-distance suburban developments in localities such as Whitley Bay and Monkseaton as middle-class residential areas. This pattern of physical development did not produce continuous built-up areas. Instead it created fragmented, separated dense areas. This was followed by the development of a small multiplicity of local authorities, which exacerbated difficulties in the provision of public sector services.

Heavy industrial development was significant in Newcastle with a large number of industrial workers residing in the city. There was also a growth in service industries in the 1880s. Employment in shipbuilding was seasonal and temporary. The development of industries in heavy electrical engineering was remarkable, but Tyneside had no part to play in the development of the British motor car or aircraft industries in the Twentieth Century. Older industries, such as shipbuilding, began to decline. The slowness to acquire newly developed capital equipment, limited research and development and inadequate provision of technical education left Newcastle behind new industrial developments around the turn of the century. The profitability of industries became increasingly limited. Merchant shipping in particular became a risky business.

Industrial development had drawn new population to Tyneside. This new population was in the main from Ireland and the surrounding Northumbrian countryside. The dramatic increase in industrial activities and subsequent migration led to a tremendous expansion of suburban residential development, while commercial premises of all kinds, such as hotels and large office blocks increased in the area of the medieval core to meet the needs of the business community (Barke, 1986).

In the great fire of 1854, the east part of the Quayside was destroyed, opening up the opportunity to erect large blocks of offices. The Corporation had the power to make new streets on the cleared site which was granted in 1855 from central government, leading to the laying out of Queen Street and Lombard Street in 1866.

The Station Hotel, Neville Street and Westgate Road developed in the 1850s. Some companies changed location from Pilgrim Street to locations close to the central station around Collingwood Street. The construction of the

railway station affected the location of financial institutions in the city. Collingwood Street soon became the financial core. In the late 1870s and 1880s a cluster of new hotels was also erected near the central station.

Piecemeal redevelopment proceeded steadily until 1914 with the demand for commercial floor space. The residential areas in the central localities were converted to commercial use. Some parts of Grey Street were demolished for Edwardian office blocks. Retailing was widespread, but Northumberland Street was changing, from residential use to retailing. By 1911 office blocks were concentrated in Dean street, Collingwood Street and Mosley Street. The tendency towards functional specialization was very clear. The main axis of communication and the commercial focus remained unchanged (Barke, 1986). A lack of the facilities in the surrounding suburbs created demand for more retailing, entertainment and commercial development in the centre.

During the inter-war years, the city remained as a teeming mass, increasingly blighted by poverty and degradation as its economic roots continued to decay, and an increasingly confident working class asserted their presence, giving the region something of a reputation for left wing militancy during the 1920s. With the depression in the 1930s and war damage, affecting core area infrastructure such as Manors Station, the city was far from economically healthy, although housing and built structure had been little affected relative to the degree of war damage sustained by many major industrial cities in Britain. Five years of neglect during the war had its effect, the impact of which was difficult to address for some years after as the country's manufacturing output was diverted overseas in an attempt to meet national debts built up during the war.

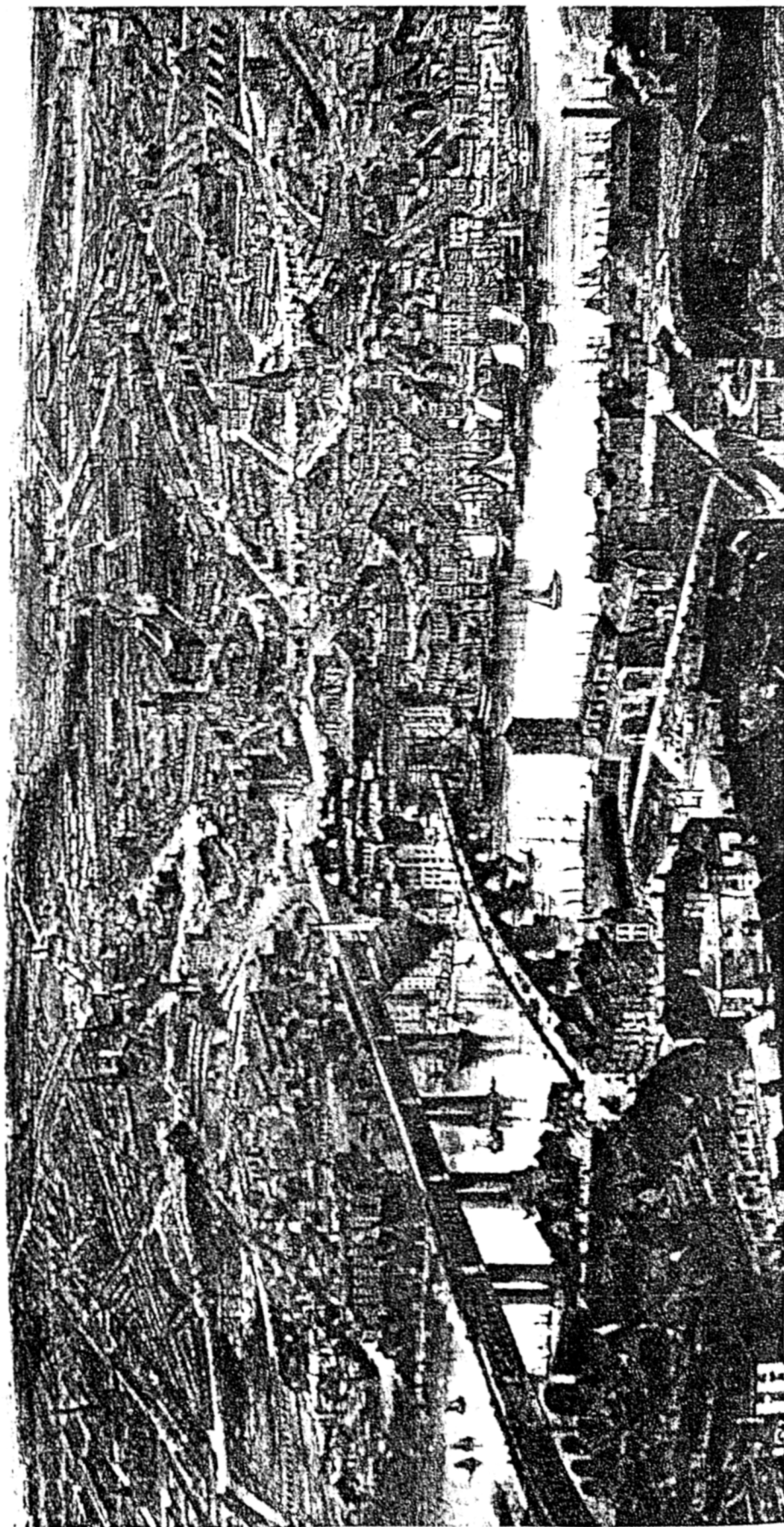


Figure 5.19 Newcastle, 1864 (Graham, 1984)

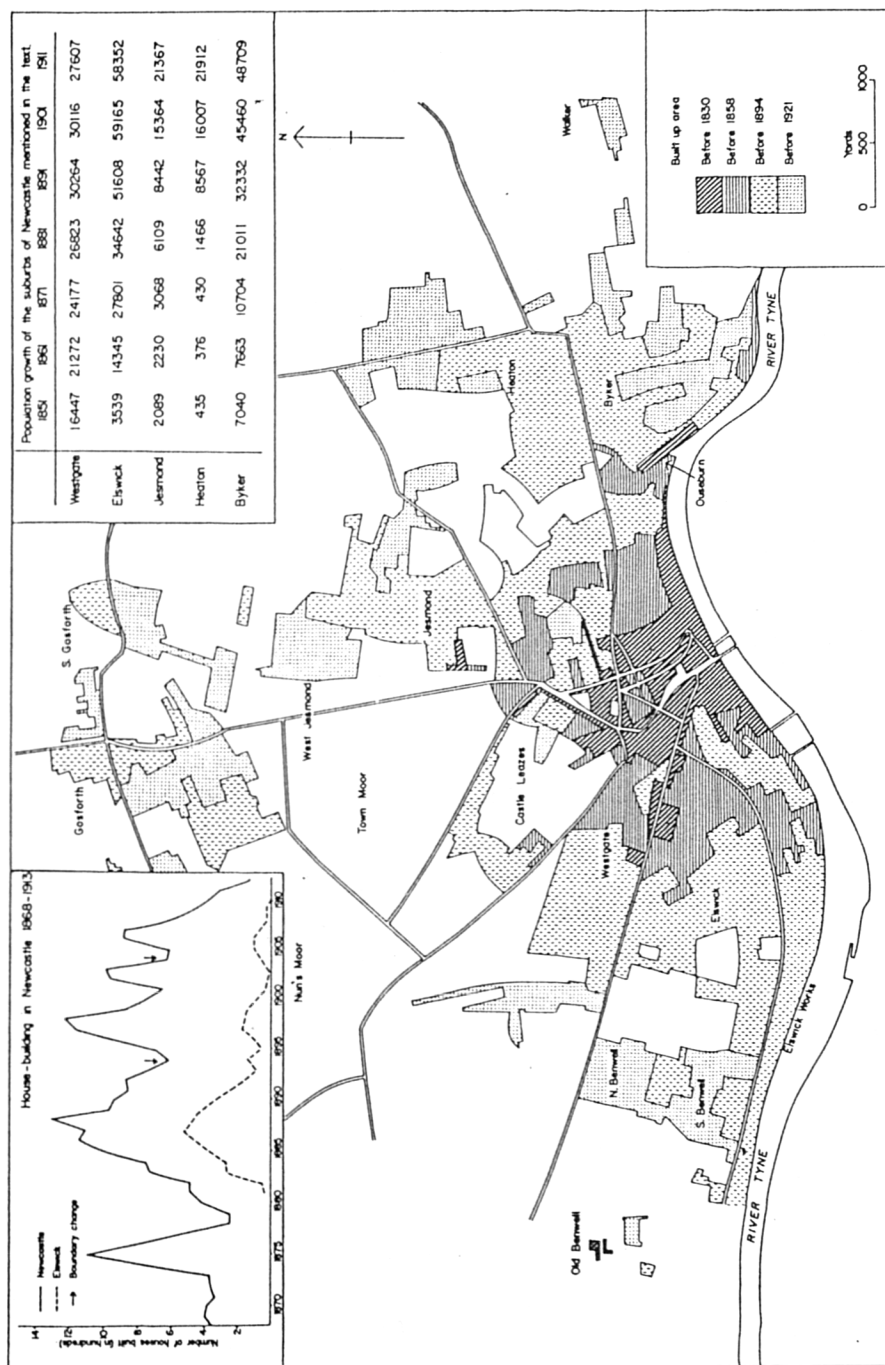


Figure 5.20 The Spatial Development, Newcastle (1830-1920) (Barke & Buswell, 1980)

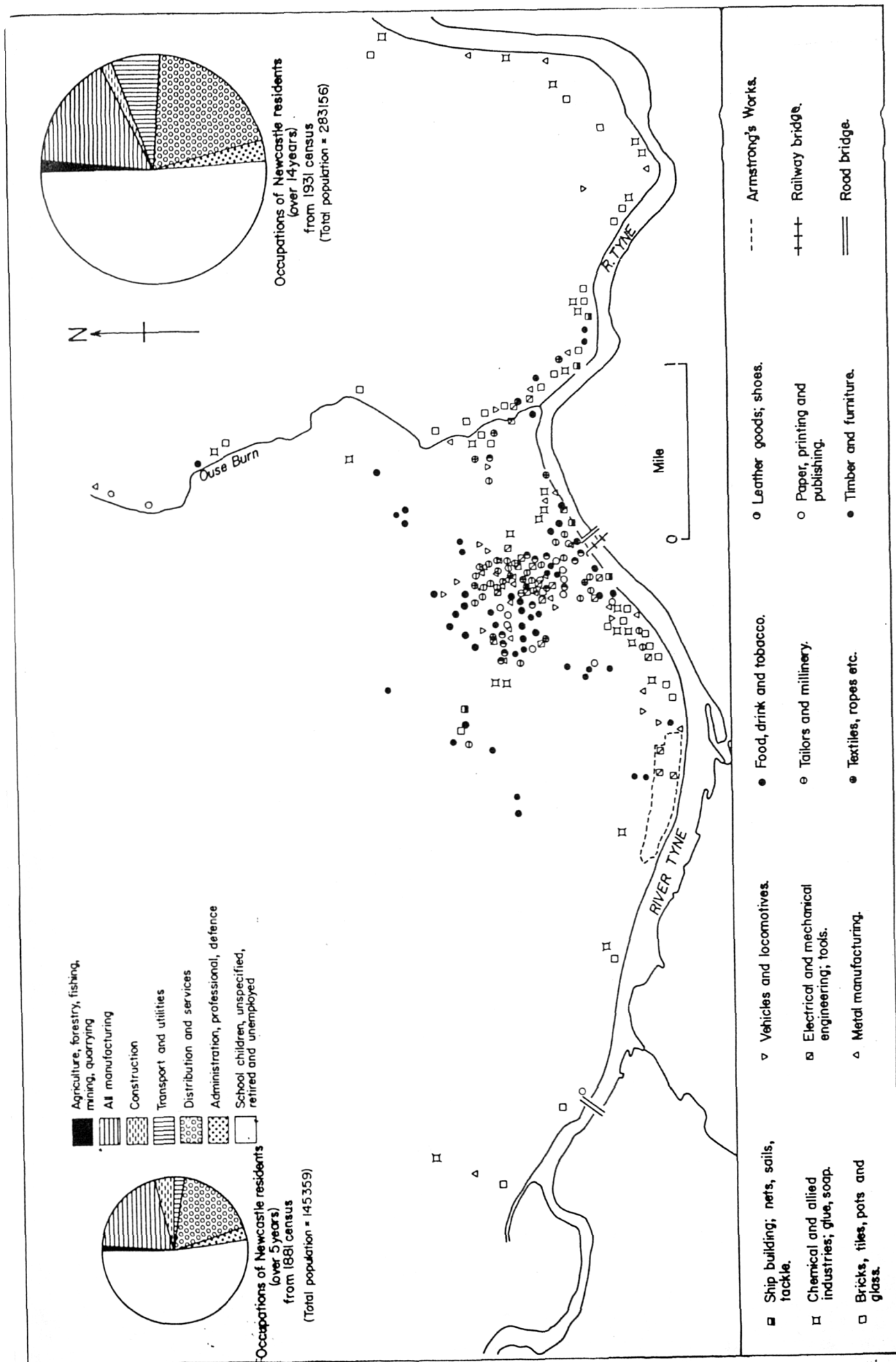


Figure 5.21 Distribution of Manufacturing Industry, 1865
(Barke & Buswell, 1980)

5.5. POST WAR YEARS

The three main characteristics of the immediate post war period were increasing state intervention in the management of the economy, centralization and concentration of productive power and the growing importance of large financial institutions.

Tyneside's heavy industrial capital no longer controlled the local state through the representative electoral system as it had before the First World War. Rather, regional capitalists penetrated non-elected regional-level state institutions through which national government funds were channelled. This included official and semi official industrial development bodies, such as the new town development corporations. In this way Tyneside's old ruling class inserted their own interests in these agencies for their own benefits. This also enabled them to integrate their interests with companies whose operations were international and multinational firms on the one hand, whilst on the other national and international companies were attracted as buyers for the original fixed capital assets (Benwell CP, 1978d).

Later generations of ruling family members' interests moved into financial capital. This was predominantly facilitated by the nationalization of heavy industries, mainly coal which took place immediately after the war. This made it possible for the Tyneside Industrialists to break their ties with the coal industry which had suffered from long term under-investment. Millions of pounds in compensation were invested in more profitable areas such as the financial sector. A very limited amount was used to develop new small scale enterprises, but most went to financial and related institutions. This can be clearly seen at a regional level with the Northern Rock Building Society in which the Ridley family invested a large portion of their wealth, an investment which was soon to grow with increases in home ownership from the 1950s

onwards. Part of the compensation money went to the investment holding companies. These companies were regionally-based and financed some local enterprise. The main focus for investment was however outside of the region on the wider stock markets of the world. The ruling class closely integrated in key positions within the large banking and insurance companies, providing links with national financial structures and large scale industrial capital.

Since 1945 major changes occurred in the economy, by which a new set of relations between capital and state developed. There had been a growing tendency towards state intervention in the management of the economy through the provision of subsidies and support for private capital. Beside the nationalization of major sectors of the economy which had been in decline since the turn of the century, the growing concentration of production required new ways of organization in the productive sector, with multinational corporations operating productive activities throughout the world, without loyalty to region or nation. In parallel with this, the development of financial capital institutions became the major influence in determining the flow and pattern of new industries (Benwell CP, 1978b & 1978c).

In the North East, the regional officers of various ministries from both the Department of Environment and the Department of Industry made plans to develop new towns at Newton Aycliffe and Peterlee (1957). The old regional bourgeoisie started to set up regional development companies, such as the Northern Industrial Group and its successor the North East Development Association and so provided major channels for influencing the form of the state's industrial policy in the region. Key positions on the National Coal Board were also taken by the former owners following nationalization (Benwell CP, 1978c). They also held the status of chairmen in a variety of state, or state financed agencies, such as the Northern Regional Board for Industry. This was a statutory body which was established shortly after the war to advise

government departments, composed of employer and trade union members in equal numbers. The board was abolished by the Labour party in 1965.

The Tyneside ruling class also managed to influence the establishment of the new towns. The general planning concept was to locate new industries into identified growth zones. New town sites were to offer ready access to the national motorways which were to be developed and provide subsidy packages for new coming industries. As a result they attracted a high proportion of mobile new industries in the 1960s and 1970s. The chairmen of the New Town Development Corporations were major industrialists in the region. These new towns included Peterlee (1957-69), Newton Aycliffe () and Washington (). Cramlington was a rather different case as it was set up by Northumberland county council not national government, as a part of their county development plan. It was managed by a joint committee of county and district councillors and involved public-private cooperation. The development of industrial sites and the attraction of industry always rested with Northumberland County Council in conjunction with English Estates. Lord Ridley and two others (Barnett and Peile) represented the old ruling class on the policy and resource committee. Ridley was the chairman of the Cramlington sub-committee (Benwell CP, 1978c).

The Tyneside ruling class penetrated new state, and state financed, bodies in order to orchestrate the pattern of new industrial development in the region, such as motorways, industrial estates, factories and direct financial assistance. In the inter war years, productive capital flowed into the financial sector, instead of the declining traditional sectors. Shipbuilding in particular was badly effected in the post war years. Many shipyards disappeared through either closure or amalgamation while the mining industry, through nationalization, provided new capital for reinvestment as previously explained.

Some companies dominated a sector, or held a substantial share of the market. Regionally-based capital was at this stage able to break with the restrictions of fixed capital holdings, giving it the freedom to reinvest in other areas of the U.K. or overseas. The concentration of economic power in the county generally decreased along with the number of companies in operation. Regional productive capital to some extent long ago expanded its operation to a global level through cooperative planning. Cooksons' lead industries, formerly a regionally-based company, become integrated with the multinational economy when it became part of Goodless Wall and Company in 1930. In the following years, Cooksons' was the object of amalgamations designed to fight off foreign competition. By 1939, it was one of the largest lead industries in the world with a direct controlling interest in fourteen originally independent companies. In 1972, it was operating in Europe. (Benwell CP, 1978) Swan Hunter, the ship-builders, developed their interests abroad with subsidiary and associated companies. Its activities diversified from shipbuilding to marine engineering, civil engineering and building, before the firm acquired large sums of compensation money as a result of nationalization (Hudson, 1989).

A feature of the post war years had been of importance of the housebuilding and construction industries. The building of large estates by firms, such as Leech, Bellway and Barratts became a significant phenomenon. This encouraged financial sector growth, particularly in the sphere of the Building Societies. The Northern Rock Building Society, as the largest in the region, continued to grow into the eighteenth largest in the country. As previously explained, the Northern Rock had direct ties to the old industrialist families through the involvement of the Riddleys (Benwell CP, 1978).

Northern Rock continued to grow and eventually amalgamated with Northern Counties Building Society in 1965. In the post war years, 24 previously independent building societies in the region had been taken over in

this manner to form the basis of the new company, Northern Rock, ten of which remained in the 1960s, eight in the 1970s. Northern Rock became biggest building society in the region (Benwell CP, 1978).

The coal owners had controlled the main investments in the building society and so were a great influence over the building industry in the region as firms like Bellway and William Leech relied upon a guaranteed supply of mortgages from the Northern Rock and other building societies.

There were three notable features of the post war years:

- 1) The use of the compensation from the nationalization of coal allowed for a diversification of the former coal owners capital interests and eventually for investment in property development and the promotion of housebuilding for owner occupation.
- 2) The integral link between property companies and building societies was used as a source of finance.
- 3) Regional operations became subsumed by wider property interests whilst at the same time facilitating penetration of the region by large scale companies through access to local knowledge and conditions.

5.6 CONCLUSION

Regional capital in the Nineteenth Century was based on and accumulated through coal production and trade. In Harvey's circuits of production (Chapt. 2), it is only when capital enters into a crisis of over production that investments are moved into a secondary circuit. In accordance with this it was in the first circuit that the owners and controllers of capital established internal

linkages and working relations with each other. During the period of regional capital ownership (the Nineteenth Century in the North East), large capital surpluses led to regional economic diversification as well as other investment outlets. For Harvey this occurred in the secondary circuit. In terms of the North East regional economy this occurred particularly in the second half of the Nineteenth Century. In Harvey's secondary circuit investments were made in both large scale fixed capital holdings, in producer durables and in the built environment in the form of industrial structures for heavy industry, shipbuilding, engineering, and in large scale consumption funds in the built environment in the form of working and middle class residential development. The secondary circuit was directed by a specific ruling class elite or class alliance based on coal-oriented combines. The built environment on Tyneside differed in accordance with each of these circuits.

By the turn of the century, the North East served as a centre for capitalist production of international significance, both producing large scale goods for overseas consumers i.e, ships for Japan, Turkey etc., and through direct overseas investments i.e. Armstrong invested in Italy and Latin America. However surpluses were not reinvested in technological innovations. Subsequently regional productive capital was to lose its competitiveness, and so profit margins started to decline dramatically (McCord, 1980). In this stage, the ruling class alliances went on to integrate with national and international economic systems. Indigenous large productive capital had a crucial role in this process of transformation from a relatively independent regional economy towards a regional dependency on national and international economic structures.

North East regional capital operated within the region whilst capital accumulation was strong. With the onset of overaccumulation, in the latter half of the nineteenth century, capital both switched circuits of production and

switched geographical location. This in turn facilitated the close relationship between local capital elites and the local state. Before the First World War they controlled the local state, afterwards they redirected their attentions towards national government. This economic and political shift in interest, away from the region, led to a stagnation in the production of new built environment and the decline of many of the existing built structures. From here onwards the region was to be stigmatised as a peripheral location for capital accumulation.

6 CAPITAL, STATE AND REDEVELOPMENT IN THE 1960S-1970S

The 1960s was marked by a proliferation of changes in the sphere of production, consumption and distribution in the region as elsewhere. Protectionist policies of the previous period did not make any changes in the region's economic structure. There was a growing belief in the region that selective state intervention was the only way to overcome the decline (Hudson, 1989a). This was as a result of the desire to modernise the region's economic, social and cultural base in parallel with the spatial structures.

Previous attempts to preserve and improve the existing economic structure were based on heavy industry in the belief that the post-war period would improve profitability and productivity levels for capital and maintain employment in the region (Hudson, 1989a). However a flow of people and capital out of the region continued ever since the 1930s. Unemployment, and in particular male unemployment levels, constantly increased whilst living conditions deteriorated (Hudson, 1989a).

By the 1960s it was recognised that the region's heavy industrial base was too technologically and organisationally backward to compete in international markets. A consensus developed within the region that fundamental change/modernisation of the regional economic structure was essential. This coincided with the national state's attempt to restructure old industries through

modernisation to restore their international competitiveness (Hudson, 1989a). Alongside this, the nation state attempted to diversify the economic structure of the region from its heavy industrial base towards new forms of industrial/assembly-line Fordist practices through the initiation of regional policies with substantial subsidy packages (Hudson, 1989a; Robinson, 1990). This was also in parallel with the geographical diversification/extension programmes of the Fordist production companies (Massey, 1988).

The national state appointed a minister to formulate a programme for regional development and growth in the North East, promoting industrial diversification through improvements and expansion of infrastructure and investment in 1963 (Robinson, 1988). This was backed up by a series of state financial subsidies to the region. Strong emphasis was placed on the provision of transportation networks, advanced factory units, housing, derelict land reclamation, and enterprise through the regional policy machinery. Problems were identified, such as the lack of appropriate infrastructure and built environment compatible with the anticipated incoming investments. In part this could be addressed by selective policy measures, both sectoral and locational, such as the establishment of new towns, namely Washington, Killingworth and Cramlington as well as Tyne Valley and Tyne Tunnel Industrial Estates. These attempts were all focused on a general aim of modernizing the existing economic base and infrastructure problems of the region.

In parallel with this, modernisation strategies were also implemented with the objective of restructuring the city centre in Newcastle, as the capital city of the region, by the initiatives of the local state through the existing planning machinery. In both cases, in the region and the city, T. Dan Smith as leader of Newcastle City Council played a leading role.

Newcastle City Centre

The city centre had not been significantly changed since the turn of this century except for a few alterations in the city's built fabric on the basis of traffic management, whilst the peripheries of the city centre area saw changes through slum clearance programmes and council housing construction. The 1953 City Development Plan attempted to change the role and physical structure of the city centre, emphasising the expansion of the university together with the establishment of the polytechnic, while widening the existing road structures with the construction of junctions wherever implemented necessary. All of these initiatives were partially implemented by the 1960s on the piecemeal basis.

The 1960s marked the beginning of a dramatic and radical transformation of the city's built fabric through intensive clearance and redevelopment activities. The council and its newly established planning department were the leading actors in this process. Their aim was primarily to reorganize/reconstruct the existing built structure of the central areas in accordance with the requirements of what they saw as a modern city. Planning was an important mechanism in this reconstruction process, not only reflecting the images envisaged by built forms but also empowering the council to promote and accelerate the rebuilding process with its ambitious, direct and at times provocative involvement. Moreover, planning was a powerful instrument in giving legitimation to the council's redevelopment policies and its operations on the ground. As a result planning became an important issue on the council's agenda

The leader of the council, T. Dan Smith and the city's director of planning, Wilfred Burns were the initiators of the city centre rebuilding process. Their ambitions and aspirations formed a general framework for redevelopment policies and several major development projects. Both wanted to change the image of "a dirty worn-out, industrial city" (Burns, 1967, p.2) with a new,

modern, well-organized, unified, harmonious, consumption based city structure. Their enthusiasm was inspired by the modernist ideas promoted by the leading architects of the 1930s, in particular Le Corbusier (Le Corbusier, 1987).

The following section (6.1) outlines the objectives and proposals of the city centre redevelopment plan and focuses on its modernisation strategies based on imaginative projections of a new built form inspired by the modernist architectural ideology and planning practice of the time.

6.1. THE CITY CENTRE REDEVELOPMENT PLAN: OBJECTIVES AND PROPOSALS

The redevelopment proposals were described as revolutionary rather than evolutionary, targeting a large scale, almost total, redevelopment in the city centre (1). The existing built structure, in particular the North of the city centre, was identified as ageing, functionally mixed and unplanned. This was considered as an opportunity for the creation of a virtually new centre, functioning efficiently for future generations. The admiration was also inspired in part by the work of Dobson and Grainger in the 1830s, especially Clayton, Grey and Grainger streets, which had given distinctive identity to the city's built structure through a large scale, planned, speculative rebuilding process. The aim was to create a new modern centre incorporating the magnificent Victorian commercial centre, creating a contrast between new, modern development and old, classical structures (Burns, 1967).

The first report of the central area redevelopment proposals and principles was produced in 1961 and identified the main objectives through analysing the

existing built fabric for the purpose of creating a new, modern, universal, ideal city centre. A new identity should be given to the city through imaginative, large scale redevelopment schemes, allowing the city to reposition itself in competition with contemporary cities in the south, consequently reversing its long term economic decline (Galley, 1976)(2). The rebuilding process in the city centre was therefore seen as a driving force for economic development through the provision of efficiently functioning, necessary built structure and form, for the accommodation of new services and facilities. The city was conceived as a living organism, progressing through a constant, but also comprehensive, rebuilding process (Burns, 1967).

The aim was to recreate a new city centre in accordance with modern urban design and planning principles. The proposals therefore focused on the functional division of land use patterns, the segregation of pedestrians and vehicles, the integration of new and old built fabric, the incorporation of motorways with car parking facilities.

The objectives of these first proposals were to enhance and strengthen the city's position as a regional capital, with special emphasis on its function for shopping, commerce, higher education, libraries and art galleries, entertainment and administration. Priority was given to the creation of the new, modern shopping precinct to the north of Grainger's Victorian commercial centre; new office precincts in the All Saints Area; and the erection of the motorways surrounding the city centre. Everything would be integrated through the provision of pleasant pedestrian squares, decks and walk ways (figure 6.1 & 6.2). This could all be achieved by the designation of several Comprehensive Development Areas (CDA) empowered to use Compulsory Purchase Orders (CPOs) on the basis of the city centre's planning objectives and strategies (Burns, 1963 & 1967) (3).

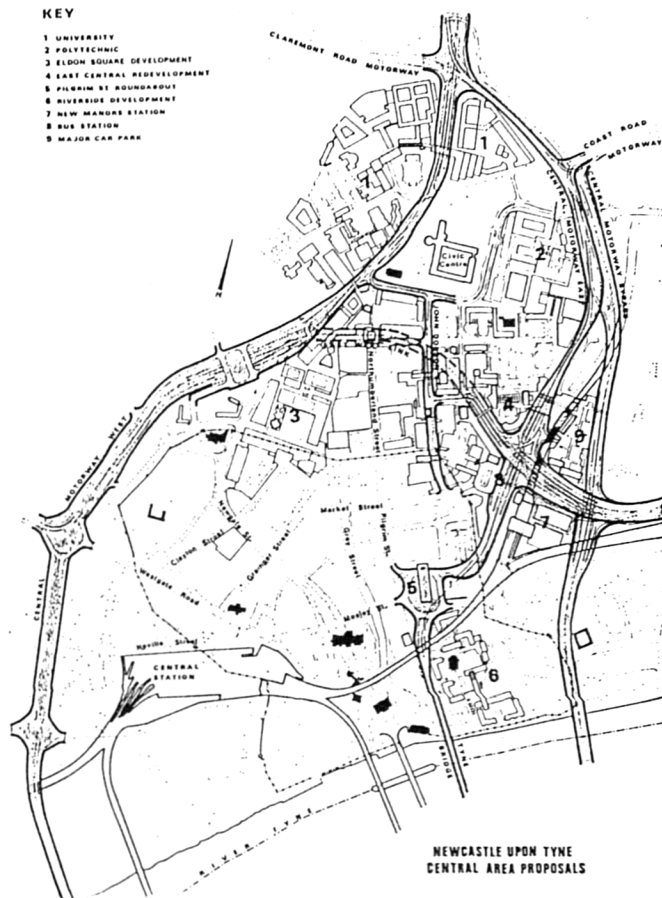


Figure 6.1 Newcastle Central Area Redevelopment Proposals
(Planning Department, Newcastle)

CITY AND COUNTY OF NEWCASTLE UPON TYNE
CENTRAL AREA REDEVELOPMENT

POLICY MAP

Appendix 'E'

NOTATION

- | | | |
|--|-----------------------------|--------------------------|
| | Shopping | 1 Hancock Museum |
| | Offices | 2 St Thomas Church |
| | Warehousing | 3 City Wall |
| | Warehousing & Industry | 4 St James' Park |
| | Civic | 5 St Andrews Church |
| | Education | 6 Manors Station |
| | University | 7 St Nicholas Cathedral |
| | Government Buildings | 8 Central Station |
| | Boundary of Central Area | 9 New Heddergh Bridge |
| | Car Parks | 10 High Level Bridge |
| | Bus Stations | 11 Swing Bridge |
| | Central Motorways | 12 Tyne Bridge |
| | Major Routes | 13 Claremont Road |
| | Pedestrian Routes | 14 Great North Road |
| | Major Traffic Intersections | 15 Jesmond Road |
| | | 16 New Bridge Street |
| | | 17 City Road |
| | | 18 Barrack Road |
| | | 19 Westgate Road |
| | | 20 Westmorland Road |
| | | 21 Scotswood Road |
| | | 22 Newgate Street |
| | | 23 Grainger Street |
| | | 24 Northumberland Street |
| | | 25 Grey Street |



MARCH 1961
SCALE 1/5000

M. BARR, AMICE, AMIFA,
CITY PLANNING OFFICER
NEWCASTLE UPON TYNE 4

Figure 6.2 Newcastle Central Area Redevelopment Planning Policies, 1964 (Planning Department, Newcastle)

6.1.1. MOTORWAYS: FORMING THE BOUNDARIES OF THE CITY CENTRE, INTEGRATION AND SEGREGATION

The city's proposed motorways were conceived as an integral part of the spatial organization of the new city. The approach was to design and construct a whole new area with motorways forming an important and integral part (figure 6.2). Motorways would also provide a clear division between the core areas of the city centre and neighbouring areas, mostly residential areas, mainly occupied by low income groups except to the north part of the city centre.

Surveys were also implemented to establish the origin and destination of people using the roads in order to identify the present travel pattern. Several extensive trip generation surveys were undertaken in order to project what the future travel pattern would be. The proposals for motorways were therefore seen to be based on scientific and engineering techniques (4).

Transportation systems in the city centre consisted of three elements. The urban motorways, the bus stations of which there would be three and the continued use of three central railway stations linked to the residential areas of Tyneside (Figure 6.3). The first part of the motorway system compromised two north-south routes and two east-west routes (one going underground through the central shopping area and the other with limited scope and capacity descending from the top of the river bank to the West of the city centre down to the riverside level underneath the Tyne bridge). The second part of the system duplicated the north-south motorway on the eastern side of the city centre with the building of a new high level bridge over the river (Figures 6.2 & 6.3). Priority was given to the first part of the motorway (Burns, 1967) (5). Long term car parks were seen as an integral part of the motorway provision, *consequently planned to provide easy access on and off the motorways* (Figure 6.3). They were to be provided by the council on the basis that the developers

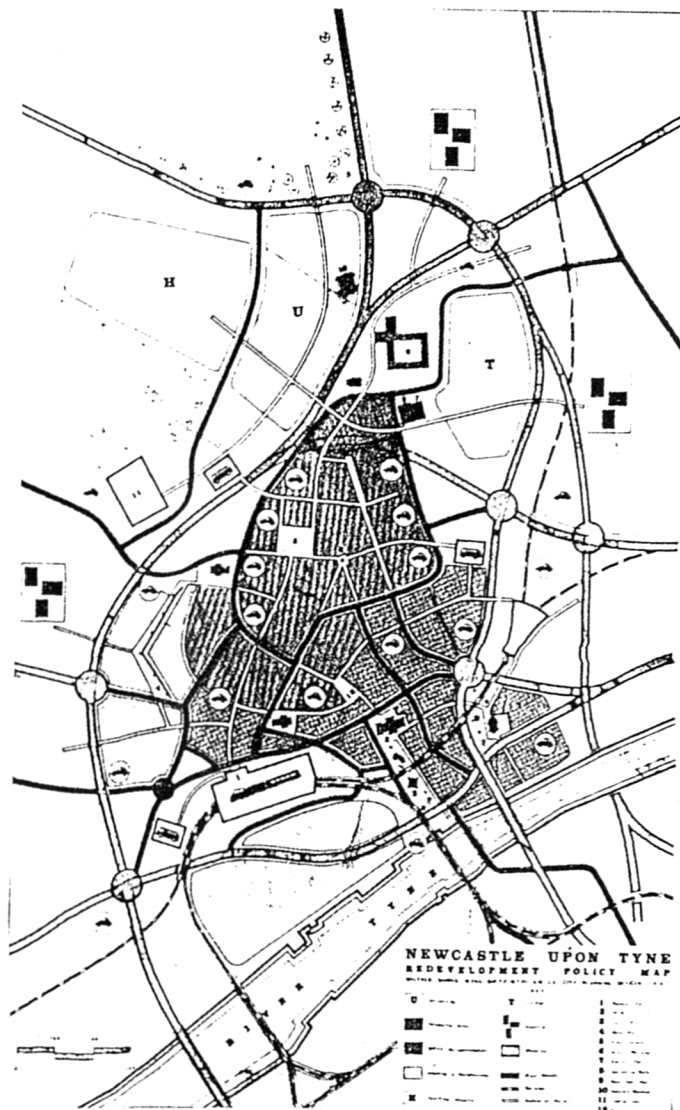


Figure 6.3 Transportation Plan (Burns, 1967)

did not wish to contribute to the provision of car parks (Burns, 1967). Secondary, circulatory service roads were also planned within the central motorway system accommodating car parks, relieving motor traffic far from the proposed shopping and office districts in the city centre. The aim was to provide free circulation for pedestrians in the city centre. The segregation of pedestrians and vehicles was used as a basic urban design principle, through the creation of high level pedestrian decks (figure 6.2 & 6.4).

The incorporation of motorways into the city centre without destroying the visual scene was perceived as a difficult, however necessary task. The proposed Newcastle central motorway system was designed on multi-levels, sometimes two, sometimes three levels with a width of up to eighteen lanes, including access and ramps, in particular at the proposed multi level junctions (6). The motorways was seen not only as infrastructure for vehicles, but also as part of the identity of the new city centre, in spite of numerous engineering complications (Burns, 1967). They were designed as integral components of the city's landscape. It was assumed that this could be achieved by the integration of the motorways with *pedestrian routes, and new developments around them*, such as at the bottom of Pilgrim street (7).

It was also accepted that there would be a disruptive effect from the proposed motorways on the surrounding areas through which they passed. Access to the motorways would only be possible at major junctions. The whole of the existing street pattern in the areas through which roads passed would be disrupted. New patterns of movement in these areas should be reorganised and maintained accordingly. The motorways would not have pedestrian routes beside them. A new pattern of pedestrian links across the motorways had to be established through ramps and underpasses.

The proposed motorways were seen as one of the components of the image creation process, through making the city centre suitable for easy access; the symbols of the modern age. There was no question, but that these giant, inhuman structures would cover large areas of the central areas, dominating the city's landscape and absorbing large amounts of public money. There was no consideration of who would benefit from this large scale public investment and what this meant for the way in which public money was to be redistributed through built environmental investments. In other words, it was seen as the provision of so called necessary infrastructure for the sake of the modernisation of the city's built structure. .

6.1.2 SHOPPING REDEVELOPMENT: MODERNISATION STRATEGIES FOR RETAILING SECTOR

Priority was given to the redevelopment of the shopping district, extending westwards, surrounding Market, Percy and New (John Dobson) street (figure 6.2). The proposed new shopping district was conceived as a powerful instrument for the creation of the new image, giving a distinctive identity to the city as a regional capital as well as a sign of its economic revival. This consumption-oriented redevelopment scheme would produce a spectacular image with its scale and design. A comprehensive redevelopment scheme for the shopping district was subsequently produced (8). The aim was to create a spectacular new shopping centre in contrast to, but in a way united with, Grainger's grandiose centre from the 1830s. The new development was primarily undertaken to the rear of the existing main shopping frontages.

The segregation of pedestrians and vehicles was a predominant design principle (9). Pedestrian ways were organized on two levels; ground level along the main shopping streets, namely Northumberland, New Bridge and

Blackett Streets and integrated with public squares, and upper levels lifted by slow ramps and steps to new ground above (figure 6.4). Vehicle routes were integrated with car parks at the rear of the main shopping streets. Percy and John Dobson Streets were central streets for the circulation of vehicles around the shopping district, but also equipped with the multi-storey car parks necessary for access to the shopping district and integrated with pedestrian ways. Underground service roads providing easy service to all shops. The shopping area was therefore liberated from vehicles, and opened to the free usage of pedestrians and shoppers (10).

Public squares were also an important component of the redevelopment scheme. These were connected with existing alleyways and arcades. The existing Laing Art Gallery together with a proposed library comprised a cultural centre to the south east of the district, whilst the upper floors of the shopping area were devoted to residential use, so bringing evening life to the area. Limited floor space was also allocated for office accommodation.

As a result, the city as a regional capital would have a new identity and image through a comprehensively planned, large scale, speculative shopping district redevelopment. The city could therefore reposition itself in competition with other cities and regenerate itself through this costly, speculative scheme, whilst unwanted units, such as small workshops, warehouses, some aging 19th century built structures, such as Eldon square, Royal Arcade, and the traditional, small scale indigenous retailing sectors would be wiped out. Imagery, in this case, obscured reality (the possible outcomes of these restructuring proposals, such as wiping out indigenous small retailing and commercial capital) under a general, universal planning game.

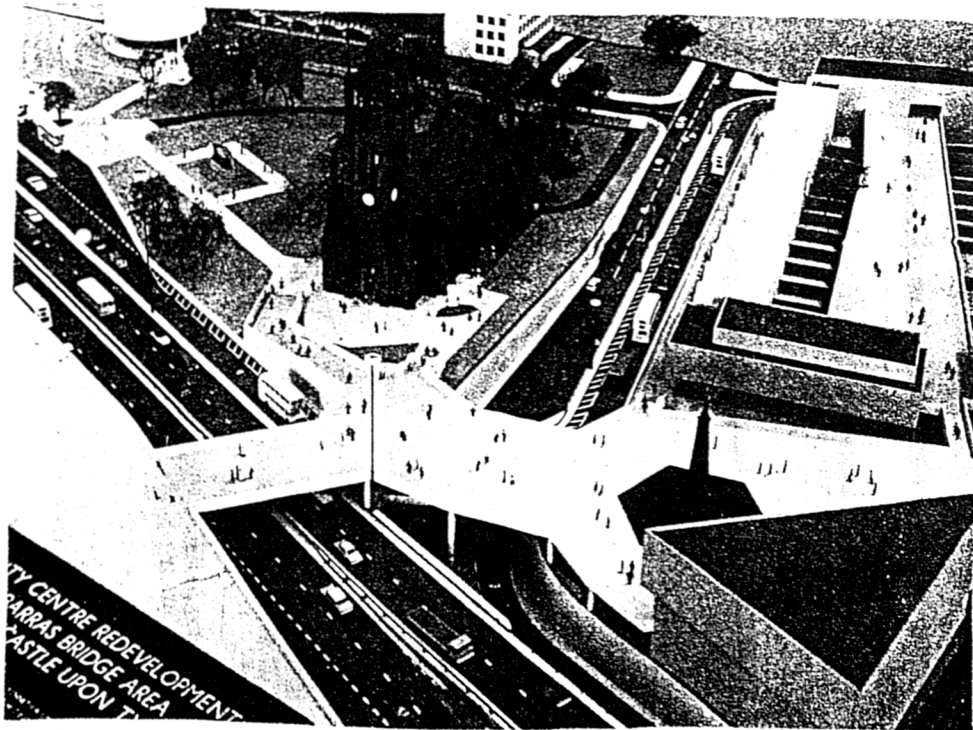
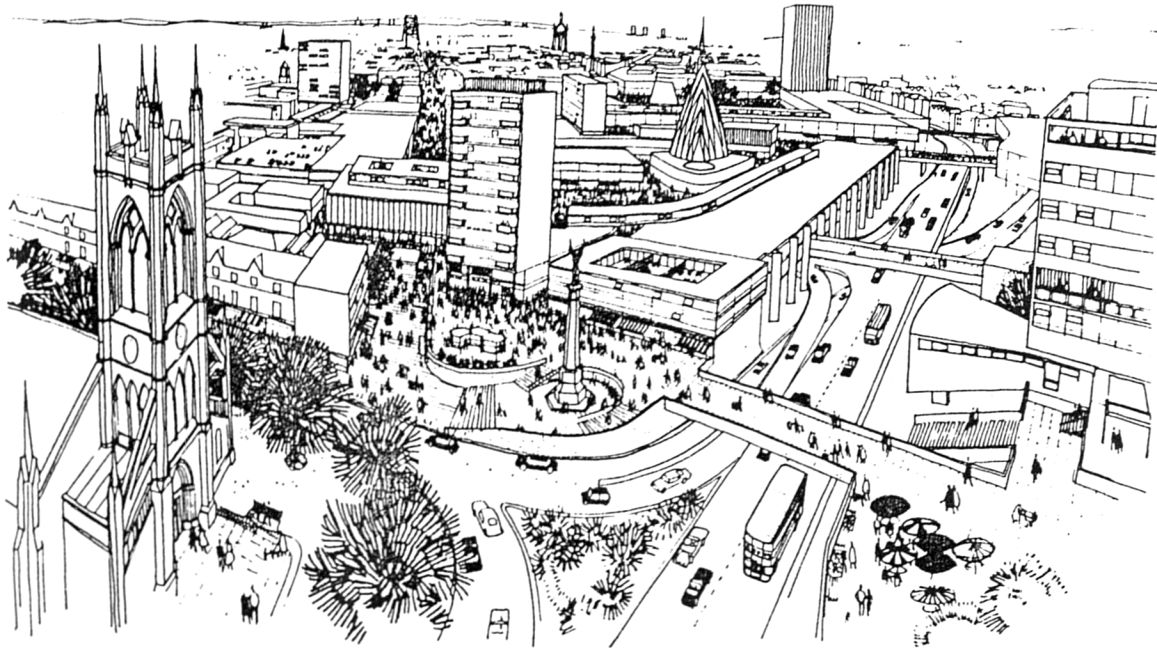


Figure 6.4 Vision from the proposed Shopping Area
Development & Pedestrian Decks
(Burns, 1967)

6.1.3. THE REVITALIZATION OF RIVER BANK: QUAYSIDE

The Quayside was identified by the city council as the historical heart of the city, but had decayed dramatically, in particular after Granger's magnificent commercial development in the upper part of the city in 1830s.

It was decided to bring new life to the Quayside through a mixture of leisure, residential and office developments. The riverside was conceived as a centre for night life with clubs, pubs and restaurant. The topographic nature of the area was identified as the main obstacle to development. Access to the upper part of the city centre from the river bank was very difficult because of the steepness of the terrain. However, it was thought that skilful design could overcome this difficulty and turn it to positive advantage (figure 6.1 & 6.2). Subsequently, the area, "All Saints Comprehensive Development Area" (CDA) became a focus and a driving force for the revitalization of the river bank (11).

The area was primarily planned for large scale office development, university students' accommodation to the east and a theatre on the Quayside. The aim was to integrate the existing office accommodation in Mosley and Pilgrim Streets via the All Saints office precinct with the river bank. The All Saints area was conceived as providing a suitable location for this purpose whilst it was seen as a promoter for the revitalization of the river bank. The proposed office blocks were levelled by pedestrian platforms in accordance with the slope. The segregation of pedestrians and vehicles, service roads and car parks was also an important component of the design. The main concern was the integration of pedestrian routes in the area with surrounding areas, mainly Pilgrim and Mosley Street. Underground pedestrian routes (subways) underneath the motorway, were found to be a solution to this problem.

Large scale office development was again used as a part of the image creation process whilst unwanted small scale workshops, warehouses and residential units would be wiped out. Comprehensiveness on the basis of the segregation of pedestrians and vehicles, the unity and conformity of the design, distinctiveness and image comprised the objectives of the redevelopment scheme.

6.1.4 HIGHER EDUCATION: THE UNIVERSITY AND THE POLYTECHNIC

A predominant aspect of the central area strategy was to consolidate higher education facilities as an important component of the modern city, and as a cultural centre (12). An expansion programme of the university and the establishment of a polytechnic were therefore high on the council's agenda. Both were designed in line with the 'Central Motorway East' and expansion programmes were effectively integrated (figure 6.2 & 6.5). The motorway was an integral part of the development schemes of these institutions. The main concern was with the integration of the university development scheme with the civic centre, the polytechnic and the city hall; the aim was to create a clear cultural core (figure 6.5). The improvement of public access to these institutions was also to be targeted.

These schemes also required large scale demolition of the existing Georgian-Victorian built fabric, mostly in residential use. This was to cause enormous distortion in the city's built fabric. Similar damage was to also be inflicted by other large scale redevelopment schemes, such as motorways.

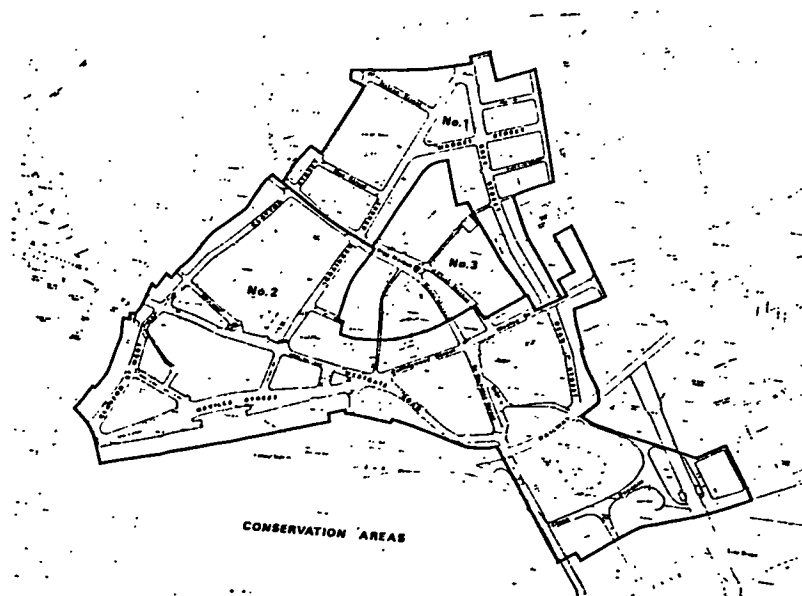


Figure 6.6 Conservation Areas
(Planning Department, Newcastle)

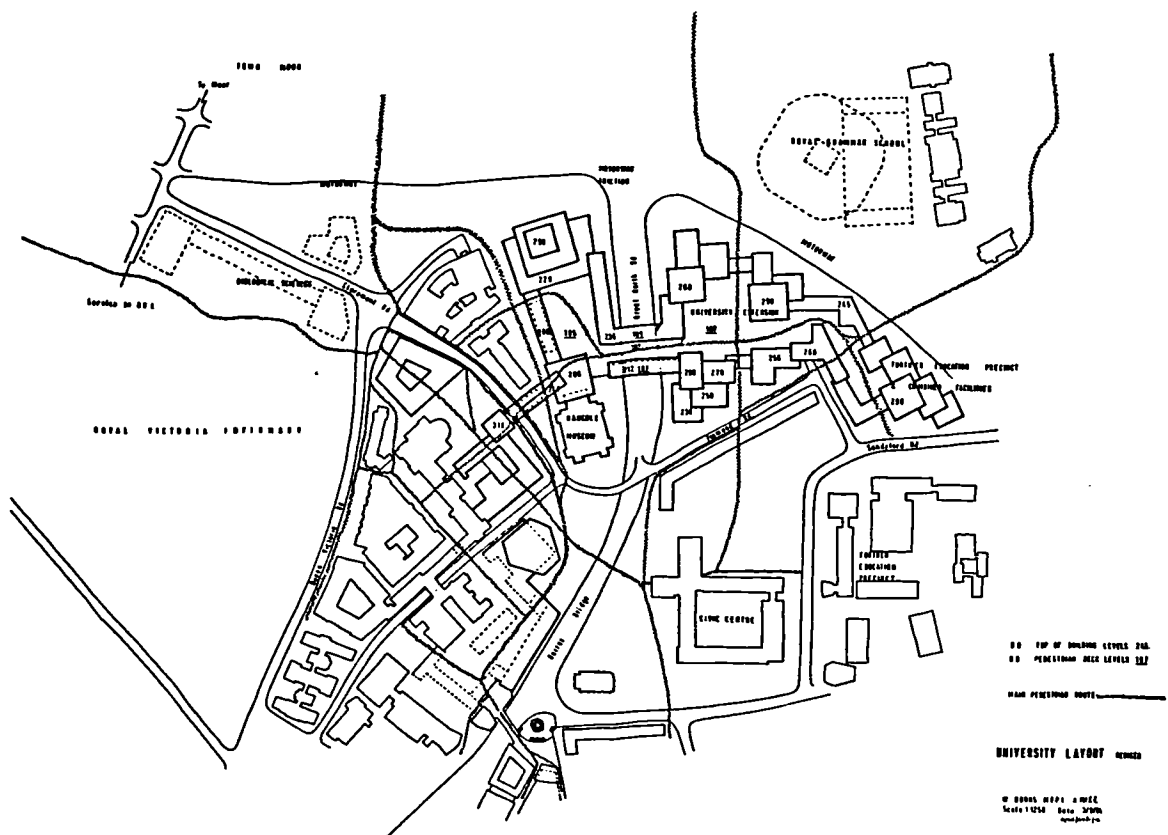


Figure 6.5 Higher Education
(City and County of Newcastle, 1964d)

6.1.5 CONSERVATION: CLASH WITH THE MODERNISATION STRATEGIES

Inspiration came from classical, modernist, architectural schemes, such as those of Le Corbusier. Redevelopment and "radical renewal" were the dominant concepts in the planning reports of the time. Old, historical heritage was seen as an obstacle to the creation of the new and modern. The old Victorian heritage symbolised the declining economy and urban decay within the city, whilst the new reflected the imaginary and obscured the reality. There was no space for conservation; no concern for architectural heritage except for a few buildings such as the Jesus hospital, Trinity House, etc. and streetscape such as Grainger's Grey and Grainger Streets (13). In a sense, Grainger's Classical commercial centre accelerated the ambitions of the city council in the 1960s to create a new centre equally magnificent and splendid. Grainger's commercial centre was seen as a comprehensive, planned scheme and the conformity of its architectural design attracted the city council's modernist planners and architects (14). The aim was primarily to create a comprehensive new image, a modern, ordered and disciplined city centre as a regional capital city. Conservation was therefore to a greater extent removed from the agenda (figure 6.6).

6.1.6 CONCLUDING WHAT THE CITY CENTRE REDEVELOPMENT PLAN TELLS US

As the formulated policy objectives and proposals were described above, priorities were given to the redevelopment/modernisation of the city centre area. This could be achieved selectively and strategically by promoting certain locations/territories with defined functions/uses, such as a core retailing area in the northern part of the city centre incorporated with the cultural

components of the proposals; a new city library, polytechnic, civic centre and university; the revitalisation of the river bank via mixed redevelopment scheme in the All Saints area; the construction of motorways enclosing the city centre areas as an instrument for integration within the proposed redevelopment schemes and segregation from neighbouring residential areas. The proposed motorways encircled the boundaries of the city centre leaving the demarcated core area fairly small, easily controllable and compact (figure 6.2). Modernisation amounted to the redevelopment/restructuring of the existing built structures without any consideration of what would be the social, economic and political outcomes of the implementation of such large scale, speculative redevelopment schemes.

The proposals clearly show that the city council attempted to play a key role in the implementation/ materialisation of these proposed schemes. The leader of the council, T. Dan Smith and the city's director of planning, Wilfred Burns had a firm commitment to the modernisation of the city centre. It was clear that the public sector, in particular the city council's investments, would play a critical role in this process. The construction of motorways, the civic centre, and the city library would be financed by the city council, whilst the polytechnic and the extension of the university would be financed by the public sector. The required finances for these schemes would be obtained from either the city council's own resources extracted from rate payer's money, or the nation state in the form of loans and grants extracted tax payer's money, or borrowed money in the form of loans from banks and financial institutions, what Harvey calls the "debt financed production of social and physical infrastructures" (Harvey, 1985a, p. 36). It was also assumed that the major redevelopment scheme would be undertaken by the partnership arrangement between the public (in this case, the city council) and private sector and consequently this would require a further financial assistance from the city

council. As a result, all of the proposed restructuring and modernization schemes were based on substantial public sector investments, in particular by the city council by whatever means necessary, mainly through "debt financing", in other words the creation of fictitious capital. These redevelopment/modernisation initiatives in the city centre were given priority above all else by the city council.

At this time the central state stimulated and encouraged local authorities to undertake city centre redevelopment initiatives:-

"The dominant task of urban planning over the next twenty years will be the physical reshaping of the large towns and cities, the modernisation of their road and transport systems, the redevelopment of town centres and the wholesale renewal, whether by comprehensive improvement or redevelopment, of obsolescent housing. This process will call for a radical re-appraisal of the town's functions and of the distribution of activities within the town." (Planning Advisory Group, 1965, para. 2.1. cited in Ravetz, 1980, p.99)

The central state therefore willingly backed redevelopment schemes for provincial city centres initiated by local authorities. The whole vocabulary was based on the modernisation strategies and development, in other words large scale redevelopment. Provincial cities found themselves in competition to restructure/modernise their existing city centres through large scale retailing and commercial redevelopment schemes. Newcastle city council (T. Dan Smith and Wilfred Burns) was very aware of these circumstances. The proposals were also formulated in a radical way to compete easily with other provisional cities under the conditions of the city's depressed property markets, beside the personal ambitions and aspirations of Dan Smith and Wilfred Burns. T. Dan Smith wanted to build a "social city" which he felt citizens in Newcastle deserved. This was therefore a different sort of boosterism than in the 1980s.

T. Dan Smith was a charismatic figure in the processes of restructuring both the region's economy and the city centre's built fabric. At the time the central state also introduced regional development policies and machinery, aiming at modernising the nation's industrial structure, redressing disparities between different regions. In this respect, the North East, the economy of which was in constant decline, had gained central state backing to modernise its heavy industrial manufacturing base and diversify its economic structure through the attraction of incoming Fordist-based industries through substantial financial subsidies from the central state's regional development machinery. This also required large scale infrastructure investments sponsored by the central state. T. Dan Smith played a key role in these attempts to restructure/modernise/diversify the region's productive base. The modernisation strategies of Newcastle's city centre as a regional capital coincided with the modernisation strategies of the region's productive base. In both cases, T. Dan Smith played a crucial role in mediating a tension between consumption-based development strategies and productive-based regenerative strategies. In this case, the central state and the city council worked hand in hand, initiating favourable conditions for large scale fixed capital (in the designated new towns and Industrial Estates) and consumption fund investments in the city centre from outside of the region. The aim was to switch the overaccumulated productive and commercial capital elsewhere, namely from the South East and London, and so temporarily resolve the overaccumulation problem in the South East and underinvestment problems in the North East through the machinery of urban and regional planning. Consequently the central state, in alliance with the city council attempted to play a mediatory role to alleviate the problems of capital in both the North East and the South East regions (Chapt. 2, figure 2.2).

6.2 THE PROPOSED CENTRAL REDEVELOPMENT AREA: POWER AND RESOURCES

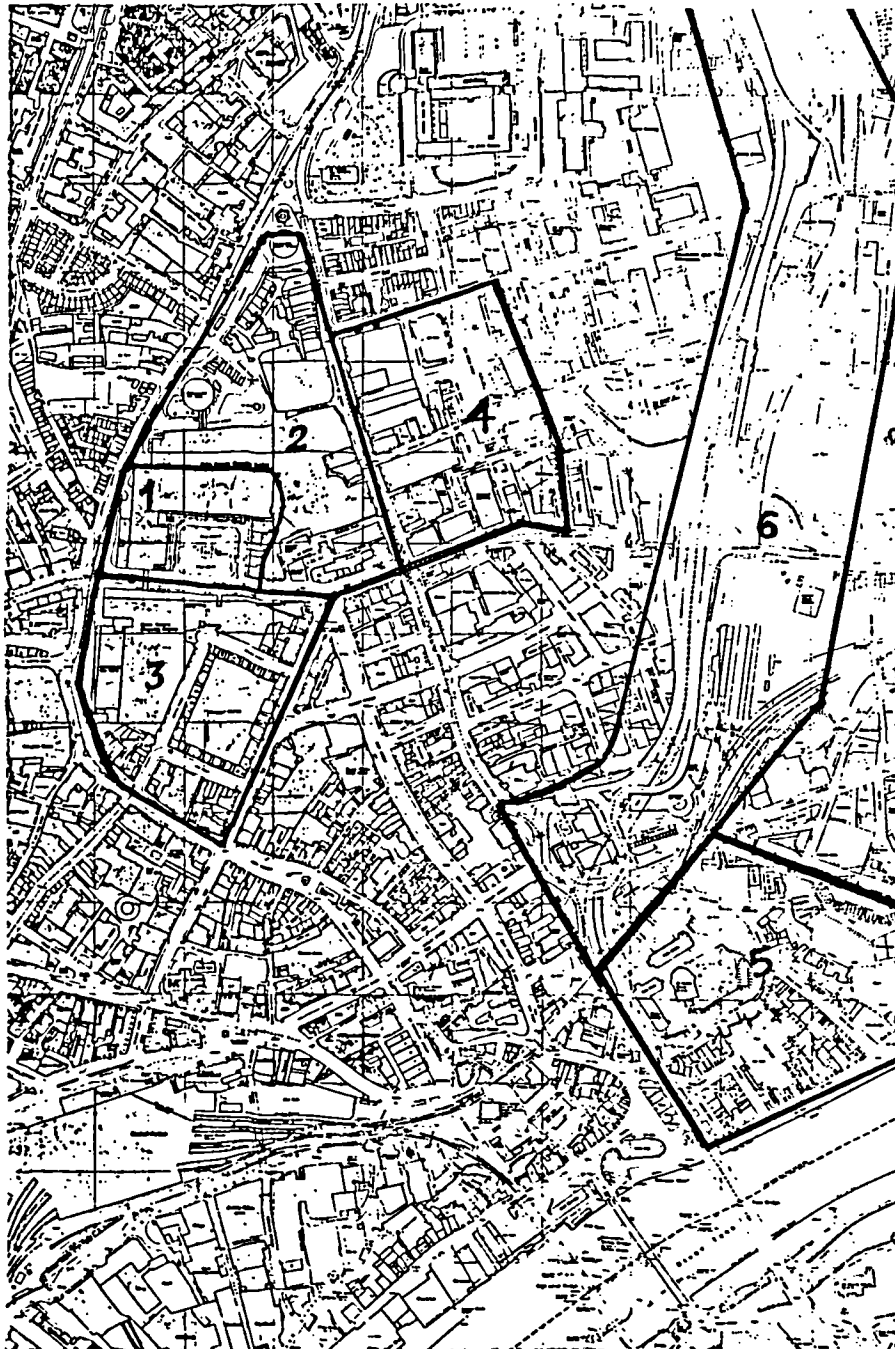
Large scale, speculative redevelopment projects/initiatives were crucial instruments for the modernisation strategies of the city council, enabling the council to restructure large areas of the city centre's built fabric and so to provide modern, attractive accommodation for modern/corporate retailing and commercial capital establishments.

Large scale redevelopment schemes were dependent for their implementation on local authority compulsory purchase (CPO) provision, an option which became possible through comprehensive development areas (CDAs). CDAs were designated with the objective of revitalizing still remaining war damaged areas. They were however also used in application to areas which, for whatever reason, presented obstacles to redevelopment because of already existing features in the built environment such as the decaying, redundant buildings to be found in many inner city areas (Burns, 1963).

Comprehensive Development Areas were designated by local planning departments. Designation specified the end use for which proposals had to be used if they were to be given permission, such as shopping centres, business districts, motorways, council housing estates etc. Detailed written proposals providing reasons for the redevelopment supplemented by indepth analysis of the existing land use patterns and built structure before the proposed plans and programmes for redevelopment in the designated areas were produced. The proposed plans and programmes were therefore based on detailed surveys and analysis (15). Comprehensive Development Area (CDA) proposals were approved by local authorities before being sent on to the Minister for Housing and Local Government for approval. Following ministerial approval of the

CDAs proposals and designation, local authorities gained the right to implement compulsory purchase procedures through the designation of the effected areas. This was still however dependent on further investigation into sites to be acquired and further Ministerial ratification when full details became known regarding the desired sites to be purchased. After the approval of the CDAs, various loans and grants were available to local authorities from the minister. Designated CDAs with the power of compulsory purchase were powerful instruments for the initiation and implementation of large scale, speculative redevelopment schemes, enabling the necessary land assembly and providing loans and grants for land acquisition, demolition of existing built structures and the provision of necessary infrastructure prior to redevelopment.

Newcastle City Council submitted proposals for the designation of ten Comprehensive Redevelopment Areas (CDAs) in order to restructure and modernise the city's built structures. Four of these covered the redevelopment of the core retailing area, one covered office development for the purpose of revitalizing the Quayside area; a further sector to the east of the commercial core was allocated in the plans for the development of a city motorway (figure 6.7). This ran in conjunction with the central area redevelopment proposals of 1961 and the development plan review of 1963. In this way, the CDAs were to work within the guide-lines already laid down by these wherever possible. A further four areas to the east and west of the city were provided for residential, neighbourhood shopping, small workshops, warehousing, infrastructure provision and clearance which were not included in this research focusing on the central areas redevelopment process.



- | | |
|-----------------------|------------------------------|
| 1. Percy Street CDA | 4. Queen's Square CDA |
| 2. Prudhoe Street CDA | 5. All Saints CDA |
| 3. Green Street CDA | 6. Central East Motorway CDA |

Figure 6.7 Comprehensive Redevelopment Areas

6.2.1. THE CORE RETAILING AREA

The priority in the redevelopment plan was given to be retailing area. It was thought that the proposals could be achieved by a detailed, comprehensive redevelopment scheme of the whole core retailing area (figure 6.8). This should be divided into several components, staging/initiating them according to the priorities defined in the whole redevelopment scheme (16). Percy Street and Blackett Street CDA, Green Market CDA, Prudhoe CDA, and Queen's Square CDA were subsequently designated on the basis that these areas were badly laid out and presented obstacles to the proposed comprehensive redevelopment scheme for the retailing core (figure 6.7). It was the council's intention to use compulsory purchase orders with respect to the designated areas within the proposed CDAs in order to ensure comprehensive redevelopment in accordance with a phased programme. In order to speed up this process, CPO proposals were submitted to the Ministry at the same time as CDA proposals and plans. The redevelopment programme was also set up for a five year period and incorporated with each CDA. This included land acquisition and the clearance of existing properties. Industrial and storage uses would not be permitted in the central area.

6.2.1.1. THE PERCY STREET/BLACKETT STREET CDA

This area was situated between Prudhoe Street in the north, Lambton Place and Eldon Lane to the rear of Eldon Square in the east, Blackett Street in the south and Percy Street to the west (figure 6.7 & 6.10), covering approximately 7.37 acres and occupied by a large number of small retailing, office and workshop units (17). The area was defined as badly laid out and an obstacle to comprehensive redevelopment in the city centre. As a consequence it was to be redeveloped for mainly shopping purposes along with a luxury hotel incorporating a cinema, theatre, conference hall and luxury shops and restaurant on the upper floors. This would be an integral component of the

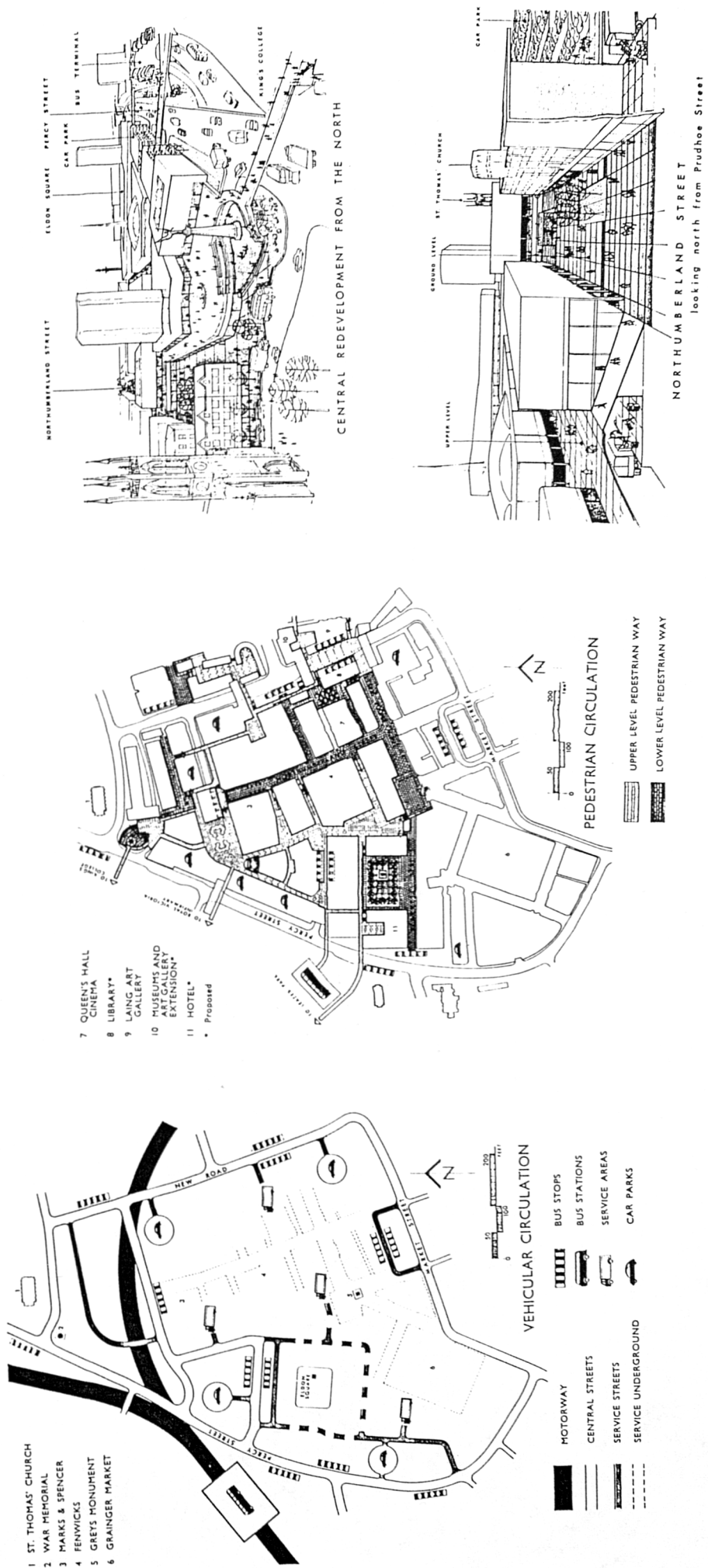
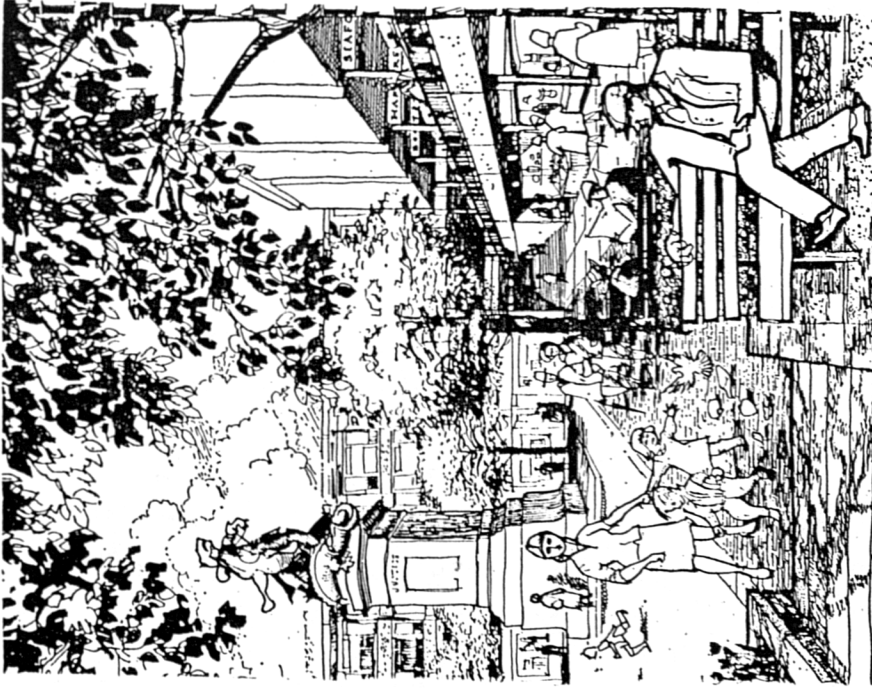


Figure 6.8 Percy Street Redevelopment Scheme (City and County of Newcastle, 1964a)



PROPOSALS

The central redevelopment plan outlined above is to be carried out by means of a series of detailed schemes for the comprehensive redevelopment of specific areas. The area to be tackled first comprises about seven acres bounded by Prudhoe Street, Percy Street, Blackett Street, the eastern leg of Eldon Lane and Lambton Place. This is the central sector of the area east-marked in the plan for the two-level westward expansion of the main shopping centre. (The present ground level is for servicing and the new upper ground level is for the main shop fronts). It includes part of the main north-south pedestrian route. As soon as this upper-level walkway is constructed, the existing shops on the western side of Northumberland Street will be able to build rearward extensions of their premises as parts of the first-floor frontage on the walkway's eastern side.

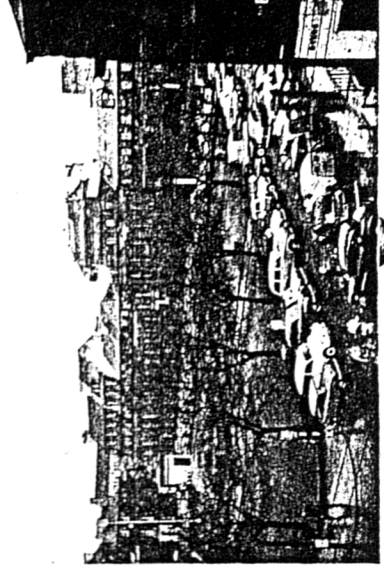
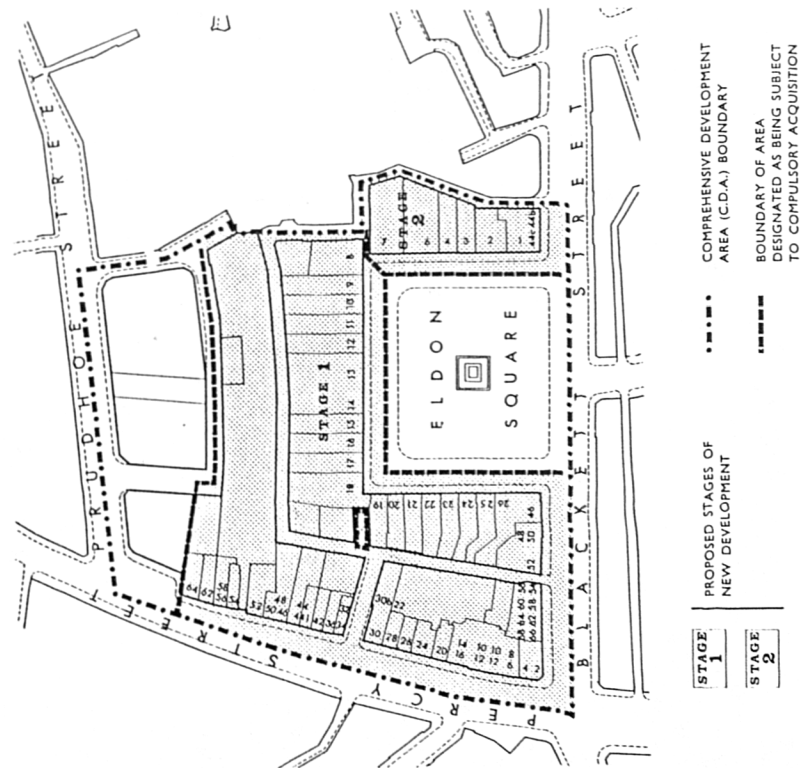


Figure 6.9 Percy Street Redevelopment Scheme(City and County of Newcastle, 1964a)



- P CAR PARK*
- R RESIDENTIAL OVER SHOPS
- 1 ST. THOMAS' CHURCH
- 2 WAR MEMORIAL
- 3 MARKS & SPENCER
- 4 FENWICKS
- 5 GREYS MONUMENT
- 6 GRANGER MARKET (not shown)
- 7 CINEMA
- 8 LIBRARY*
- 9 LAING ART GALLERY
- 10 MUSEUMS & ART GALLERY EXTENSION*
- 11 HOTEL*
- * Proposed

Figure 6.10 Percy Street CDA (City and County of Newcastle, 1964a)

proposed retailing core. At the same time, part of the CDA was designated as being subject to compulsory acquisition by the council. This covered appropriately 4.77 acres (figure 6.10). Written proposals and plans for the CDA were produced in 1962, approved by the council without any alteration, and subsequently submitted to the Ministry the same year (18). A public inquiry was held in 1963 and the Minister eventually approved the CDA without modification in 1965, considering there to be an "urgent need for a piece of urban renewal of critical importance to the whole region" in spite of causing "a real aesthetic and historical loss" (19).

Demolishing one of the earliest and finest examples of an early Victorian square development, Grainger's Eldon Square and the displacement and relocation of a large number of small traders/business were the critical issues. As for the relocation of small business, the council attempted to encourage the occupants to find their own new accommodation (20).

6.2.1.2. THE GREEN MARKET CDA

This area was located to the west of Grey's Monument which was a focal point in the city centre and to the south of the Pety/Blackett Street CDA (figure 6.7). It comprised approximately 17.22 acres and accommodated a large number of small shops, storage buildings and wholesale fruit and vegetable stalls and to a lesser extent public houses and offices (21). Green Market and Newgate Street was a prime location for wholesalers, whilst Grainger street, Clayton Street and Blackett Street accommodated small retailers. Green market with its wholesale fruit and vegetables accommodation was seen as an obstacle to the comprehensive shopping development in conjunction with Percy/Blackett Street CDA proposals. The council decided to demolish Green Market and replace it with a new market primarily for plant, vegetable and fruit traders. Aging buildings and traffic congestion were identified as a predominant problem in this area. A large number of small wholesale and storage units,

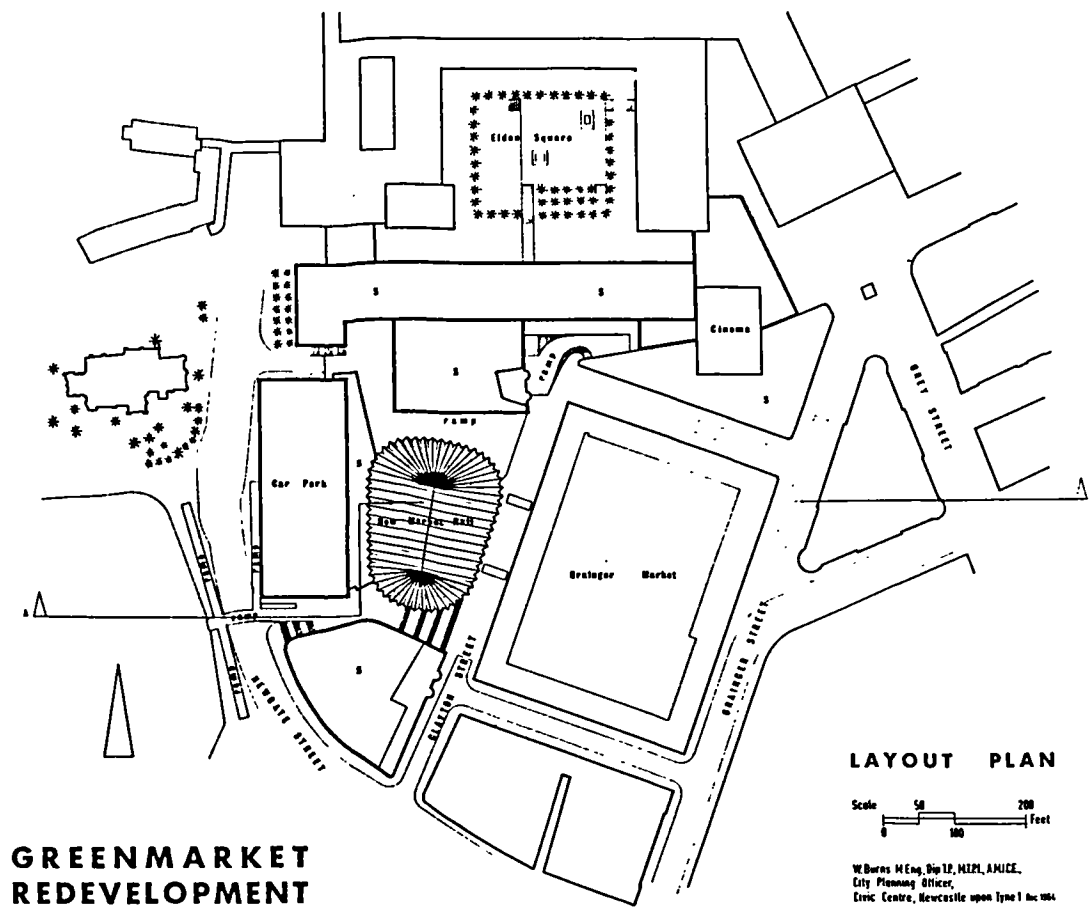


Figure 6.11 Green Market Redevelopment Scheme (City and County of Newcastle, 1965h)

causing traffic congestion and obstacles to the retail development, were to be displaced from the area and relocated in the Melbourne Street CDA or Gateshead in which an area was allocated for wholesale fruit and vegetable market traders.

The area was to be redeveloped to provide for an expansion of the central shopping area and incorporated with Percy/Blackett Street, and accommodate a cinema, multi storey car park and a new market hall associated with the Grainger Market (figure 6.11 & 6.12). The facades of the properties in Nelson, Clayton and Nun Streets and Grainger Market were to be preserved. To enable these redevelopment proposals to be implemented, part of the CDA, about 7.18 acres, was designated as subject to compulsory acquisition. The area was characterised by small landholders, whilst the council was a large land holder. Grainger and Green market were council owned. The redevelopment was programmed to be completed within five years, the first phase of the redevelopment was to be in the area where Green Market was located, the second would cover the properties to the west of Newgate Street.

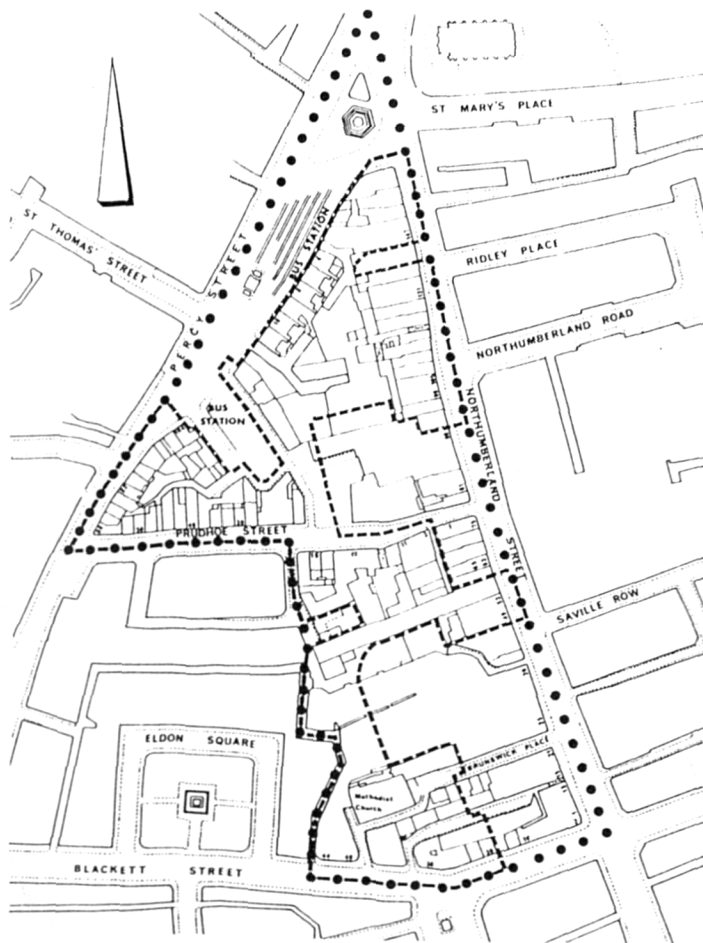
The proposals for Green Market CDA were approved without alteration by the council in 1963, then submitted to the Ministry for approval. A public inquiry was held in 1965 and the Minister approved the plan with minor amendments, suggesting that special care be taken to preserve the Masons Arms (Burgoyne's), dated 1634, the oldest remaining building in the area. At the public inquiry the main issue of concentration concerned the relocation of the wholesalers and small retailers.

6.2.1.3. THE PRUDHOE STREET CDA

This proposed CDA covered 14.24 acres and was bounded by Northumberland Street and Queen Street CDA on the east, Percy Street and Percy/Blackett Street CDA on the west and Blissett Street to the south (figure 6.7 & 6.13). The

Prudhoe Street CDA accommodated a variety of shops, storage facilities in Haymarket, Northumberland, Percy and Prudhoe Streets and a bus station at Haymarket (22). The CDA, on the one hand, was to displace unwanted uses, such as storage and industrial units. On the other hand it was an important component in the implementation of the whole central area plan. A large part of the CDA was designated as subject to compulsory acquisition, excluding the properties owned by Barclays, Fenwicks, Marks and Spencer, etc (figure 6.13). Bad layout, aging property and unwanted uses, such as storage and industrial activities were shown as primary reasons for the designation of the CDA. They were obstacles to large scale, comprehensive redevelopment in the centre area. The area was to be redeveloped in accordance with the proposed centre area redevelopment scheme, accommodating multi storey car parks along the Percy Street incorporated with the Eldon Square (Percy/Blackett Street CDA) development and large scale shopping facilities with upper level pedestrian decks at the rear of Northumberland and Percy Streets (figure 6.4 & 6.8). The construction of an east-west underground motorway and the pedestrianization of Northumberland, New Bridge and Blackett Streets were also proposed for the redevelopment in this area (figure 6.2). The redevelopment was programmed to be completed within five years as with the other CDAs. Priority was given to the construction of the east-west underground motorway and pedestrian decks (figure 6.4).

The proposals for Prudhoe Street CDA were approved in 1966 by the council on the lines of the previous proposed overall redevelopment for the Central Area and subsequently submitted to the Ministry. A public inquiry for the CDA was held in 1967. The Ministry approved it in 1968 with only minor modifications.



PRUDHOE STREET C.D.A.

NOTATION

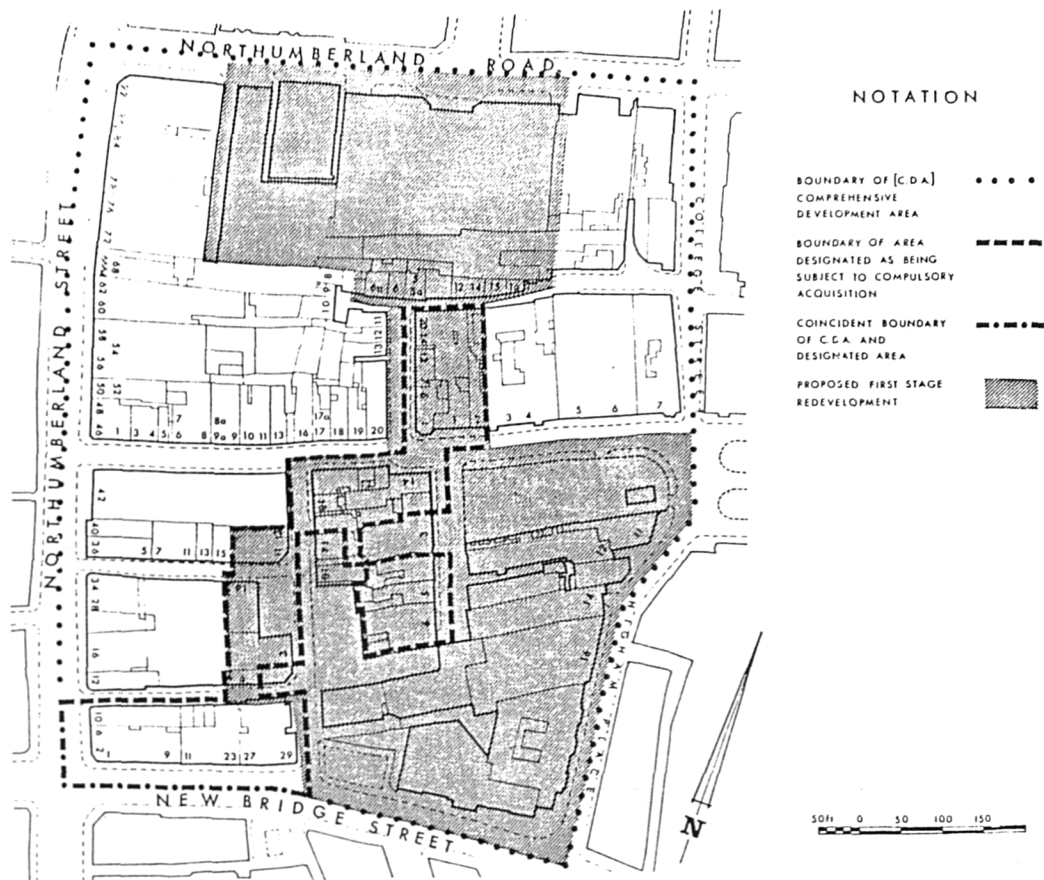
BOUNDARY OF COMPREHENSIVE DEVELOPMENT AREA	● ● ● ●
BOUNDARY OF AREA DESIGNATED AS BEING SUBJECT TO COMPULSORY ACQUISITION	— — — — —
COINCIDENT BOUNDARY OF C.D.A. AND DESIGNATED AREA	● — — — — ●



Figure 6.13 Prudhoe Street CDA (City and County of
Newcastle, 1966g)

6.2.1.4. THE QUEEN'S SQUARE CDA

This area was located to the east of Prudhoe Street CDA, and bounded by Northumberland Road in the north, College Street and Higham Place in the east and New Bridge Street in the south (figure 6.7 & 6.8). It comprised approximately 14.74 acres, accommodating shops, garages, storage buildings, cultural and civic amenities (namely, City library and Laing Art Gallery) and Queen's Square. The reasons for the designation of the CDA were inappropriate land use patterns, ageing buildings, obsolete street patterns for traffic circulation, the provision of car parking facilities, extension of the Laing Art Gallery and the erection of a new City Library, all to be provided by the council. The proposals for redevelopment in the area were primarily the new library and extension of Laing Art Gallery forming a square as a focal point for cultural activities to the south east of the area; the construction of a new road to the east of Northumberland Street in order to give access to service areas and a multi storey car park to the north of the scheme; the provision of residential accommodation with two high blocks placed at focal points, one spanning the new road on the north side of the upper level square formed by the proposed library and Art Gallery, the other sited immediately to the south of the Civic Centre in the north east of the area (23). Only a very limited amount of office accommodation was proposed as this was incorporated into the other CDAs. A relatively small amount of land in the area was designated as subject to compulsory acquisition by the council, covering approximately 2.34 acres (figure 6.14). This was partly as a result of the council's existing large scale land holding. The redevelopment, it was planned, would be completed within five years. The first stage would be the building of the new central library and associated square, the extension to the Laing Art Gallery and Museum and the building of the tall blocks of flats. Most of the land for these developments was under the council's ownership. At the same time, a circulatory road was to be constructed in order to give service access to the library and art gallery.



QUEEN'S SQUARE C.D.A.

Figure 6.14 Queen's Square CDA (City and County of Newcastle, 1964c)

The proposals for the CDA was approved by the council in 1964 and subsequently submitted to the Minister. A public inquiry for the proposals was held in 1965. The minister approved the designation of the CDA in 1966 (24).

6.2.2 OFFICE DEVELOPMENT

Pilgrim, Grey, Mosley and Collingwood Streets were identified as a Central Business District (CBD) for office accommodation and promoted as such by the council, whilst office development was restricted in other areas to maintain functional segregation and clear land use patterns (25). All Saints CDA was designated as a large scale office development in order to give accommodation for the service based businesses displaced by the large scale redevelopment in the core of the city centre. The area would provide the link between the offices in Quayside and in Pilgrim Street, pulling office development towards the lower part of the central area, the river bank (26). It was thought that the area would be a driving force for further redevelopment and consequently seen as an instrument for the revitalization of the Quayside area. This development was expected to provide the office accommodation for concerns from elsewhere in the country as a result of administrative decentralization.

6.2.2.1. THE ALL SAINTS CDA

The area was situated to the south of the central shopping area, bounded by the railway viaduct and City Road to the north, Milk Market to the east, Quayside to the south, and Side and Lombard Street to the west, covering approximately 22.34 acres (figure 6.7 & 6.15). The area was predominantly occupied by industry and warehousing in the centre and eastern parts, and offices to the west (27). Much of the land surrounding Manor Chare, Stockbridge, Pandon and Dog Bank was derelict whilst the medieval street pattern still existed in the area, off the Quayside. The proposals for redevelopment in this area were



ALL SAINTS

Figure 6.15 All Saints CDA (City and County of Newcastle, 1966f)

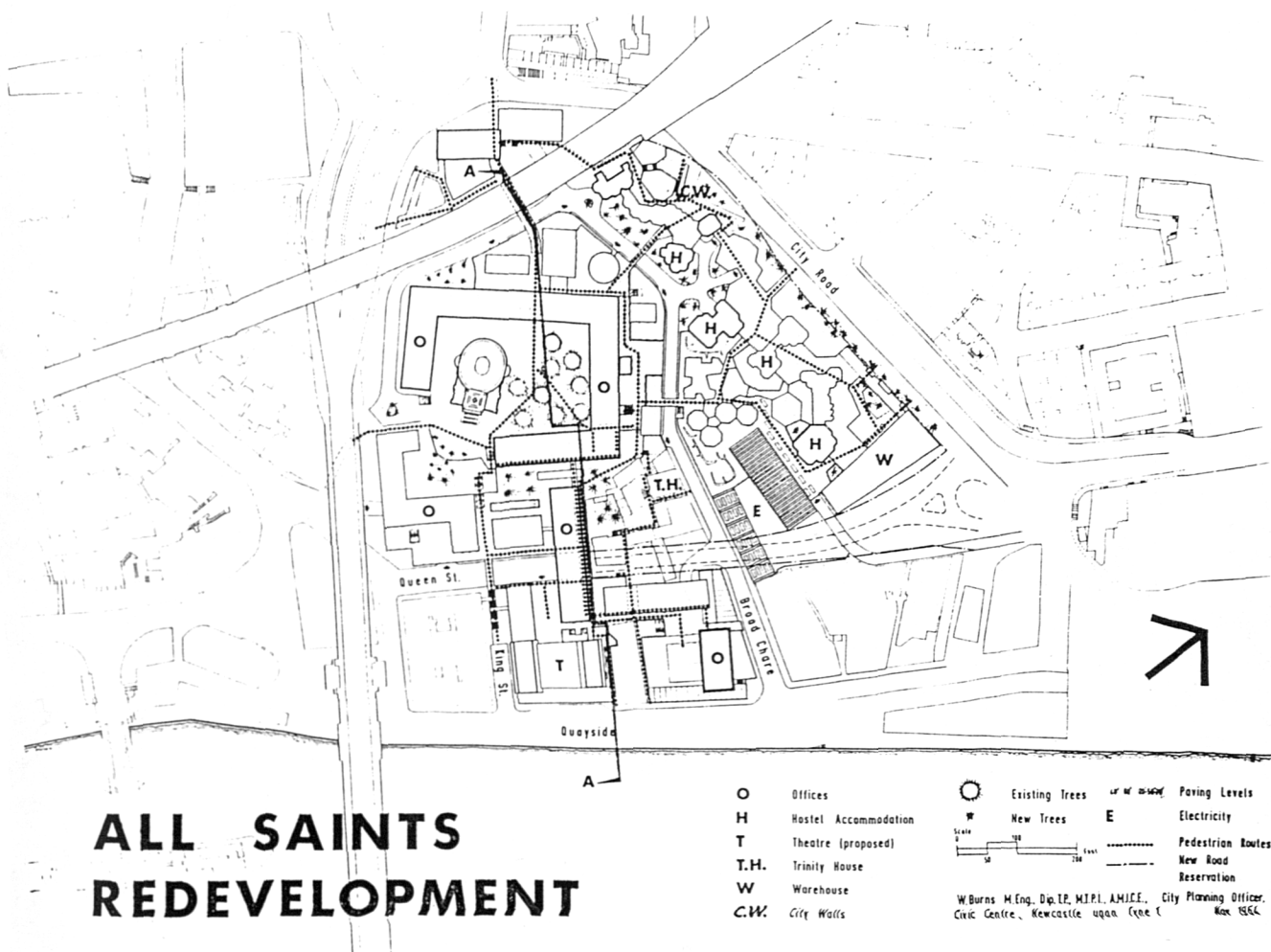


Figure 6.16 All Saints CDA Plan (City and County of Newcastle, 1966f)

primarily for office development along with the provision of a theatre on the Quayside and hostel accommodation for the university (figure 6.16). This part of the CDA was designated as subject to compulsory acquisition by the council in order to implement large scale office development in the area.

The proposals for the CDA was approved by the council in 1964, and submitted to the minister for approval in 1965. A public inquiry was held in 1966. The minister approved the proposals in 1968. The area designated for the purpose of the CPO was approved by the council and submitted to the minister in 1969, when a public inquiry was also held (16). The approval was granted by the minister in 1970.

6.2.3. CONCLUSION: POWER AND RESOURCES

CDAs can be considered as large scale, highly speculative redevelopment projects, like their contemporary counterparts, so called "flagship projects" (Chapt.7). CDAs via compulsory purchase acquisition had a series of functions/roles in the process of modernising the city centre's built structures; identifying the end user; assembling land; restructuring landownership patterns; intervening in the operation of land and property markets; altering/reorganising land values; marketing projects throughout the nation (in particular, London); attracting developers and providing loans and grants.

The designation of CDAs via compulsory land acquisition enabled the assembly of required land for proposed schemes. Land assembly power through compulsory purchase acquisition was vital in the implementation/materialisation of the proposed redevelopment schemes. This meant the restructuring/reorganising of existing landownership patterns in favour of the council and lifting/unblocking private landownership

constraints. Confrontations with existing land holders were resolved by the council's compulsory purchase power, whilst confrontation with large land holding interests was a different matter.

Compulsory purchase acquisition powers could only be used by the council after the minister approved the designation of the order. In this case, the way in which the council was to develop relationships with the minister's regional officers and technocrats would play a crucial role in the materialisation of the schemes. The legislative/regulatory control of the central state over the processes of project design and land acquisition of the council via the CDAs was substantial. The consensus was therefore essential between the council and central state in the implementation of the proposed schemes.

The council promoted the upper part of the city centre through the initiation and implementation of a several CDAs, so leaving the rest, mostly comprehensively developed Victorian built fabric, untouched or marginal to the operations of property market forces. The council therefore directly intervened in the city's land and property markets, enabling a substantial increase in land values at certain locations at the expense of the others. CDAs were considered as powerful instruments in the regulation and mediation of the city's property and land markets by the city council.

Newcastle City Council was keen to alter the traditional image of the city. The aim of the CDAs was to radically change the built environment of the city centre through the promotion of large scale, comprehensive development projects in the said areas, and by attracting large national developers and investors to implement their plans. The CDAs via compulsory land acquisitions were also used as statutory instruments not only to eliminate undesirable premises, such as warehouses, workshops and built structures accommodating traditional traders and small business, but also to make the city functionally

efficient. This meant a rigid segregation of sectors, locating different functions in different sections of the city. The retailing core was to be developed in the north and north east of the central area whilst office development was to be in the south and south east of the central area. In the same way, the city motorways would provide an efficient circulation for vehicles around the central area with easy access to the central area's major routes integrating with car parks and segregated pedestrian ways/decks. The emphasis was totally focused on this element of segregated functionality and efficiency and so strongly equipped with modernist, idealistic principles. CDAs were powerful instruments which could achieve this *imaginative modern city through* radically restructuring its central areas.

The city council was also aware of the developers' function in the production/materialization process of their imaginative schemes. They understood very well how property developers operated property markets, and so attempted to speed up the procedure of the CDA in order to utilize the advantages of the national property booms of the time, which had no real impact on the Newcastle's depressed property market. It was clear to them that national property developers were looking for markets in cities outside of London. The issue was how to attract this development potential to Newcastle. In this case, they attempted to reposition/stimulate Newcastle's property market in competition with the other localities/cities through the direct and conscious intervention of the city council by means of planning several large scale speculative development projects under the CDA status (Galley, 1976) (2). Large scale publicity campaigns were implemented in order to attempt to attract developers to Newcastle. Exhibitions of proposed plans and projects were also presented in London to prospective developers. In the meantime, the council invited developers who wished to take up the projects to present their proposals whilst the CDAs waited for the ministerial approval. A developer

was eventually selected by the council in order to implement the CDA proposals. In this case, CDAs were crucial instruments in attracting developers to undertake proposed schemes. At the same time, they symbolised the council's ambition and firm attempt to push forward its redevelopment schemes.

6.3 THE REDEVELOPMENT/ RESTRUCTURING PROCESS

In practice, the plans laid down in the CDA proposals had only covered outline ideas. The project design resulted from discussions between the council and the developers. These negotiations took place on a regular monthly basis. Beside project design, locality specific problems and other issues were also discussed. What was therefore developed on the ground was in many cases very different from that which had originally been envisaged in the CDA submissions. After approval of the detailed projects and plans by the city council, the construction process proceeded (28).

The development process of the designated CDAs for the creation of a new modern retailing core as well as All Saints CDA for the production of a new modern office precinct is described and analysed in depth through the following sections. This will further assist in the development of a better understanding of the restructuring/redevelopment process through identifying and analysing key actors/institutions, their interests and roles; the pattern of social and institutional relationships established between them; forces driving or blocking the process and outcomes, who benefited and at what cost.

6.3.1 RESTRUCTURING THE CORE RETAILING AREA: ELDON SQUARE SHOPPING CENTRE DEVELOPMENT

The comprehensive redevelopment scheme for the central areas of the city centre never fully endorsed the scale originally envisaged (29). The east part of old Eldon Square remained unaltered. Northumberland Street was never fully pedestrianized and covered at this stage and the multi-storey luxury hotel project to the west side of the Eldon Square was never implemented. Likewise the residential development of Percy Street never materialized. Nevertheless, the redevelopment which did take place was still large enough to revolutionize the commercial heart of the city.

The focal point of the proposed overall redevelopment scheme was old Eldon Square designated as Percy/Blackett Street CDA, with a proposed international, multi-storey luxury hotel complex in the western wing of Eldon Square as an impetus for further developments and as a symbol of a new identity of Newcastle as a modern regional capital city. It was a crucial component in the image transformation process (figure 6.8, 6.9 & 6.10).

Following the approval of the proposed Percy/Blackett Street CDA, the council appointed an internationally famous Scandinavian architect, Arne Jacobsen, to design the proposed international luxury hotel and associated complex including luxury shops, a conference hall and a film theatre. In 1966, while the council proceeded with the CPO, land was acquired and existing business displaced. At the same time, the hotelier 'Fortes' was selected by the council, and subsequently formal preliminary arrangements were made between Fortes and the council. The construction of the hotel and fittings was to be financed by the council (1.5 million pounds) with a substantial grant from central Government (approximately 350.000 pounds) as Fortes was to run the hotel and supply other furnishing (0.5 million pounds) with respect to the

preliminary agreed contract. The city council in this arrangement was landowner, investor and property manager.

Discussion concerning the lease terms between the council and Fortes, eventually reached agreement with a fixed annual rent to the council (£ 149.000) in 1967. The design of the hotel complex was completed in 1968 and its projected construction costs exceeded the previously estimated amount, partly as a result of national economic conditions with high inflation. Under this new circumstance, the council asked Fortes for either a capital contribution to finance the construction of the hotel or increase in the formerly agreed, fixed rent. Prolonged negotiations between the council and Fortes were held on this matter, but did not reach any agreement by 1970 as a result of the unwillingness of Fortes to make any contribution to finance the construction or to accept an increase in rent. By that time, the buildings on the site were being demolished. Fortes amalgamated with Trust House and the new company re-appraised the project and consequently refused any further financial contribution besides the previously-agreed fixed rent arrangement. The council approached the scheme from the issue of the fixed rental income as opposed to a dramatic increase in the construction costs likely due to inflation. Moreover, an urgent decision was required on the viability of the scheme in order to proceed with the development of the neighbouring part. Consequently, the hotel development which was ironically expected to provide the impetus for the whole scheme, was abandoned.

The British Film Institute also asked for accommodation for a Film Theatre in the Eldon Square Hotel Development Project in 1965. The council's Planning and Cultural Activities Committee agreed with this proposal on the basis of capital contribution to the scheme. Two years after the agreement, the British Film Institute withdrew their proposals as they were unable to provide a

contribution to the development and consequently the allocated space was added to the shopping area as a new shopping centre development project.

Whilst design work on the hotel project was continuing, the council decided to invite inquiries from developers interested in the redevelopment of the sites in the central area to the north of Eldon Square as a part of the designated Percy/Blackett Street CDA excluding the hotel and to the south of Blackett Street designated as Green Market CDA in 1967. Over fifty developers showed their interest in the redevelopment scheme. Fifteen of them were selected for further investigation about their experiences in the field of a large scale shopping centre development and their performance with respect to developments previously undertaken. The council concluded that the scheme should be carried out by "Capital and Counties Development Company" in March, 1968. A partnership arrangement between the council and Capital and Counties was set up and the architects, Chapman Taylor Partners were appointed to design the project. Wide ranging, regular discussions started almost immediately between a team of the council staff selected from the planning, estate and property management and city engineering departments and the city's legal adviser and a team from the developer comprising their professional, technical and legal advisers, *and so a close working relationship* was established between the council and the developer from the beginning. This was considered to be a necessary condition in order to speed up the development process by both parties.

There were a number of issues which needed to be taken into account prior to the preliminary design work. The first meeting was held immediately after the partnership arrangement to consider issues on the relocation of the Y.M.C.A. The Y.M.C.A. resisted the CPO by demanding a new site for their premise within the new shopping centre redevelopment project. This was a move from their premises in Blackett Street to a site north of Prudhoe Street;

site allocation within the scheme allowed for the displacement of the ABC cinema from the Haymarket area to allow for the expansion of the university; a decision how to integrate Prudhoe House in use as a Minister of Labour building into the new shopping project; the preservation and integration of a number of historical and architectural buildings, in particular three public houses, Burgoynes (dated 1634, the oldest public house in the area also known as Masons Arms), the Duke of Northumberland and Lord Collingwood.

In order to assess the demand for space by traders and the capacity of the region to support the scheme, interim reports from the consultants providing an economic survey were presented in July, 1968. A major feasibility study of Green Market CDA produced by Chapman Taylor Partners suggested Prudhoe house be relocated and Burgoynes (Masons Arms) should not be retained, whilst this study proposed to relocate the YMCA to the Green Market area and the ABC cinema to the south block of the Green Market CDA scheme in October 1968.

The detailed design work also required negotiations with the traders' representatives, the "Multiple Shops Federation", on the concept of the upper level pedestrian ways and shopping areas, and the allocation of service access which would be on the ground level as opposed to more traditional forms (figure 6.8). This was previously proposed by the council, in particular for implementation at the rear of Northumberland Street. The Multiple Shops Federation raised major objections to the concept of upper level shopping and pedestrian areas in April, 1969. This was a major set-back. The only way to counter it was to attract major individual interests (national department stores and retailing chains) to the development in order to ensure its commercial success and enable the designs to be formulated in a way which would accommodate those interested, and so prospective end users were not only to be involved in the project design process, but also secured the commercial

viability of the scheme. The attempt was successful in attracting Debenhams, the parent company of Binns. British Home Stores was also interested in a large unit in the north block. In the meantime joint applications for outline planning permission for the hotel, shops, offices and ancillary accommodation to the north and west of Eldon Square were granted. A series of events had a crucial role in affecting the way in which the scheme took shape during the last quarter of 1969. Debenhams withdrew their interest in view of national conditions, whilst the YMCA was allocated a site outside the scheme in Ellison Place at the same time as a decision to demolish Prudhoe House was made in order to allow for a better layout which enabled the provision of a bus concourse and service roads to the stores. At the end of the year the architects produced a design which incorporated enclosed air-conditioned pedestrian malls based on extensive European and North American research and visits. This enclosed shopping mall was accepted as a core component of the scheme and the final designs were evolved in accordance with this.

Regular meetings between the council and developers continued and an array of technical issues related to the scheme were decided in detailed discussions. Following lengthy discussions, Bainbridges, a subsidiary of the John Lewis, regional based national retailing chain, decided to move from Grainger Street to the North part of the scheme in a larger unit to make Bainbridges the largest of the group's stores outside London. This move however forced British Home Stores out of its preferred section in the north to the south block. British Home Stores eventually withdrew its interest from the scheme and formed a joint redevelopment with C&A in the Northumberland Street, whilst Boots decided to move and establish itself in one of the larger units which would be the largest shop it had anywhere in the country.

Early in 1971, after the hotel project had been abandoned, it was decided, after considering all alternatives, to add the site to the other areas to be leased

to 'Capital and Counties'. At the same time, a significant pressure also came from both Fenwicks and Mark and Spencer to extend and integrate their existing premises with the new shopping mall scheme. As a result, the planning department proposed a new CDA in Northumberland Street in order to acquire the properties through CPO with the idea of integrating proposed properties with the shopping mall scheme and improving access to Northumberland Street from the said scheme. The Ministry approved only a small part of the proposed area as subject to compulsory land acquisition which only covered the area below Mark and Spencer and assisted the integration of both store with the proposed shopping mall scheme. By the end of the year the architects produced a project for the whole of the site, designs reached their final stage and definite form. The costs of the construction as therefore estimated and contractual agreements were made for the actual construction phase. At the same time detailed planning permission for the whole was granted and construction work proceeded.

In April, 1972, with the design at an advanced stage and construction under progress, the shopping mall project had to confront one more major change as a result of the withdrawal of the proposed ABC cinema which was planned to the south of Blackett Street. The council sought the possibility of a recreation centre being incorporated with the shopping mall scheme. This provided an opportunity to insert this at the last minute. The planners carried out a quick feasibility study on the existing site and decided that a late change in plans was possible. New plans were produced in two months, approved by the council and developer, and subsequent adjustments in the construction programme were made (figure 6.17 & 6.18).

Two main building contractors, Leslie and McAlpine, were appointed and construction finally started in January, 1973. The first phase of the scheme undertaken by Leslie was completed in March 1976, and the second carried out

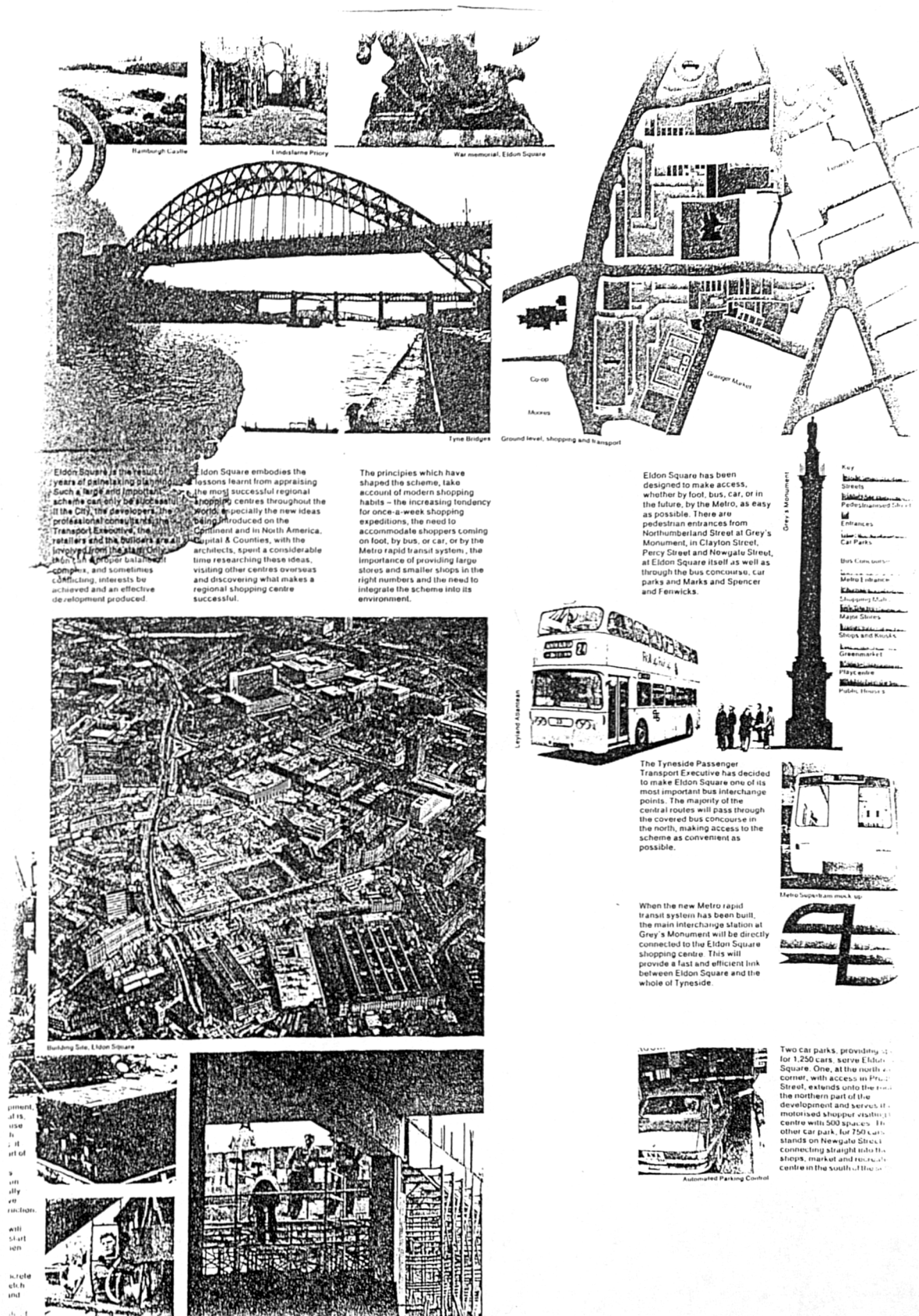


Figure 6.18 Eldon Square Shopping Centre, Marketing Strategies (Planning department)

by McAlpine was finalized in September 1976. Many locally-based sub-contractors carried out the work under the management of these two main contractors. The site had been owned and cleared by the council along with the provision of the necessary service access to the site prior to the construction work. The construction programme itself was a massive, complex undertaking, covering 10 acres of the core of the existing shopping area. Its integration with the existing built structures, the newly developed extensions of two major department stores, the preservation of the facades of the building in Nelson Street as well as design complexities produced problems during the construction process.

The Eldon Square Shopping Centre was financed jointly by Newcastle City Council, Capital and Counties Property Company and Shell Pension Funds. Some of the tenants (chain stores) made substantial *capital contributions to the* construction of the scheme, in particular Bainbridges and to lesser extent Boots.

The units were directly let by Capital and Counties without appointing any letting agent and so tenant mix was carefully controlled. The letting arrangement was based on a percentage of the turnover of a business, an idea imported from the North America, put into operation for the first time in Britain in Eldon Square. This is a kind of partnership between the landlords and tenants. In the case of Eldon Square, tenants would pay approximately 80 per cent of the normal market rent quarterly in advance. At the end of each year, the gross turnover of each tenant was to be calculated and a percentage would be deduced from it. The percentage taken out of the gross turnover would depend on the type of trade, ranging from 1.5 to 14 percent. In the majority of the cases between 7 and 12 per cent would be extracted according to the trader's profit margin. Capital and County would therefore keep control and so avoid leasing to unprofitable traders.

6.3.1.1 THE ASSESSMENT OF THE CENTRAL AREA REDEVELOPMENT/RESTRUCTURING PROCESS: ELDON SQUARE DEVELOPMENT

The central area redevelopment, as was seen above, comprised of a combination of complex and interrelated processes, ranging from assembling land, designing projects, clearing sites, acquiring finance, constructing buildings and infrastructure to marketing and managing the end users. There was no clear distinguishable timing or phasing between these processes.

Key Actors/Players: Their Interests and Roles

The City Council, in particular its planning department, Fortes, Capital and Counties Property Company Ltd., Shell Pension Funds and to some extent national retailing capital, in particular Fenwicks and Marks and Spencer, were key actors. Each of them played a series of crucial roles in the redevelopment process.

The city council put forward ideas related to the redevelopment scheme, in other words, created redevelopment opportunities by means of the designation of CDAs on the basis of the need for the modernisation of the city centre if it was to carry out the role of a regional capital. The city council therefore was an active initiator and promoter of the redevelopment process with the specific interest of modernisation. The council therefore played a crucial role in assembling land, clearing sites, dealing with problems of relocation and providing the required infrastructure. In this case, the city council was a service provider and conflict mediator with the interest of easing and speeding up the materialisation of the schemes. The council financed the provision of multi-storey car parking, side roads and pedestrian links, the cost incurred from the integration of new built fabric with the existing one. The objective was to reduce developer's expenditure and make schemes more profitable. The city council therefore played a variety of critical roles as a promoter, land holder, investor, service provider, conflict mediator and financier.

Fortes had been involved in the scheme at the early stage with an interest in running a proposed hotel. Later they withdrew their interest from the scheme, creating the opportunity for the developer, Capital and Counties, to extend their proposed shopping centre's scheme to include that area previously allocated for the hotel development.

Capital and Counties Property Company was a developer with investment and management interests, organising and managing different stages of the redevelopment processes ranging from project design to marketing and attracting end users. Capital and Counties employed a variety of professionals to carry out the complex and interrelated processes, such as, a national architecture associate to design the scheme, national construction companies, etc. Capital and Counties was an innovative actor, introducing the first large scale shopping centre development scheme in Britain along with new management tactics and practices.

Shell Pension Funds were financiers with an investment interest. Apart from financing the scheme, they had no role to play in the process. National retailing capital supported the redevelopment scheme with end user interest from the beginning when the council initiated its own scheme. This was vital for the commercial success of the scheme. In the meantime, Fenwicks and Mark and Spencer wanted to integrate their own existing premises with the proposed shopping centre development, putting pressure on the council to extend the scheme towards their premises.

Process of Land Assembly

The pattern of landownership was relatively small scale, except for a few properties owned by national corporate interests on Northumberland Street, whilst the council had to some extent a considerable landholding in the area, in particular Green Street CDA. The council used its compulsory purchase

acquisition power to assemble land (Chapt. 6.2). At the end of the process, the council became the major, largest land holder in the city centre area with a land holding covering 10 acres. Compulsory purchase was initiated in stages, the first stage started from Percy/Blackett Street, then Green Street and eventually Prudhoe Street.

Land assembly proved a long, time consuming process, even with the compulsory purchase acquisition powers given to the council. At the same time, it was vital for the materialisation of such a large scale redevelopment scheme. The council confronted existing small land holding interests, but resolved this conflict by means of its compulsory purchase acquisition powers granted by the central state. Two large national retailing interest, Marks and Spencer and Fenwicks, put pressure on the council to designate Prudhoe CDA as part of the scheme in order that they could be integrated into it whilst ensuring their properties were excluded from the boundaries of the compulsory purchase acquisition, thus securing their property holding interest. The council was eventually empowered to use its compulsory purchase acquisition by the central state, covering a limited number of properties in Prudhoe CDA and allowing the *integration of the said interests with the* proposed scheme. This clearly shows that powerful, large, national landowning interests inserted their interest in the process of land acquisition, building alliances with the city council and central state. Small indigenous landowning interests, in contrast, had no choice, other than selling their properties to the council. There was no channel open to them to insert their interest other than their exclusion from the redevelopment scheme. In this way, indigenous small landowning interests were wiped out by the council's compulsory purchase power granted by the central state on the basis that they blocked the large scale redevelopment schemes. This was the justification for the council's differing responses to two different landowning interests

The city council provided a substantial financial subsidy to the developer through undertaking the complex land assembly phase alone, and so relieving the developer from the burden (in particular financial, political and legal) of the process.

The Process of Project Design

The project design of Eldon Square evolved over the time in accordance with changes occurred in the interests of those involved as end users. The withdrawal of the demand for accommodation, such as Fortes and YMCA, extended the size of the scheme considerably. During the project design, the developer and the city council attempted to develop informal relations with prospective end users, incorporating their interests with the design of the scheme since their interests were seen as vital for the commercial success of the scheme.

The developer and its architect were innovative in the project design, introducing the idea of an enclosed, air-conditioned shopping centre, integrating this scheme with the main bus interchange point under the shopping centre and directly connecting it with the metro station at Grey's monument. This forced the council to provide this, as a partner with investment interests. The project design also provided for a well-integrated shopping area with multi-storey car parks, provided by the city council. This giant scheme absorbed a large amount of public money, creating the illusions of prosperity through the production of a luxury shopping centre, changing consumption patterns and attitudes. This may be interpreted as the city council intervening at a culture level. This enclosed shopping area also privatised a large section of the city centre area, and enforced its own regulation with its opening and closing times and private security arrangements.

Site Clearance and Relocation

The redevelopment scheme required large-scale site clearance. This was a very expensive and conflictual process, undertaken by the council as a landowner. Compulsory purchase was implemented in a very discriminatory way against that which was seen as incompatible with a modern city centre.

Site clearance in this sense covered the demolition of existing buildings of varying architectural and historical value. This demolition led to conflict with those who favoured conservation. The relocation of existing occupants was another conflictual issue in the implementation of compulsory purchase acquisition and the site clearance process. Small scale indigenous commercial and retailing capital had previously rented properties, in particular in old Eldon Square at low levels of rent. The council did not give any consideration to the relocation of these enterprises, whilst the relocation of national land-holding interests were fully incorporated onto the council's agenda, such as YMCA and ABC Cinema.

The demolition of the historical buildings, in particular, the Victorian Eldon Square, created enormous public protest. The protesters set up pressure groups to fight against the demolition. However, a firm consensus existed between the central state and the city council. The council with its well-experienced chief planning officer developed informal relations with the regional officers of central state. Prior to the conflicts which were anticipated, the city council consulted with the minister and reached agreement. Regardless of the public outcry, what was important to the city council was the materialisation of the redevelopment schemes to modernise the city centre.

Acquisition of Finance

The city council financed land acquisition, site clearance, provision of required infrastructure prior to development, construction of multi storey car parks and pedestrian ways integrating the schemes with the existing shopping areas,

whilst Capital and Counties financed only the construction of the buildings which accommodated the actual shopping area. The end users, such as Bainbridges, and to lesser degree Boots, made financial contributions to the completion of the scheme.

The city council took up loans and grants from the central state for such large scale redevelopment schemes. This clearly shows indirect central state involvement in financing the scheme. The source of the public money, in this case, came partly from tax payers and rate payers, and partly loans from banks. Capital and Counties, the developers, had a partnership arrangement with Shell Pension Funds and so the source of their capital came from a national pension fund. In effect, this capital was based on a circulation of revenues rather than production. In both cases, there was a substantial amount of capital flow from outside through external forces.

Process of Construction

The entire scheme was constructed by two national construction companies appointed by the Capital and Counties Property company. This was a straight forward process. Problems occurred with the integration of the existing built structures with the new construction. Highly advanced construction techniques were used. The national construction companies' interests were to make high levels of profit out of such large scale construction projects.

Marketing and Managing End Product

The project design and the size of the scheme marketed itself. Both the city council and Capital and Counties were aware that the commercial viability and the level of profitability of the scheme were dependent on the attraction of end users. They therefore developed both formal and informal relations during the process of project design and construction, attracting national chains to establish large branches in the shopping centre. Although there were new

comers, the majority of them relocated their premises from elsewhere in the city centre. Capital and Counties played a crucial role as a letting agency, forming partnerships with end users, and so increasing the profitability of the scheme.

6.3.1.2 WHAT ELDON SQUARE SHOPPING CENTRE DEVELOPMENT TELLS US

The issues around acquiring the required land, demolishing historical buildings, relocation, securing financial resources, integrating national land holding interests with the scheme, attracting end users and enabling their financial contribution were critical and highly complex. A nexus of networks were established between the council, the Tyne Passenger Transport Executive, the central state, the national-based developer, national financial interests, national retailing interests and land holding powers, and end users. Small scale indigenous commercial and retailing capital and small land holding interest were excluded from the network. The nexus of relations was based on large land holding interests (Barclays, Fenwicks, Marks and Spencer), national based investment interest (Capital and Counties, Shell Pension Funds) national based retailing interest (end users' interest) and the national and local state's interest. The class alliances around the Eldon Square development were national elites with differing interests from the public sector's professional and political elites. The city council played an active role in the formation of the ruling class alliances which would have its own interests free from the public domain.

6.3.2 THE ALL SAINTS OFFICE DEVELOPMENT: REVITALISATION OF THE QUAYSIDE

Office development was to be located around All Saints Church as was previously mentioned. In the case of the All Saints office development there was a conflict between the city council and the minister on the basis of the proposed road running from east to west as an extension of Princes Street

(figures 6.19, 6.20, 6.15 & 6.16). The council insisted on the necessity of the road, linking City Road with Dean Street and the Quayside area, as a circulatory channel for the proposed large scale office development, whilst the minister insisted that the proposed road would cause visual damage to the historical Trinity House (30). Trinity House was the meeting place of one of the oldest guild clubs in the city, dating from the sixteenth century and its Master still wielded considerable influence in the city.

Developers were invited to submit offers to develop the site. Ten companies approached the council even before the site was advertised in February 1966. Knowledge about it had been derived from the publicity used by the council to make known the CDA proposals to interested groups and developers. Following the advertisement, the council received further offers from developers by June 1966. The council selected three of them, namely Ravenseft Property Ltd, United Real Property Trust and City Wall Property Ltd, for further investigation concerning their previous experiences in the field of office development and the companies' performance in terms of the completion of the development schemes. The representatives of these companies were then interviewed and finally Ravenseft Property Ltd. was selected as the developer in July 1967. The developer and the council agreed to form a working team and held regular monthly based meetings concerning the problems and progress of the development of the site. This was considered as a necessary condition to establish a close working relationship between the two parties, the council and the developer, and subsequently to speed up the development process.

Detailed proposals and drawings concerning All Saints CDA were produced by the council on the basis of a preliminary outline document to provide ideas and attract developers at the same time as the application for the approval of All Saint CDA was presented to the Ministry of Housing and Local

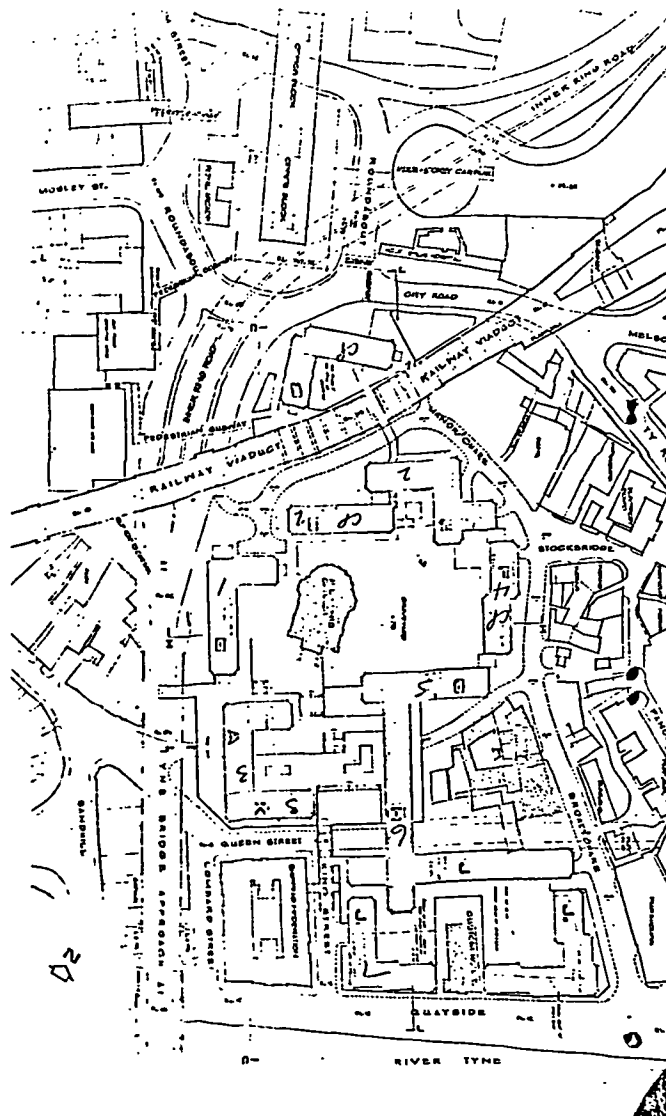
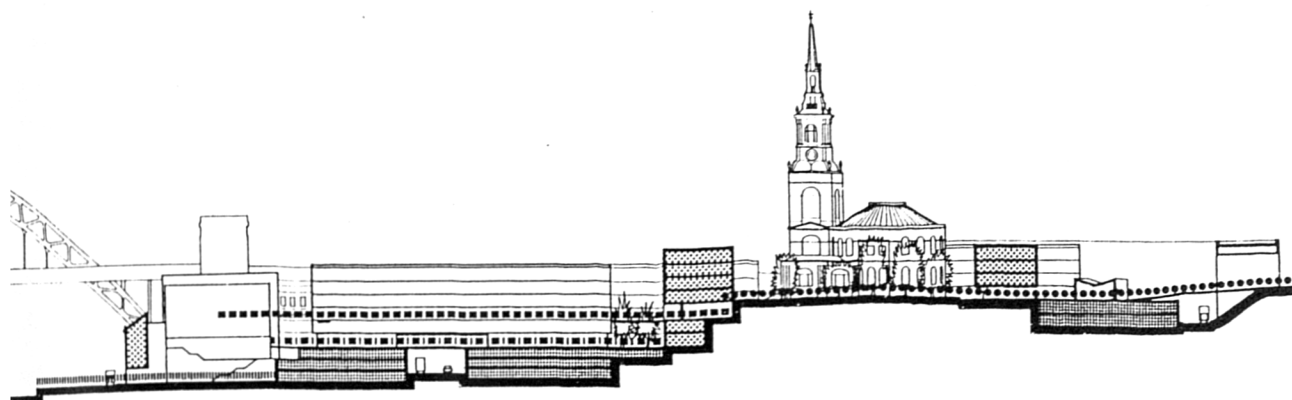


Figure 6.19 All Saints Redevelopment Plan, 1968
(Planning Department, Newcastle)



SECTION AA

Pedestrian ways
 + 7' 0"
 + 6' 0"
 + 4' 0"
 Quayside

Buildings in section
 above deck
 below deck
 0' 20' 40' 100' 200'

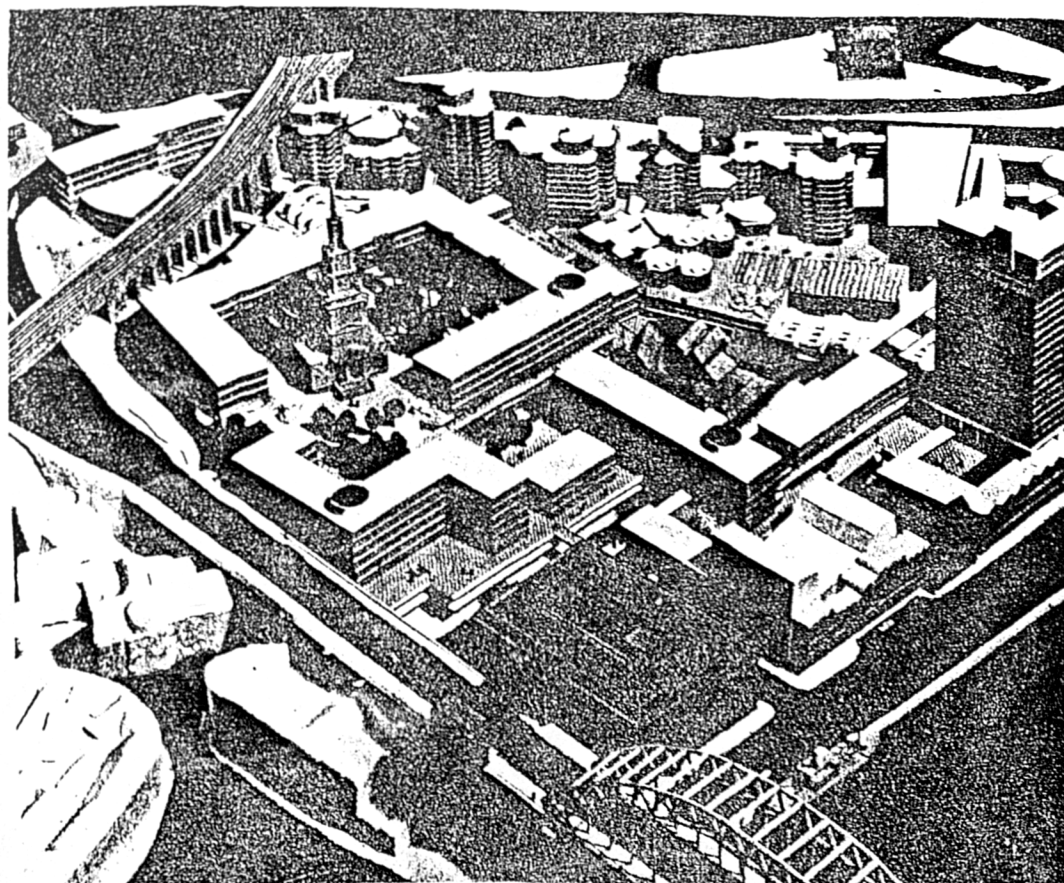


Figure 6.20 All Saints Redevelopment Model, 1968
 (Planning Department, Newcastle)

Government to empower the council to acquired the land through CPO and obtain grants and loans in support of the development scheme (figure 6.15). The developer was therefore to produce detailed proposals for the site under the control of the council through negotiations in the monthly meetings. The council however was to provide the necessary information and backing whenever required by the developer or the developer's architect. The developer's team consisted of technical, legal and managerial advisers, whilst the council's team comprised staff selected from the planning, estate and property surveyors, city engineering departments and the city legal adviser. It was also agreed that other interest groups concerning the development project would be invited to the monthly meetings if required and so a close and cooperative relationship between the developer and the council was in principle established.

The first meeting with Ravenseft was held in September 1967. This was the first meeting at which the teams from the Ravenseft company and the council met face to face in order to thrash out an approach to the site. They discussed compulsory purchase order arrangements, agreed on an overall plan for the whole area and the time scale over which Ravenseft was to implement the development. Compulsory purchase would tie in with the development schedule, and so sites were to be purchased as required.

The first draft of the scheme did not materialize until February 1968 (figure 6.20). In part, this was the result of a number of problems which had been previously identified. A great deal of technical information had been necessary especially in the instance of its location to the city centre, its integration with the city traffic and pedestrian circulation system. A time table for the proposed Central Motorway development was required for the integration of the scheme's traffic circulation system. The lay out of an east-west road above the Quayside as an extension to the already existing Prince's Street was found to be

vital for the inner circulation of traffic. It was also important to have a good knowledge of the pattern of landownership on the site. In terms of markets, it was essential to have a detailed knowledge of already existing office provision in the city. A number of other issues gave concern, such as the proposed University Hostel to the east side of the office development. Ravenscroft required the information as to whether or not the university could arrange funding to implement this part of the plan. It was not until the first meeting that the representative from the university informed the council and the developer that they had no resources for the development. They were to look for funding from the private sector, but never succeeded in attracting this. Subsequently the proposal for university hostel accommodation was dropped.

There also existed issues concerning who was to pay for what in terms of localised infrastructure provision. It was finally agreed that the road networks on the site, including pedestrian ways, would be financed by the council and constructed by the developer, Ravenscroft. It was also important to meet with the Newcastle Board of Trade (now the regional branch of the Department of Trade and Industry) to establish if any grant facilities could be made available to assist with the relocation or establishment of new incoming companies, as tenants in the office complex. However, no such grant scheme was made.

From the beginning, the developer, Ravenscroft, was prepared to be involved in the process of assembling the necessary land on the site. This would have allowed for a three-fold involvement; first, involvement in negotiations with land owners; second, the provision of capital to acquire sites; and third, to assist in the valuation of the sites. Ravenscroft also considered compulsory purchase as time consuming and consequently favoured land acquisition and assembly by agreement before the implementation preferable. The city council found this most agreeable in part on account of the offer of financial assistance

with the process of land acquisition. This offer of assistance was put forward at the first meeting but never materialized in practice.

The above issues were all discussed at the first meeting. It was also decided that the scheme should include a supermarket, small specialized food shops and restaurants, mainly for the use of office workers, but never reflected in the detailed design by Ravenscroft. It was decided that all existing buildings should be demolished. This included listed buildings, such as the Exchange and Prince's Buildings, except All Saints Church, Trinity House and the customs house.

In parallel with this, negotiations with the Ministry for Housing and Local Government continued concerning the approval of the CDA status. The proposed new road as an East extension of Princes Street in the CDA plan, proved controversial with the Ministry. The line of the new road, for which land was to be acquired, was not acceptable to the Ministry on the basis that it would have adverse effects on Trinity House. The Ministry required the modification of the line of the new road. The approval of the CDA status was vital to the materialization of the scheme, since the grants and loans available from the Ministry could only be acquired once such was obtained.

Discussions also took place over the future of All Saint Church. Whilst it was agreed that it should remain, the question was what it was to be used for. Immediately to the North of the site, a plot had been already allocated to another developer for an office development before the CDA area was under planning consideration. The City Council desired both developers to cooperate for the benefit of creating a unified system of traffic and pedestrian circulation. The premises of the Salvation army were to be purchased and demolished by the council. It was necessary to relocate the Salvation Army prior to redevelopment.

The developer by January 1968 started talking of a gap between the development cost and income anticipated from the annual rent in accordance with the first draft of the development scheme. If grant aid had been available either to those who would rent the premises or from the North East Development Council, a quasi-public regional agency, to contribute towards the finance of construction costs, it might have been possible to fill this gap. Nevertheless on neither account was grant aid possible.

The first site redevelopment planning brief, including drawn projects, was produced by the developer's architect, T. B. Bennet and Son in February 1968. This identified problems of access to the site from Swan House roundabout and the lower level car park provision would be costly. They also estimated that the construction costs of the whole scheme would exceed that anticipated.

In the following meeting, the developer presented another set of proposals increasing the floor space of the office accommodation. At this stage they agreed to incorporate a site to the north of the rail line into the overall scheme as the previously agreed developer for the proposed office accommodation on that site had failed to implement plans. The site was consequently incorporated into the CDA area. In parallel with these developments, the Ministry of Housing and Local Government requested that the overall density and height of buildings adjoining All Saints Church should be lowered in the council's proposals, although not the developer's scheme.

Eventually by May 1968 the council and developer, Ravenscroft, reached agreement on part of the development project, and subsequently, a letter of Intent (Building Agreement) was drawn up formalizing the partnership between the council and the developer. This was a long and complicated process. The cost of building construction would be financed by the developer, whilst all site infrastructure would be financed by the council but built by the

developer. Each year, 9% of the development cost extracted from the annual rental income would go to the developer, whilst an agreed basic ground rent extracted from the said income would go to the council. The remainder annual income after deducting other service and management costs would be equally shared between the developer and council. This legal undertaking was reached in July 1970. These kind of arrangements were very common at this time (Marriott, 1967; Morley, 1980).

On the main outstanding problems concerned All Saint Church and Church Yard, the Church Commissioners wished to leave the church yard intact whilst the developer wished to position offices on the site of the church yard. This conflict of interest was never fully resolved, as the Church Authorities held onto the land, refusing to cooperate with the council's request in support of the developer.

By June 1968 agreement on the layout of the whole area was almost complete, despite a number of unresolved issues with other interest groups, and so work started on the acquisition of land for the redevelopment scheme. It was considered that this part of the site was free from any complication with the other interest groups concerned. At this stage, two long established businesses, Taylor and Blacklock Ltd and Campbell and Khlerwood Ltd, were not prepared to sell the required land, postponing the start of construction work. The land acquisition took a substantial amount of time, delaying the construction of the first phase as a result of the constant disputes between the council and the Ministry as to the proposed new road, delaying the approval of the CDA status, and consequently the application of CPO by the council, leaving the land acquisition to the will of the landowners. During this period, the developer, Ravenseft continued to complain about the cost of construction work because of the topography of the site.

In January 1969, the council received several criticism from pressure groups. The Royal Fine Art Commission criticised the proposed scheme strongly in a formal letter to the council after examining the proposals. They had not been appointed by the government in this particular case, but presented their case as an independent pressure group. The main issues addressed by their critique stressed a concern for the height of the office blocks and the effect which this would have on the view from the river. In effect they thought the proposals to be unsuitable for a highly visual riverside development. The Newcastle and Northumberland Society also addressed issues related to the conservation of the listed buildings in the area, and their integration with the development scheme along with a similar critique of the overall perspective of the city scape which would be produced from the river banks.

During the period of negotiation between the council and developer, other large scale office developments elsewhere in the vicinity, as well as in the city itself, in particular the Tyne Gate scheme in Gateshead, were under construction. The developer, Ravenseft brought this onto the agenda late in 1968, concerned that this would create a surplus of office space before the construction of the scheme, referring to the prospect of letting difficulties at All Saints. Outline planning consent was approved in January 1969. The developer and council decided to appoint a publicity agency at this stage to promote the site, the job being allocated to Mathers Public Relations Ltd. Plans were exhibited in London, Manchester and the North East as well as advertised in the national, regional and local media, press and architectural and real estate periodicals to attempt to attract tenants to rent the office accommodation. Moreover, Ravenseft organized a press conference to publicise the scheme. Powerful marketing techniques were used in order to reduce the risk of not

finding any tenants for the scheme. Publicity was intensified, particular in London.

In March 1969 the partnership agreement between Ravenseft and the council concerning the sharing of construction costs and income was renegotiated. The council gained responsibility for the acquisition of land and the demolition of existing buildings coupled with the finance of all road infrastructure necessary for access and service prior to the office construction. Everything else except the actual office buildings themselves was to be financed by the council. Ravenseft was granted a 99 year lease of the site with fixed ground rent.

In April 1969, the Royal Institute of British Architects and the Northumberland and Newcastle Society, a prestige local pressure group, objected to the proposed design and the destruction of the Ancient Quayside Area. Further to these, objections were lodged from British Railways on account of the land acquisition. Ravenseft at this stage changed their language to talk of financial sacrifice. The retention of All Saints, the pedestrian circulation schemes and the modification of the original development proposals were all seen to be making the scheme economically unviable.

A submission for detailed planning permission was finally presented to the council in August 1969. This was refused as the council requested that revisions must be made. They requested revision concerning the height of the buildings, pedestrian circulation, car parking and safeguarding Trinity House. This was no different from the response given to any other non partnership development, in spite of the regular monthly meetings, and regardless of the long established joint working relationship. This may be seen as the beginning of the clash which was to come about between the council and Ravenseft.

Regardless of the dispute, joint decisions on the first phase of the scheme were taken to appoint contractors for the construction works. Tenders were invited.

It was not until April 1970 that the Ministry of Housing and Local Government gave consent for the formal acquisition of land. The council bought land whenever possible before the CPO was granted. The CPO allowed them to complete the job where owners had refused to sell or negotiations for sale had not succeeded. By September 1971, the first three blocks were almost completed externally and fitted out by February 1972. Negotiations for the second phase of the development also began between the council and the developer during 1970.

The central government introduced a 'Special Environmental Assistance Scheme', giving grants of up to 80% for special environmental improvements where necessary. This was granted to the council to finance the landscaping of All Saints and surrounding areas in July 1972. This did little however to prevent the council attempting unsuccessfully to obtain a loan from the Department of Environment in support of the scheme. Negotiations continued between the council and Ravenseft which concluded in the agreement that the next phase of development was not economically feasible. The developers had consequently little interest in proceeding to the next phase. In October 1972 the developer, Ravenseft, and the council held a small exhibition in Block C of the development at All Saints. Letting agencies and public relations consultants were invited to the exhibition.

In 1974 outline plans for a further phase, blocks E and F were in preparation but the developer complained about low levels of office rents in Newcastle, the nature of the site, the huge construction bill and car park provision, all making the site economically unfeasible.

In November 1976 the Conservation Area Advisory Committee of the city council started negotiations with the developer, as to future development on the Quayside. Land was reserved under contract giving the right to develop the land for fifteen years from 1971 when the first phase of the construction work started. During 1977 the council attempted to withdraw from this agreement, at this time there appeared a possibility of Ravenseft going into liquidation or bankruptcy. The council felt that the agreements should be renegotiated. Before negotiating, they felt a level of compensation could be paid to Ravenseft with respect to a permit for alternative development on the site, but no agreement was possible as Ravenseft requested too high an amount of monetary compensation.

6.3.2.1 THE ASSESSMENT OF THE ALL SAINTS OFFICE DEVELOPMENT

The All Saints office redevelopment scheme, as seen from the above section, did not materialise as projected, except for the construction of three office blocks. There was a number of contradictory issues in the scheme's development process. The minister's objection to the council's CDA scheme had a considerable negative effect. Powerful landowning interests, the church commissioners and Trinity House were also very influential in blocking the implementation of the proposed plan.

Key Actors: Their Interest and Roles

The council, the central state, the developer, Ravenseft, the church commissioner and Trinity House Trust were all involved in the process to different degrees with different roles and interests.

The council's role was crucial as a promoter/initiator, investor, and to a lesser degree landowner. The developer's role was to organise the development process from the project design to finding end users. From the beginning the developer had a long term investment interest although this was not to last for

long. This was as a result of the slump in commercial property market conditions, national economic crisis and the low level of profitability involved in the scheme.

Further to low profitability, local land owning interests created oppositional problems. The church commissioners and Trinity House Trust blocked the progress of the proposed scheme, inserting their interest/power amongst the regional officers of the central state on the basis of the damage given to their premises, causing delays in the approval of the designated CDA and CPO status' areas.

Process of Land Assembly

The council did not own any land in this area. All scheme were based on the acquisition of land through compulsory purchase by the city council. The pattern of land ownership was piecemeal except for a few powerful land owners. With the exception of land already owned by the council, the process of land assembly proved very complicated and conflictual. Powerful land holding interests played their game to block a process on the basis of their own demand from the development.

In order to speed up the process of land assembly and to make land ready for the first phase of the development, the council wanted to buy All Saints Church Yard from the church commissioners to implement the proposed scheme. However, the church commissioners wanted to keep the yard in their ownership, on the basis that construction would damage the premises. The church commissioners, as a powerful land owning interest, by not releasing their land holdings, blocked the development process. The conflict with the commissioners was not resolved. Subsequently the developer withdrew its operations from the area, on the basis of conflicting land holding interests, but most importantly, changes in property markets from boom towards slump.

These conditions did not affect the Eldon Square development, partly because of the absence of powerful land holding interests or the council's successful mediation of such interests through their integration as land owners into the scheme.

The city council, in spite of its existing well-established network and relations with the ministry of the state, ended in conflict with the central state around issues concerning the east-west road as an extension of the already existing Princess Street on the basis of damages given to the historical Trinity House, and consequent delays in the approval of the designated CDA and CPO status, whereas demolishing Victorian Eldon Square and the 17th. Century Burgoynes (Masons Arms) pub were not critical, conflictual issues for the central state in the Eldon Square Development Scheme (Chapt. 6.3.1). The conflict (in the case of the All Saints development) and consensus (in the case of Eldon Square development) with the central state occurred more or less at the same time on the basis of damaging (in the former) and demolishing (in the latter) historical architectural heritage. This contradictory position of the central state clearly shows how the powerful land holding interest of the Trinity House Trust influenced/affected the decision making process of the central state, and so creating conflict between the council and central state, causing delays in the process of land assembly, subsequently blocking the development process of the scheme.

Land to the north and east wings of the church was assembled by the council. This also created conflict with two long established indigenous businesses. However the council resolved this conflict by means of compulsory purchase. This is another example how easy it was to overcome confrontations with indigenous small business interests.

The Project Design Process

The project design evolved during the process of development. The council's scheme was used as a driving force to attract developers' interests, as was also the case of Eldon Square. However, the topographic nature of the site brought constraints to the project design. Design issues were therefore around ideas which could redress the balance between the anticipated construction costs and the predicted income/profit to be made out of the scheme

Delays occurring in the process of land assembly through the confrontation of conflicting interests led the developer, Ravenscroft, and its architects to seek ways in which they could increase the scheme's profitability or, in their terms, the commercial viability of the scheme. They subsequently put forward a very dense commercial development project (Figure 6.19). Project design, in this case, was used as an instrument to maintain their financial interest. However, this created conflict with the city council who then request a reduction in the height of the blocks surrounding the church. This may have been as a result of the city council's unwillingness to confront the church commissioners and other influential pressure groups. Earlier, in the case of the Eldon Square redevelopment scheme, such issues were not considered.

The Process of Site Clearance and Relocation

The slow process of land assembly also affected site clearance and relocation. The council did not confront the issue of the relocation from the acquired properties as was the case in Eldon Square development except in the case of the relocation of the Salvation Army to a property next to Keele Hospital. The original premises of the Salvation Army was located to the south of the church. This premise was acquired by the council and new accommodation was constructed and financed by the council on the basis of the arrangements made for the acquisition of their premises. This also took time, causing delay in the materialisation of the scheme. Site clearance costs were financed by the council

and all complications arising from such dealing were left to the council to resolve.

Acquisition of Finance

As is seen in the case of the Eldon Square development scheme, the cost of the provision of required infrastructure, including roads, pedestrian ways and car parks, was met by the council as a service provider. The cost of the land assembly as a land owner, the cost of the integration with the existing built structures through the provision of extensive subways and pedestrian routes were financed by the council as an investor partner of the scheme. The cost of construction of three blocks and their fittings were financed by the national developer, Ravenscroft.

The development was financed by the city council and the developer. The city council acquired its financial resources from the central government in the forms of loans and grants. Its own resources were rate payer's money, or by borrowing money from banks. The developer used its own resources to finance the scheme. The flow of capital into the scheme was based on national property investment interest and local and national public sector's sources, rate and tax payers' money, and bank loans. This was a rather different case from the Eldon Square. There was no financial institution involved, rather it was a circulation of accumulated capital from commercial property development and investment.

The developer attempted to seek the possibility of the provision of financial subsidies allocated through regional policies, but this attempt was unsuccessful. At the time such provisions were only given to productive investment. As will be seen, in the years that followed the provision of subsidy packages for property development would become a general pattern.

The Construction Process

Construction was a rather expensive business as a result of the nature of the site. The developer appointed a national construction company to carry out the work. New roads, car parks and pedestrian ways were necessary to integrate the area with the existing built structure of the city. These were critical issues as a result of the locational characteristics of the site separated by high ways from the existing built structure to the north and west and its steep topography to the south and east. These problems contributed to construction cost and time schedules.

Marketing and Managing the End Product

The developer and the council appointed a London-based advertisement agent in the hope of attracting end users. However it proved difficult to attract end users in the circumstances of the slump conditions of the property market. Newcastle did not manage to attract producer services, so demand for office space was very limited. National commercial/service sector interests were not attracted by the region, in which case the city, regardless of the attempts for the modernisation of the city centre's built structure, failed to diversify the structures of its service sector, whilst its success was only in attracting branch plants whose headquarters were outside of the city (Chapt. 7.1 & Northern Region Strategy Team, 1977).

The success of Eldon Square was partly based on the relocation of the existing national retailing chains, partly new comers, whereas All Saints office development's failure was based on limited demand for new accommodation in the locality as a result in part because of the underdevelopment of the service sector in the locality; the oversupply conditions in the provision of new office accommodation through previously initiated projects; and the incapacity to restructure service sector operations through the attraction of advanced, producer services to the area.

6.3.2.2 WHAT THE ALL SAINTS OFFICE DEVELOPMENT FAILURE TELLS US

The class alliances around the All Saints development scheme were not formulated as a result of various competing, conflictual interests. The city council and the developer formulated a partnership with the interest of long term investment in the scheme. The conflict with powerful land owning interests, Trinity House Trust and the Church commissioners, constrained the process of development, partly because of the failure to complete the scheme. In this case, the central state took the side of the powerful land owning interests, leaving the council isolated. This case therefore clearly shows that the powers given to the city council under the control of the central state made the city council more dependent on the central state's decisions. Various powerful interests could penetrate the decision-making process of the central state to block the council's operations. This case also clearly exhibits that development projects could not change the composition of end users unless these interests were attracted by other aspects of the locality, in other words, the provision of accommodation could not guarantee the anticipated change. The failure of the scheme was partly based on the assumption that end users would automatically opt for new, modern office space.

6.4. PROPERTY DEVELOPMENT

The city council attempted throughout the 1960s and 1970s to take control of and regulate property markets in the city through direct intervention in the development process (Chapt. 6.2). In this capacity, planning was its foremost instrument. The city council became a major landowner and investor, leveraging in private sector partners to devise and implement projects (chapters 6.3.1 & 6.3.2).

The designation of the CDAs promoted large scale property developments in a city bounded by long term economic decline and property market stagnation. As a result of the process by which regional large capital had integrated with national capital, financial capital operations had long since located elsewhere in the country.

Large scale property development was considered as a basis for economic revival through the provision of necessary built structures in the form of shopping centres, office premises and cultural precincts. This was a necessary resource system prior to the attraction of industrial and commercial inward investments. It was hoped that the proposals for the CDAs would attract national developers to carry out these proposed large scale schemes (Chapt. 6.3). This did bring impetus to local property markets but at the same time resulted in weakening the operations of the local developers in the property market.

The provision of infrastructure by the public sector and functional segregation in the Central Area assisted the reorganisation of property markets in Newcastle through the promotion of large scale redevelopment schemes. The relocation of workshops, wholesale warehouses and indigenous small business capital radically altered the composition of property ownership and market land values in the core areas of the city. It is therefore important to offer some understanding of the effects which these changes enforced upon the property market.

The council already owned a substantial amount of property in the city centre prior to redevelopment. This presented two opportunities to the council. First it was able to use its control and ownership as a direct influence in the supply and demand relations of the market. Secondly the council was able to acquire land and develop built structures necessary for the attraction of

national and international companies, so stabilizing property tenure and ownership amongst a small number of companies, and creating a scarcity value in the property market, a market only open to companies large enough to afford highly competitive pricing. This could be achieved with compulsory purchase powers to enable the proposed redevelopment (Chapters 6.2 & 6.3).

At the same time the council was aware of the boom conditions of national property markets. National property developers had started to undertake the profitable large scale speculative development schemes wherever these schemes were promoted, in particular in industrially worn out and war damaged cities (Burns, 1962). This was as a result of a tendency towards institutional reorganization through amalgamation and takeovers, and so the concentration of capital in the hands of a few property companies and the diversification and geographical expansion of their operations.

In parallel with this, there was also demand for office accommodation in localities outside of London as a result of decentralization of large companies' offices, geographical expansion of national financial institutions' operations, and of national retailing chains. These trends were reinforced by central government through its own decentralization programme and restrictive policies in office development in favour of the developers' interests (Smyth, 1985). Meanwhile, national chain stores continued not only to spread out their operation to other localities but also attempted to expand their existing premises within localities, so creating demand for substantial retailing accommodation outside of London (Ambrose & Colenutt, 1975).

As a result, the demand for office and retailing accommodation by national companies paralleled the geographical expansion of national developers' operations and led to competition between localities. This forced local states to open up their property markets favourably to the operation of national capital

through promoting large scale commercial and retailing development schemes with the provision of publicly-owned, unproblematic, centrally located, serviced, large sites, so securing favourable conditions for the operations of national developers by direct public intervention. It was also supposed that this was to bring the spatial organization up to the standards required by new economic activities in the hope of giving impetus to economic regeneration through direct public intervention in property markets. In this respect, Central Government played a crucial, although indirect, role in regulating national property markets through the provision of legal and financial power (by the introduction of CDA) to local authorities (Galley, 1973). This attempt was of course consciously in favour of national developers in search of excessive profits from their capital investments. Newcastle was one of the localities which attempted to reposition itself in the national arena with a nostalgic inspiration from its Victorian past, through utilizing the existing conditions and opening up its local property and retailing market to the operation of national companies (Burns, 1967). In this way it sought to integrate the locality with the national markets through intervening in the circulation of capital by attempting to change the conditions for inward capital investments, from central to periphery locations at the expense of wiping out indigenous small capital through property development and planning (Chapt. 6.3). As a result, the local retailing sector lost their relatively autonomous operational power and were forced in some cases to disappear altogether, whilst some local property companies (Leech, Barrett & Bellway) became incorporated with old regional ruling class (Ridley & Dickinson), and then extended their operation outside of the region and subsequently became national property companies with a suburban residential development interest (Ball, 1983; Benwell Community Development Project 1978c). These companies accumulated capital through suburban and new town development in the region and subsequently switched their capital investments towards the other regions where housing market

conditions were relatively better than the region. In this case, some local companies became national whilst others completely disappeared.

The operational mechanism of property markets dramatically changed under direct control of Newcastle City Council and in particular Newcastle City Planning Department which consequently shaped valuable investment prospects in land markets through locating specific sectors in strategic locations with the provision of strategically defined infrastructure, principally the Central Motorway, and the locations of University and Polytechnic as a higher education precinct (31). This confined publicly financed commercial and retailing property market operations within the central area which was relatively small and controllable.

The provision of infrastructure was important in upgrading property market values. Coupled with this, the council developed specific sites in the hope of promoting a more general market response. The council created market stimulants. This included the City Library and surrounding infrastructure, Newgate Shopping Centre and Swan House. These at times were planned to interconnect with CDA approved sites. Thus Swan House was tied to the motorway scheme, and the City Library was connected with the Queen's Square CDA zone (figure 6.2). Eldon Square, and to lesser extent Queen's Square, acted to attract retailing development from other areas of the city. Business also came from elsewhere in the country, for example Littlewoods opened its first branch in Northumberland Street during this period (32). This pull led to a decline in property values in Clayton Street, Grainger Street and the Bigg Market as the retailing sector was increasingly centred around Eldon Square and Northumberland Street. Consequently a dramatic increase in land values, pushed existing small business out of the area. This intensification and concentration in the location was very damaging to indigenous capital, which found itself unable to compete with newly hyped-property prices.

In the case of office markets, Swan House formed a focal point to pull office redevelopment to the foot of Pilgrim Street and surrounding areas (figure 6.22). Except for the partly developed All Saints office area (Chapt. 6.3.2), the majority of office development simply replaced older nineteenth century office buildings with modern equivalents. This was the case in Newgate Street, New Bridge Street, Mosley Street and in particular Collingwood Street with the large scale modern office accommodations of Douglas House and Norwich House. These areas had been primarily used as office accommodation. In this sense, office market operations remained the same location (figure 6.23). Nevertheless, in some areas the location of offices was altered in order to maintain a functional division between different sectors. Offices were removed from Blackett Street and Old Eldon Square Premises. These were areas where there was significant change rather than simply a replacement of the old with the new (Chapt. 6.3.1). All these new development of course increased land values, making premises beyond the affordability of the indigenous *small business*. As a result, the redevelopment process in office markets, as in the case of retailing property markets, was an attempt to push small indigenous capital from the core areas of the city centre and replace it with the branches of powerful national financial institutions. The Old Victorian Town Hall and the Corn Exchange Building were replaced with branches of a national insurance company, reflecting the changes in power relations. Significantly, dependency on national capital was accelerated by direct public intervention in property markets; legitimating itself with the power of planning, coupled with utopian and modernist inspirations; obscuring reality with the power of image creation; hiding the disappearance of indigenous capital behind the mythology of economic regeneration; empowering national capital at the expense of indigenous and leaving the locality in the hands of national capital in spite of *previous experiences*.

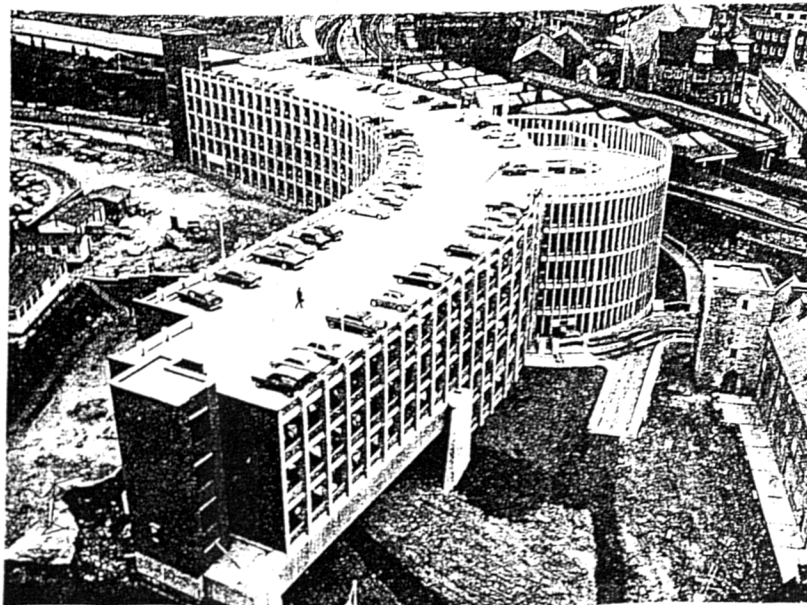


Figure 6.21 Multi Storey Carparking and Eastern Central Motorway (Newcastle City Library)



Figure 6.22 Swan House and Eastern Central Motorway (Newcastle City Library)

Table showing new office floorspace and the net increase
The net increase takes account of space lost to redevelopment

STAGE	DEVELOPMENT	NEW FLOORSPACE (Gross area in sq.ft.)	NETT INCREASE
COMPLETED 1961-71	Total of	sq.ft. 699,750	sq.ft. 387,000
COMPLETED 1972	Commercial Union, Pilgrim Street	101,000	68,000
	Pearl Assurance, New Bridge Street	66,000	22,000
	Bamburgh House, Market Street	69,000	67,000
	Alden, Berke and Cuthbert House All Saints	130,000	125,000
		366,000	282,000
UNDER CONSTRUCTION	Metropolitan Estates 1 Archbold	60,000	60,000
	Scottish Life 1 & 2 1 Terrace	100,000	44,200
	M F A Trust, Ellison Place	25,000	25,000
	Douglas Hotel Site, Westgate Road	83,000	59,000
	Norwich Union 2, Westgate Road	43,500	26,000
	Brass Man Site	20,000	20,000
	Hadrum House, Higham Place	52,000	52,000
		383,500	286,200
TOTAL COMPLETED AND UNDER CONSTRUCTION		749,500	568,200
PLANNING PERMISSION GRANTED	Old Town Hall site The Site	60,000	NIL
		110,000	90,000
		170,000	90,000

(Planning Department, Newcastle)

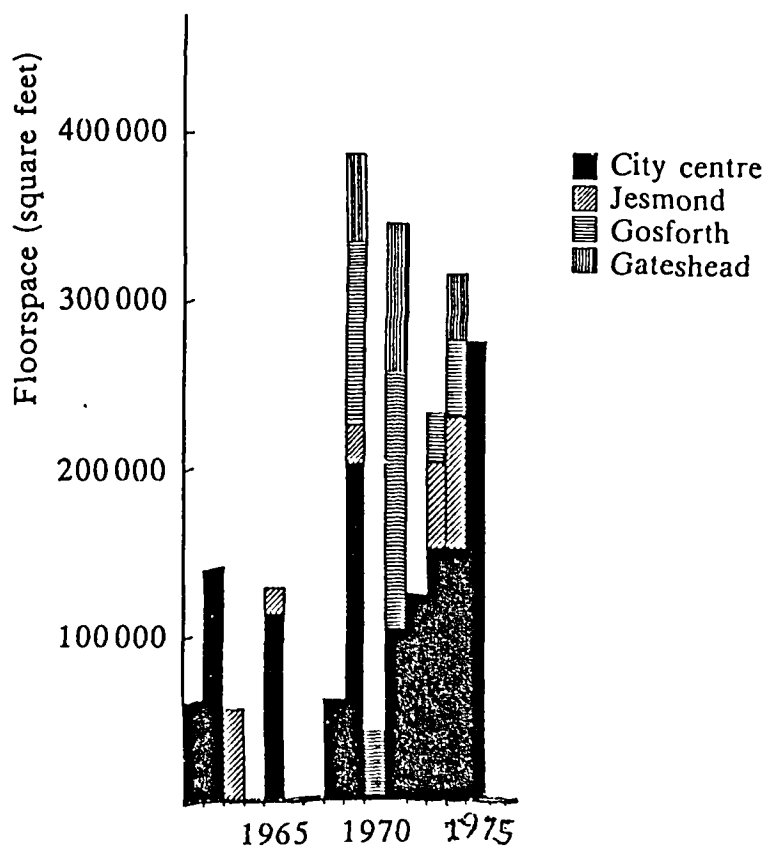


Figure 6.23 Office Development (1960-1975)
(Sanderson, Townend and Gilbert,
Newcastle upon Tyne)

6.5. THE DEVELOPMENT INDUSTRY

The property market in Newcastle was opened to the operations of national developers. There was no intention to incorporate national developers with indigenous property developers who were considered as primitive, with no capacity to undertake the proposed large scale schemes. As a result, a large number of national developers approached the council with the offer to undertake either the proposed schemes, other private redevelopment schemes or the development of their own sites. This happened all over the country as the state created opportunities which allowed larger developers to expand their operations on a national scale (Marriott, 1967; Ambrose, 1987).

The redevelopment process was favourably promoted by the council, targeted to large strategic locations in the city with a specific attention to design and quality. This attracted and encouraged national developers in the area. They found secure conditions in working with the council in its ambitious schemes to restructure the spatial organization of the central areas.

The organisation of national property companies changed during 1960 and 1970s (Smyth, 1985). Some companies were taken over or amalgamated with the larger ones. This was the starting point for the concentration of capital in the hand of a few property companies. In parallel with this, large scale property developments were also encouraged and promoted by the central and local states. Capital concentration in development companies coupled with large scale property development promotions by the state, required a very different form of company organization.

The insurance companies and pension funds also shifted their short term interest in simply financing property development to long term investment interests in property development during the late 1960s and 1970s. This led to new forms of relationship between property and insurance companies (Boddy,

1981). Finance was the most important component of the development process. The insurance companies and pension funds, in short the financial institutions, started purchasing a substantial share in development company operations. In the case of property development, the arrangement between financial institutions and property companies was based on lease and leaseback. Development companies easily obtained the capital required for large scale development schemes from the financial institutions. So financial institutions were directly involved in the operation and co-ordination of property markets and kept the property market's operations under their control (Smyth, 1985). This meant the direct penetration of financial institutions into property markets with the expectation of maximising their profit from their investments (surplus capital). Development companies forced this type of arrangement as a result of restrictions in credit systems and a dramatic increase in interest rates (Boddy, 1979 & 1981).

At this stage, the financial institutions also diversified their operations to other localities outside of London and South East. This necessitated new office accommodation for their own operation in other localities, so their involvement in the operation of property markets, in most cases, in particular in Newcastle, were based on the provision of their own office premises, rather than a direct income expectation in the early and mid 1970s. This dramatically affected the office property markets of provincial cities.

The majority of the office redevelopment in Newcastle was financed and owned by financial institutions, such as Pearl Assurance Company at the junction of New Bridge Street and Pilgrim Street, Sun Alliance opposite to St. Nicholas Cathedral, Norwich Union Insurance Group in Collingwood Street, Barclays and Midland Bank in Grey Street. However, this had an adverse effect on the locality, diminishing its own property developers and removing them from the market. At the same time, majority of small scale indigenous

commercial and retailing business was pushed out of city centre locations. Their premises were replaced by the giant office blocks of the financial institutions, so leaving the city under the control of the national financial institutions. Newcastle in this respect was a favourable location as a regional capital in the North East. However, there was also a considerable office development on the peripheries of the city centre, such as Gosforth and Jesmond in the early 1970s. The old regional ruling class, who diversified their interest towards financial institutions (in particular building societies) and property development, located their operations and investments in Gosforth. This was identical in the case of the Ridley family via the Northern Rock Building Society (Chapt. 5). The difference in locational preferences between national insurance companies and the regionally- based, but nationally operational building society was interesting and reflected the sphere of their operation.

Financial institutions located themselves in the centre of networking structures based on large capital and property. Their capital investment switched from industrial to property late in the 1950s and early 1960s (Boddy, 1979). This switch brought about a favourable profit margin to the financial institutions with diversification of their capital investment. Consequently the size of property developments changed over this period in terms of commercial and retailing development. The development companies also worked very closely with a team of technical and legal advisers in order to coordinate and deal with the complex processes of redevelopment, as well as adopting different organizational structures to deal with the property market (Smyth, 1985).

Most of the national retailing chain stores had their own property companies in order to undertake their own development projects. This was in parallel with their investment diversification and geographical expansion.

Littlewoods as a newcomer retailing chain developed its own premises. C & A in partnership with British Home Stores followed by Littlewoods, provided their own accommodation. Both were located on the east side of Northumberland Street, almost opposite to Eldon Square (33). This included new developments by Fenwicks and Mark and Spencer. Others, larger national chains, found accommodation in Eldon Square Shopping Centre (Chapt. 6.3.1). This in itself was an example of partnership between developer and financial institutions in a large scale shopping centre development, in that it involved the developer working with pension fund finance.

Development companies usually appointed national construction companies, such as Laing whilst the developments were backed by Sun Alliance Insurance, Norwich Union, etc (34). Mc Alpines were engaged in the development of Eldon Square. The construction companies subcontracted different building works to local builders. Small local builders and specialised subcontractors clustered around large scale reconstruction activities by undertaking part of the work. The construction stage therefore did bring new opportunities to some local subcontractors who were the only local beneficiaries out of this large scale reconstruction process. Apart from redevelopment schemes in the core areas of the city centre, there was a substantial amount of public construction work available to national construction companies, such as the erection of the central motorway, John Dobson Street, etc.

All Saints Office Development was carried out by Ravenseft which was a subsidiary company of Land Securities, originally based in London (Chapt. 6.3.2). Ravenseft was taken over by Land Securities in the mid-1950s. Ravenseft diversified its operation towards the redevelopment of new town centres in other localities outside of London. They operated shopping and office property markets in provincial, peripheral localities at the end of the 1950s and the

beginning of the 1960s (Smyth, 1985). Other property companies involved in the city entered into such property markets later. Land Securities as a parent company took over several property companies in parallel with the process of the centralisation of capital in property companies. The majority of its land programme was outside of Central London, whilst its investment portfolio was concentrated in London. The company had its own capital base and so was easily able to take opportunities. The company therefore had a different strategy in financing development schemes. It was also one of the largest companies in Britain. Ravenscroft had therefore certainly had sufficient experiences to carry out the All Saints Office Development in the hope that they could make the desired profit. However the incoming property slump and constant site problems together with costly construction requirements as a result of the topographic nature of the site reduced the profit margins which Ravenscroft had anticipated. Consequently the scheme remained incomplete. Ravenscroft also appointed their own letting agents and constructors who were London-based (Chapt. 6.3.2).

Capital and Counties Development Company formed a partnership with Small Pension Funds and Trusts in order to finance the Eldon Square Shopping Centre Scheme (Chapt. 6.3.1). Capital and Counties was an innovative company, which borrowed institutional arrangements from North America and applied them in Eldon Square, such as seeking capital contributions to finance the scheme from prospective tenants, and turnover rent arrangements as a result of management partnership between tenants and Capital and Counties. The company also insisted on not appointing any letting company in order to directly control tenants. This would help to determine the success of the scheme.

The council was also a major developer, undertaking strategic redevelopment projects with loan provision from central government. Swan

House, spanning over the central motorway, was one of the strategic project undertaken by the council. It was thought that the offices in Blakett Street and the Old Eldon Square premises from which offices were displaced could be relocated in these new office schemes. This however never materialized. They also carried out the redevelopment scheme in Queen's Square and the Central Library, Bewick multi storey flats, Queen's Square Shopping Centre and upper level pedestrian decks linking to the Laing Art Gallery. Multi-storey car parks and the central motorway were developed by the council. In these cases, the council appointed architects for the project design and then constructors for the erection of the schemes.

There were a number of public sector office developments as a result of the governments' decentralisation programme. The university and polytechnic were also public sector developments. In all cases, construction companies were appointed to implement the scheme, which was financed by public sector resources. The beneficiaries of the public sector redevelopment schemes were construction companies, in most cases regionally-based, nationally-operated companies.

These developments and changes coincided with the council's enthusiasm for assisting and promoting the redevelopment of a modern and imaginative city. The council's objectives were to attract large scale office and retailing development into the city, providing favourable conditions for new comers. These conditions were consciously utilized by financial institutions, development companies and construction firms.

6.6. THE COUNCIL AND ITS PLANNING DEPARTMENT

The council leader, T. Dan Smith and the city planning officer, W. Burns were the key actors in the formation of redevelopment policies and partly responsible for their implementation process. Their personalities, aspirations and ambition were responsible for the development of the city's planning policies and associated large scale speculative developments. This was a case of the partnership between politician and planner, understanding each others power perfectly.

T. Dan Smith had been elected as a Labour councillor in 1950. The council was under the control of the Conservative party at that stage. The Labour party eventually gained the control of the council in 1958. T. Dan Smith became leader of the council. He was very ambitious to change Newcastle's fate. He was aware of how important image was. He intended to create a new image through ambitious, large scale development projects. He also knew that this attempt would radically change not only the spatial organisation of the city, through adapting to new technology with giant motorways, but it would also replace indigenous small capital with national, so bringing the city into line with the national expectation of what a "regional capital city" should be. He knew that whatever he radically changed he must legitimate with the power of planning. He was not in favour of public participation or any other form of public involvement, his business was only with powerful business (Elliot, 1972). This of course clashed with his political stand as a self-declared socialist.

T. Dan Smith was in favour of positive comprehensive planning as opposed to the previous administration's piecemeal approach. He had a strong personality. He was influential over the Labour Party as well as the

Conservatives with his theatrical action and games in the council chamber (Elliot, 1972).

Smith introduced a resolution in the council with a request from the Town Planning Committee to appoint an officer to prepare a report on the development of the city centre. The department and position was created in order to attract a first class officer and team. The Conservative members agreed with the establishment of this new city planning department. The member of staff in this department would be appointed with a salary twice that of comparable officers (Elliot, 1972). Opposition (conservative) councillors saw the necessity for the creation of a large department in order to fully promote the redevelopment process. The coordinating position was to be given to the city planning department from which influence could be passed to other departments. From the beginning, the attempt was to establish a powerful planning department and supportive structure, where high positions offered high salaries, attracting high reputation planning officers' to the city.

Smith had the ambition and desire to create a modern city centre with respect to international planning principles, solving problems of traffic congestion and giving priority to the circulation of pedestrians. Smith was in favour of comprehensive large scale redevelopment and that was exactly what the new department would be responsible for implementing.

The council thus decided to establish its own planning department as an independent unit and appointed Wilfred Burns with the responsibility for the formation of the department. Burns was highly expert in the field of redevelopment and planning. He was a planning officer when the famous Coventry redevelopment plan was produced and his work in Surrey was considered remarkable. He had a strong personality, expertise and a convincing character. He established the department with a combination of

renowned architects and planning professionals. The department was characterised by professionalism, rationalism and scienticism. This reflected the way in which the department worked and produced plans and documents. As a result a large number of reports, planning documents and drawings were produced on a wide range of subjects (35). These attempted to locate within a modernist "Comprehensive Approach". Its emphasis on research reports also suggests that the planning department positioned itself as being professional and scientific. In this way they found justification and legitimation in their initiatives; rationalized by the power of their professionalism. Public participation was not a concern practice. It was assumed that their work was favourable to the public, they were the professionals who knew what was best for the general public, and they were after all public employees. All important decisions for the redevelopment of the city centre were made by the council with very little, and in most cases, no public consultation whilst the councillors' penetration of the decision making process was very limited in the city planning department which strongly presented its professional power over the politicians. In this process, the personalities of political and administrative leaders played a significant role in convincing the city council on particular issues.

Various actors were involved in, and influenced, the policy decision-making process in the council. A close working relationship with the directors of big department stores and property owners was established. Co-operation and coordination was also established with other council departments and committees through the formation of joint working groups. The department was divided into three sub groups. The "development control sub-committee's" power was confined to the implementation and control of development activities in accordance with the policies made by the "Redevelopment sub-committee". The redevelopment sub-committee was responsible for the

formation of policies and plans for the redevelopment of the city centre, whilst the "Traffic sub-committee" dealt with the design and problems of traffic circulation. These three sub-committees worked very closely regardless of the work division. Professional staff formulated policies and made major decisions, then presented them to the sub-committee consisting of the councillors, the professionals exerting their power over them. When approved by the sub-committee, the formulated policies were presented to the planning committee and eventually to the whole council. Discussions if any on the policies and issues were brought onto the agenda and subsequently determined by the planning department (36).

A close working relationship between the leader of the council, T. Dan Smith and the city officer, W. Burns was established. Proposals were mainly formed by these two powerful personalities in a precise and authoritative manner, in which personal differences of opinion were compromised. The council's leader and the city planning officer consulted on matters, before Committee and Labour Party group meetings, to reach agreement then imposed the agreed proposals on the committee without leaving any space for councillors' contributions. The committees, following their own, long established, traditional administration, were passive. The main function of elected representatives was in theory to initiate priorities to be followed by officers, but this process did not stand in this case. Priorities were initiated by the city planning department and subsequently presented as guide-lines to the council committee in Newcastle.

The reason that the city planning department was proposed by Smith was in order that he could impose his own vision on the formation of policies and priorities. In this he succeeded. As a result, policies were formulated by the planning department under the control of the council's leader. The committee approved recommendations and policies given by the planning department

which were all the time under the invisible control of the council's leader and city officer.

The Policy Advisory Committee was chaired by the leader of council and was responsible for the formation of priorities and the allocation of resources. The committee had no clearly specified priorities to provide strategic guidance for the planning department. For example 200 million pounds was allocated to the redevelopment programme, without giving any consideration to the priorities of how it should be used. This was a very advantageous position for the planning department, as it could identify priorities and subsequently allocated resources out of the block amount determined by the policy advisory group. In this case, the council's leader and city planning officer were the key actors producing such decisions (Elliot, 1972)

The partnership between the council's leader and the city planning officer played a significant role in identifying priorities, forming policies and allocating resources. This also speeded up the process of decision making. Discussions took place before meetings, consequently all reports and recommendations were accepted by the council, without any discussion, change or alteration.

The council's leader and city planning officer agreed on direct intervention in property markets through the provision of necessary infrastructure as a driving force to attract the private sector to the city, by establishing close working relationship through a legally underwritten partnership arrangement. The council in particular favoured partnerships with the private sector in the redevelopment process of the city centre. They considered that the private sector had enough resources and experiences in construction and the operating of property markets. The council also agreed that land should be acquired and made ready for private sector operations to speed up the process. This also

speeded up council income as it was able to lease the land as soon as possible. The Labour-controlled council under the leadership of T. Dan Smith therefore sponsored large-scale developments on the basis of partnership arrangements. In principle, the council acquired the land and premises by the power of CPO, demolished the existing buildings, cleared up the sites and made the sites ready for the private sector developers to move in. All this work was done and financed by the council. During the project design stage, the council provided whatever information the private sector required. They financed all infrastructure provision, including multi-storey car parks, car parking spaces, the vehicle access to the sites, internal traffic and pedestrian circulation routes and a site's integration with the existing built environment and infrastructure (including connection with water and sewage systems). All this was at the expense of the council. What was actually left to the private sector was to design the scheme and construct it on site. Although this was the initiative of a Labour controlled council it was in total consensus with the Conservative Party policy. Beside all this, the councillors neglected neighbourhood projects such as the Walker development, a peripheral slum clearance programme. All resources, technical and financial were devoted to the city centre redevelopment scheme. The more controversial issues such as the demolition of Eldon Square, regardless of intense public discussions and objections, were not in any way discussed by the planning committee. Powerful, influential councillors, such as Brown, Grey and Smith, were keen on planning and progress in the redevelopment scheme. The councillors reviewed the plans in their party groups. They did not attempt in any way to discuss the redevelopment proposals publicly. All discussion were confined to the boundaries of the party organization. They were totally removed from the general public whose views in theory they represented (37).

6.6.1. RELATIONS WITH CENTRAL GOVERNMENT

Centre government was the strategic regulator, when plans required approval and when public inquiries were to be held before approval. A good working relationship was maintained with the Ministry of Housing and Local Government under the guidance of the city planning officer, W. Burns, who had experiences from his former appointment in Coventry, especially in the implementation of CPOs. Smith also established good relations with central government. He was well aware of central government power in the redevelopment process. The regional office of central government (which was based in Newcastle) was an important liaison post between the Ministry and the council. Unofficial visits and consultations took place during the production of plans and so plans were known by the Ministry long before submission. This consequently speeded up the process. Planning enquiries were also held as a statutory requirement in order to hear the views of interest groups. Resolutions were always in favour of the planning department in spite of the strong public opposition which existed in some cases, such as in the case of the Central Eastern Motorway (1967) or the Pilgrim Street Roundabout (1959). As a result, the public inquiry was used an instrument to make the schemes appear accountable to the general public, even if the process itself was not accountable. There was no difficulty for the council to gain approval for their large scale redevelopment schemes through the demolition of existing, mainly Victorian sections of the city's heritage, such as Old Eldon Square or the Royal Arcade.

The Ministry of Housing and Local Government exerted its power through the provision of the grants and loans to local authorities in order to finance their redevelopment schemes. The Ministry of Transport also made a percentage grant for major roads. Thus, 75% of the major roads erected in Newcastle were financed by them. Major capital programmes by local authorities had to be approved by the Ministry of Housing and Local

Government (MHLG). This gave power to the central state to control the operations and spending of the local state in the production of the built environment. The council's leader secured a block grant from central government (MHLG) without the ministry showing any serious interest in which projects it would be spent on. The council also used parliament to pressure the MHLG and managed to gain approval for controversial schemes (Elliot, 1972).

The Royal Fine Art Commission was consulted for the aesthetic considerations of the proposed Central Eastern Motorway, but no consideration was given to on their critique by MHLG. The City Centre Traders Association (small indigenous retailing business organisation) strongly objected to the redevelopment schemes, in particular to the demolition of Old Eldon Square which accommodated 35 small traders paying relatively low rents in comparison to other areas in the city centre. Objections were strongly presented, but nothing changed, a statement was made in 1963 as to the intention to demolish, and demolition started in 1965. Most of these traders soon went into bankruptcy (Davies & Bennison, 1977).

The demolition of Old Eldon Square produced further conflict. The Ministry resolved some of this conflict when assurances were secured that historical buildings including the Royal Arcade would be preserved. As time passed, the Royal Arcade became a source of conflict. Finally the Ministry agreed to its demolition in order to build a new roundabout and commercial redevelopment in 1968.

Large property owners were in the main permitted to retain their sites and were given permission to redevelop and extend. Co-operation and participation with the large chain stores was essential to the success of the plans. The council was in a powerful position with its large land holdings,

premises, and easy access to capital resources. The planning department and committees reassured traders by explaining the plans and establishing good working relationships.

6.7 THE PUBLIC-PRIVATE SECTOR RELATION

The council had a crucial role in the process of redevelopment in Newcastle city centre. It was the council who consciously targeted and promoted strategically important locations as nodal points to attract further redevelopment to neighbouring areas. The council was in favour of comprehensive redevelopment as opposed to piecemeal experiences of the past. Modernisation of the city centre's built structure was seen as the only way to achieve large scale comprehensive redevelopment and the council was at the heart of steering change in the desired direction. The desired direction was the provision of infrastructure favourable to the private sector. The public sector saw its role as providing land for development, demolition and clearing up of anything already standing on sites. Indeed developers grew to expect the provision of land by local authorities, along with clearance, infrastructure concerning traffic and regulating parking.

A close working relationship existed through most of the late 1960s between developers and the council in order to speed up the process. It was only when the necessary speed of implementation was not achieved that tensions developed within this relationships, as in the case of the All Saints office development.

For the two largest sites, Eldon Square and All Saints, the council established a partnership with only two companies. In both cases, both the

developer and the council looked on the schemes as long term capital investments. The council's objective in setting up partnerships was very much to provide themselves with additional income sources, through increasing land values and so leading to increases in local taxation. At this stage there was no real local-central government clash. Changes in central government following the general election of 1970 and 1974 had no major effect on local central relations in terms of redevelopment. Within the municipal politics of the city both major parties were in consensus over the necessity of the redevelopment measures (Elliot, 1972).

The role of the council in the process gave emphasis to the distribution of infrastructure and publicity concerning developments, and misinformation or agenda blocking when it came to the demolition of historically significant buildings or other controversial issues. It is also difficult to see how the council could lay claim to be regenerating local capital as any economic regeneration was based on the attraction of national and international capital.

In all, one hundred and seventeen small shop units were destroyed, the majority of these housed small scale local and regional companies. Almost all failed to relocate because of a lack of economically viable units elsewhere in the vicinity, many were faced with bankruptcy, and only three out of the hundred and seventeen managed to relocate into the New Eldon Square development (Davies & Bennison, 1977). Relocation sites were only proposed to relatively powerful or influential groups. The fruit and vegetable wholesalers, a well organized group, were advised to relocate to Melburn Road CDA from Green Market although this option was not taken up. The YMCA insisted on accommodation in Eldon Square, and the council accommodated this demand. However the YMCA changed its mind and relocated to Ellison Place (Chapt. 6.3.1). The Salvation Army was relocated to City Road from Dog Bank in the All Saints CDA. It was also the council who were faced with problems arising

from the need to acquire land. Ministerial approval for the compulsory purchase order had been very late in being granted approval. Consequently many deals for land were carried out before compulsory purchase provision (Chapt. 6.3.2). On the above account the council may be seen to have taken on the role of dealing with any opposition which developed to schemes, and so directly protecting the developer against any local hostility.

The council proposals for the CDA as well as the project design were a long drawn out process. Each of the two major schemes Eldon Square and All Saints took four years each (Chapters 6.3.1 & 6.3.2). In the case of Eldon Square, one of the reasons clearly concerned changing demand for units. Some concerns, like the British Film Institute, negotiated allocation with the council at an early stage and latter withdrew when they found development grants unavailable. The council and developer looked for financial contributions from those who wished to occupy the units. These were not always forthcoming. The failure of the hotel project to fulfil previous agreements also frustrated the timing of the development. In the case of All Saints, problems with buildings of historical interest provoked not only local concern, but also the interest of central government. This led to further economic problems as a result of design expenditure to accommodate the historical sites (Chapt. 6.3.2).

With the exception of All Saints, the council was successful. The CDAs and neighbouring areas attracted capital for the redevelopment of the built structure. This however was very much at the expense of the remaining built heritage of Victorian Newcastle. The spatial zoning and realignment of the sectors of the city core at the same time had the result of replacing local and regional capital with national and international capital from elsewhere in the country as well as overseas. In this sense, Newcastle was to finally what little remained of its provincial economic base and the remainder of its economic

diversity which had been so important to the location of the city as a provincial centre of commerce in the nineteenth century.

The redevelopment process in Newcastle followed the national trend in the hope that it could overcome economic decline in the region through the creation of a new image, providing necessary built structures and a resource system, in order to attract new, modern sectors into the city. Redevelopment was the only way to change the image of the city. As a regional capital, the central areas of the city had to be redeveloped in order to meet the requirements for a modern city, a capital city. Burns describes Newcastle as a regional capital city "at the head of renewal" and "the forefront in providing what modern men expect in a modern environment" (Burns 1967, p.2). The main theme in the planning proposals was to change the spatial organization and adapt to the changing requirements of capital within the city. The city was perceived as a symbol of civic dignity and pride, encompassing a wide range of commercial, retailing, leisure and cultural facilities and services within its built form, whilst planning was seen to present a vision of images, reflecting civic dignity, power and dominance as located within the norms of modern life styles.

In the case of economic restructuring in the production sector, the central state established a formal class alliances through the formation of the Northern Regional Planning Council. This was a three-partied public agency, bringing trade union, the city council and business interests together in order to attract national or international capital investments in the sphere of production.

6.8 CONCLUSION

Nationally-based financial capital rapidly moved into the commercial redevelopment schemes with the interest of end-users. This was as a result of the process of centralisation of capital in insurance companies. It led to a capital switching crisis which was resolved through geographical expansion from the core towards periphery locations in the late 1960s and early 1970s. This occurred as part of a national trend as London became a centre for the co-ordination of financial capital; a process which was facilitated by national government (Mariott, 1967; Plender, 1982). Soja (1989b) calls this process the centralisation of capital and decentralisation of activities and operations as a result of the former. In comparison, Harvey (1985a) interprets this process as the overaccumulation of capital in a specific sector, which corresponds to Soja's interpretation of centralisation. Resolving this overaccumulation crisis may be by a diversification of interests towards other sectors, for example, in the case of insurance companies whose interest diversified from financing construction towards investing in property, or moving from production-based investment interests towards property-based investments, as which occurred in the instance of the Eldon Square redevelopment through the partnership between Capital and Counties and Shell Pension Funds. Alternatively, switching interest may be from one geographical location to another. In the case of the insurance companies, they switched their operational base from the core areas towards the peripheries. This also allowed them to gather revenues from wage-earners throughout the country, so providing further resources within the circulation process and as a result further accelerating property development anywhere in the country. Their investments in commercial buildings in the city were based on the provision of premises/ accommodation for their own operations. These sorts of investments were primarily based on use value rather than exchange value. The flow of national based finance capital to the city centre created large,

modern, office premises. The consolidation of capital accumulated from the production sector and later invested in the London financial sector flowed back out to the regions to support speculation and consumption activities.

A consensus of opinion existed which led to a firm attempt by the central state and the city council to modernise the region's economic structure. In order to succeed with this objective, class alliances between differing interests were established. As was seen in the previous sections, the city council formed both informal and formal alliances with nationally-based interests in favour of modernisation. The political and professional elite of the city council with their national counterparts established alliances with national finance and retailing capital. The city council's interest was to restructure/modernise city centre properties, whilst national finance capital's interest was to expand operations towards periphery locations, to control the financial affairs of these areas, utilise opportunities embodied in these areas (gathering income and savings from these localities), so their interest was directly based on sectoral rather than property investment.

In the development of Eldon Square, a class alliance existed between political and professional elites from the city council and central government, the developer (Capital & County), financial institutions (Shell Pension Funds), national retailing chains (i.e. Bainbridge and Mark and Spencer) and Tyne and Wear Public Transport Executive. Existing national retailing capital's interest was to locate within the Eldon Square shopping centre precinct, either persuading the council to extend property acquisition powers to the neighbouring areas of their premises and so integrating their properties with new developments, utilising opportunities created by the shopping centres, or relocating themselves in the new centres, such as Bainbridges and Boots in Eldon Square. The Tyne Passenger Transport Executive was included by the class alliance for the integration of public transport provision to the shopping

centre development scheme. Locally-based retailing and commercial interests were excluded from the class alliances.

In the case of economic restructuring in the production sector, the central state set up a formal class alliance through the establishment of the Northern Regional Planning Council (NRPC). The Northern Regional Planning Council (NRPC) was a corporatist body comprising of trade union, the city council and business interests from the production sector. The last of these included international company directors and representatives of the old regional ruling class. It did not have any executive power. Its function was solely advisory.

Class alliances were also established on the peripheries of the city centre. These were operational in the mobilisation of capital resources for residential development such as Cramlington New Town. These class alliances were between regional based building societies (i.e. Northern Rock), house builders (i.e. Bellway & Leech) and local professional elites (i.e. Dickinson) working along local authorities (i.e. Northumberland County Council) (Chapt. 5.5 & 6.5).

The 1960s and 1970s thus saw the destruction of regional small indigenous retailing and commercial capital-based operations. Restructuring the city centre led to the disappearance of indigenous small capital operations from the city centre. This was as a result of the alliances between central and local state, and the geographical expansion of national retailing and financial capital. Nationally-based capital, mainly originating from London, moved into Newcastle where it was invested for the construction of modern office blocks to be used as regional branches of insurance companies. Nationally-based construction companies also played a significant role in the restructuring process.

The council leadership was to some extent successful in its attempt to attract national interest. However this caused a further dependency on external forces, in this case national and international corporatist production capital, finance capital and retailing chains. This almost wiped out indigenous retailing and commercial capital.

Capital in this period circulated within the Fordist productive sector and the finance and retailing sector. Newcastle as a peripheral location utilised the geographic expansion of these sectors. This only served to intensify its position as a peripheral location for capital accumulation as the region did not acquire a regionally- based command structure with its own power derived from capital ownership. Politically this led to a close working relationship between the city council and the national government to attract branch plants, retail outlets and offices to the area with which the city council would then establish working relations. The effect of this upon the built environment was the development of fordist branch plants in the peripheries of the city and the restructuring of the city centre to facilitate national retailing and finance sector branches. This was possible through the working relations of both the city council and private national capital.

NOTES

- 1) *Central Area Redevelopment Proposals* (City & County of Newcastle upon Tyne. 1961a. First Report of The City Planning Officer) was produced by the city planning department, four half months after its establishment in November 1960. It outlines the redevelopment policies of the council for the central areas of Newcastle.
- 2) *Background to the Eldon Square Redevelopment*, an unpublished report by Galley, the City Chief Planning Officers, clearly shows that the city council and its planning department in the early 1960s were very conscious about the condition of inner urban competition. They aimed at promoting Newcastle to reposition itself with the aid of regional economic development and city centre modernisation strategies. This is rather interesting in comparison with the 1980's urban policy initiatives with the strong emphasis on the inter urban competition. This may be interpreted that urban areas in both cases attempted to restructure their economic, social, cultural, political and consequent spatial structures as a result of the secondary circuit capital investments.

- 3) *Central Area Redevelopment Proposals* report (1961a) points out that CDA status will be used for the implementation of the proposed policies.
- 4) City and County of Newcastle upon Tyne. 1966b.
- 5) City and County of Newcastle upon Tyne. 1963a
- 6) City and County of Newcastle upon Tyne. 1966a
- 7) City and County of Newcastle upon Tyne. 1963a, 1963e & 1963h.
- 8) City and County of Newcastle upon Tyne. 1961a, 1962a, 1962b, 1962c, 1962d, 1962f, 1963a, 1963b, 1963c, 1963d, 1963e, 1963f & 1963g.
- 9) City and County of Newcastle upon Tyne. 1962a.
- 10) City and County of Newcastle Upon Tyne. 1964a.
- 11) City and County of Newcastle upon Tyne. 1961a & 1963a.
- 12) City and County of Newcastle upon Tyne. 1961a, 1963a & 1964d.
- 13) City and County of Newcastle upon Tyne. 1961a.
- 14) City and County of Newcastle upon Tyne. 1963a.
- 15) City Planning Department produced a large number of publication between 1961 and 1970 on the basis of CDA's analysis, surveys and proposals. See bibliography.
- 16) City and County of Newcastle upon Tyne. 1963f & 1964a
- 17) City and County of Newcastle upon Tyne. 1965f, 1964a, 1963a, 1963b, 1963e, 1963f, 1963g, 1962c, 1962d & 1962f.
- 18) City and County of Newcastle upon Tyne. 1962a, 1962c, 1962d, 1962f.
- 19) Newcastle City Planning Department, Eldon Square Files.
- 20) City and County of Newcastle Upon Tyne. 1964. Eldon Square Area: Central Redevelopment, p. 20-21.
- 21) City and County of Newcastle Upon Tyne. 1967a, 1965d, 1965h, 1963a, 1963d & 1963e.
- 22) City and County of Newcastle Upon Tyne. 1968 & 1966g.
- 23) City and County of Newcastle Upon Tyne. 1964c, 1963a, 1963c, 1963f, 1962c, 1962d & 1962f.
- 24) Ibid.
- 25) City and County of Newcastle Upon Tyne. 1963a, 1963b, 1961a & 1961b.
- 26) City and County of Newcastle Upon Tyne. 1963a & 1961a.
- 27) City and County of Newcastle Upon Tyne. 1966f, 1965e, 1964c, 1963a, 1963b, 1963e, 1962f, 1961a & 1961b.
- 28) The Eldon Square and All Saints CDA files clearly show how working relations were established between the city council and the developers.
- 29) This section's materials are based on the Eldon Square files in the planning department, Newcastle and the newspaper cuttings in the city library, Newcastle.
- 30) This section's materials are based on the All Saints Office Development files in the planning department, Newcastle and the newspaper cuttings in the city library, Newcastle.
- 31) *ibid.*
- 32) City and County of Newcastle Upon Tyne. 1973a & 1973b.
- 33) *ibid.*

- 34) City and County of Newcastle Upon Tyne. 1973a.
- 35) This material is available in the city council offices, the city library and the seminar library of the University of Newcastle, Department of Town and Country Planning. Much has already cited see bibliography, i.e. J.G. Davies (1972)
- 36) This material based on both the file records and the council records deposited in the Planning Department, City of Newcastle upon Tyne.
- 37) This material based on the council records. Also see Elliott, J. 1972.

7

CAPITAL, STATE AND REDEVELOPMENT IN THE MID 1970S AND 1980S

In the mid 1970s and early 1980s, the regional economy dramatically declined under the conditions of national recession and global crisis (Amin & Pywell 1989). Economic activity in the region was still based in heavy industries, shipbuilding and engineering, along with branch plants of Fordist based production companies. There was also a shift from manufacturing to service sector employment during 1960s and 1970s (Robinson, 1988). This was mainly as a result of the expansion of the public service sector, and to a lesser extent incoming national insurance company subsidiaries (Chapt. 6; Robinson, 1988). Advanced service sector activities, for example producer services, were not present in the regional economy. The modernisation strategies pursued through the previous period of regional policy instruments attempted to diversify the regions' economy. However this was mainly confined by the mature traditional industries and incoming, externally-controlled branch plants rather than restructuring the local economy through the introduction of new highly computerised production activities (Robinson et al 1987; Amin & Pywell, 1989). By the 1970s, branch plants dominated the economic structure through high rates of takeover of small indigenous manufacturing firms (Smith, 1986). This phenomenon subsequently weakened the position of the regional

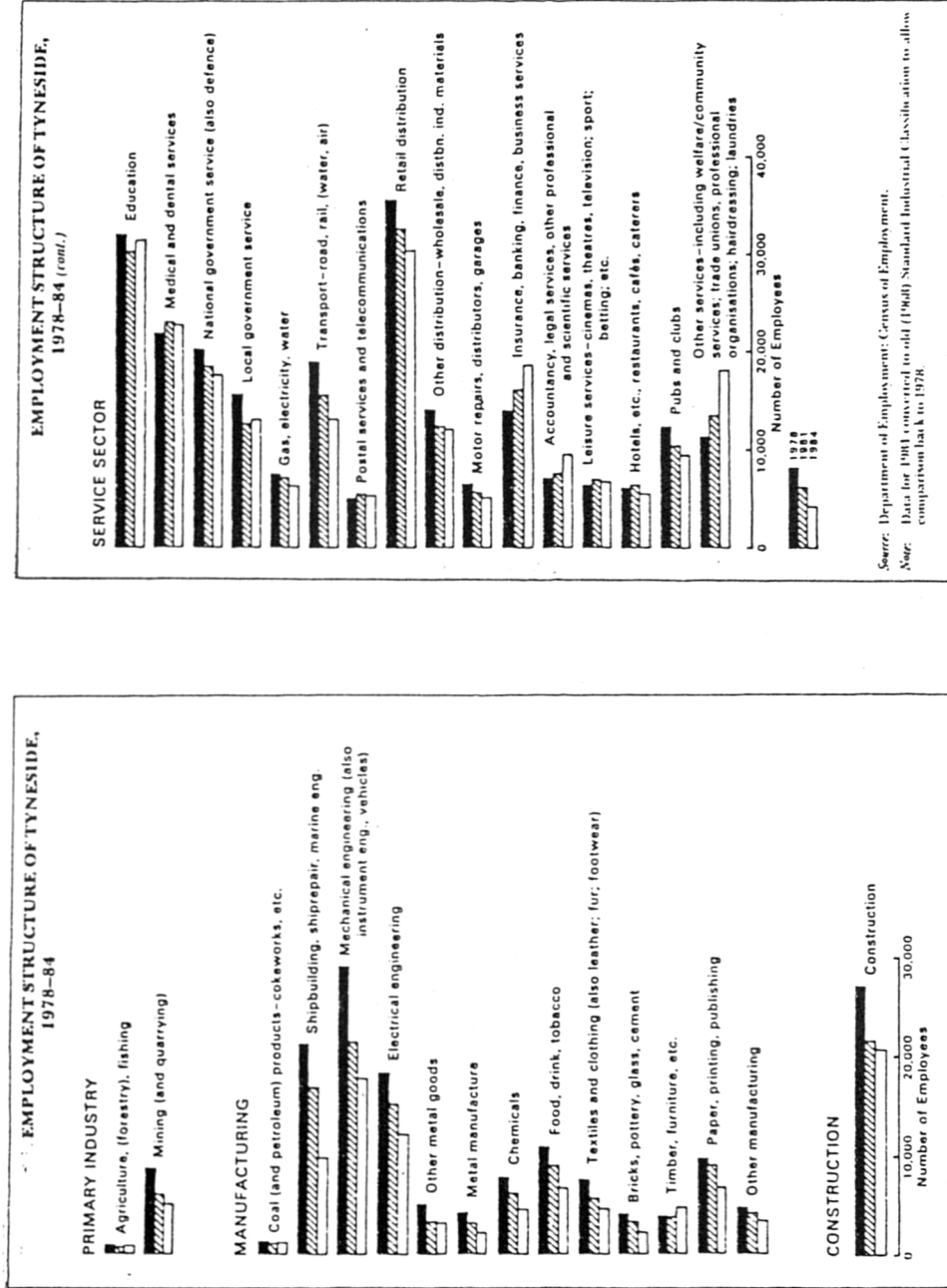


Figure 7.1 Employment Structure of Tyneside (1978-84)
(Robinson, 1988)

small firms in the economy. New firm formation and the survival of small businesses was very limited (Amin & Pywell, 1989). This also led to the under representation of producer services and managerial employment within the region. This meant that the region's economy was externally controlled. The structural weaknesses of the regional economy therefore intensified by means of regional economic policies and measures.

The process of deindustrialisation continued. Heavy industries (shipbuilding and engineering) suffered from large job losses as a result of lack of competitiveness with their counterparts in other countries, in particular Japan and Germany together with existing oversupply in these industries (Hudson, 1989a). Further job losses occurred through rationalization and privatisation strategies in industries, such as shipbuilding (Robinson, 1988; figure 7.1). When externally owned companies came to rationalize their production programmes, it was very often their branches in the North East which paid the price through intensification, capacity reduction, diversification and overseas relocation (Amin & Pywell, 1989). This process led to the closure of a large number of externally controlled branch plants within the region, in particular between 1978 and 1981 (Amin & Pywell, 1989). The region's economy weakened further over time as its dependency on external capital investments increased.

The closure of heavy traditional industries and branch plants left large tracts of industrial land derelict and unused in parallel with high levels of unemployment. This was a national phenomena seen in all older industrial conurbations. The conditions in Newcastle were relatively more serious than other conurbations as a result of deficiencies in the diversification in its economic base (Amin & Tomaney 1989). Its productive base had not successfully shifted from its 19th. century heavy industrial structure (Hudson, 1989a). Regional economic policies failed to identify the structural weaknesses

of the regional economy. Rather they assisted the geographic expansion of Fordist-based national and international companies at the expense of the region. This responded to the national and international industrial companies' demand, rather than the region's long-standing problem of industrial restructuring (Massey, 1988). The economic decline was an ongoing process from the turn of the 20th century and onwards (Benwell CDP, 1978).

Declining economic activity, increasing unemployment and the flight of capital led to very depressed property market conditions in the region. Local government and its planning department, in line with national planning and urban policy, formulated policy objectives and strategies to overcome the above problems in the region. Newcastle city centre as a regional capital was a focal point in the preparation of planning objectives and policies.

The period was continuously marked a series of changes in the planning environment and local state organisation. A full account of these changes and the evolution of urban policy in this period is provided in the Appendix. A two tier planning system along with a two tier local state administration was introduced. The establishment of Tyne and Wear County Council in 1974, the formation of the county's structure plan (1975-1982), the city council's city centre local plan (1976-1985) and the initiation of the Tyne and Wear Act (1977) dealing with the region's economic problems, developed and complemented central government's own inner area initiative in urban policy. This demarcated the boundaries of the Newcastle and Gateshead Inner City Partnership Area in 1978. This was the first serious attempt by central government to overcome the economic problems of inner city areas. In the previous periods, in particular the 1950s and 1960s, planning activities attempted to disperse population and production activities from the older industrial areas towards new growth points through the formation of new towns and industrial estates, providing new infrastructure and ready land for the operations of corporate capital,

leaving the industrial activity and population in declining areas alone (Chapters 5 & 6). In contrast, this period was marked by a series of the central government initiatives dealing with economic decline in the older industrial areas. This represented a shift from regional economic policy initiatives towards focusing on inner city problems in large conurbations.

Newcastle city centre, like most of the region, was badly effected by economic recession and slump conditions in property markets in the late 1970s and early 1980s. The southern part of the city centre had dramatically declined, partly because of the late 1960s and early 1970s redevelopment activities, and partly following depressed property market conditions as a result of low levels of development activity.

7.1 THE CITY CENTRE LOCAL PLAN

The preparation of the 'City Centre Local Plan' commenced in 1976, a year after the commencement of the "Tyne and Wear Structure Plan" and was approved in 1985. The City Centre Local Plan was prepared in the context of a "Strategic Plan for Northern Region", a "Tyne and Wear Structure Plan", "Inner City Partnership Strategy", "River Tyne Subject Plan" and "Previous Local Authority Plans (1953 Development Plan, 1961 "Central Redevelopment First Report" and 1963 Development Plan Review)

The "Strategic Plan for Northern Region" had a considerable influence on the content of both the City Centre Local Plan and the Tyne and Wear Structure Plan, but central government did not respond to its recommendations when it was published early in 1977. This plan identified the structural weaknesses in the region's economy. The existing service sector in the region was based on

local demand, rather than producer and financial services. It stated that those branch manufacturing plants which had been attracted to the area had not brought the anticipated expansion in producer services, and consequently employment, since their headquarters and higher management services were located elsewhere. The growth of service sector employment, in other words the expansion of business, finance and professional services, was not sufficient in the region if it was to develop as a major business centre in the national context. The strategic plan for the Northern Region therefore emphasised the importance of the development of producer and specialist service sector functions and also considered upgrading the built environment alongside other environmental improvements as an integral part of this strategy.

The city centre local plan boundaries lay within the Newcastle and Gateshead Inner City Partnership Areas designated in 1978 (figure 7.2) to promote commercial and industrial activities through the provision of grants and loans for the improvement, conversion, alteration and erection of built structures as well as to businesses accommodated in these structures. A number of improvement areas, such as Blackfrairs (1980), Quayside (1981) and Central Improvement Areas, were designated under the Inner Urban Areas Act (1978) in order to enhance and transform the City's built environment and economy with subsidy packages through the Inner City Partnership via the Urban Programme. The role of the plan was to incorporate the policies and objectives of these area-based initiatives, which are also the city council's non statutory initiatives.

The Tyne and Wear Structure Plan provided a general framework of policy objectives for the Local Plan and guidance on the amounts of activity to be allowed for in the Local Plan. The Structure Plan re-stressed Newcastle's function as the principle office centre of the Northern Region and re-identified deficiencies in the city's service sector activities to fulfil the requirements of the

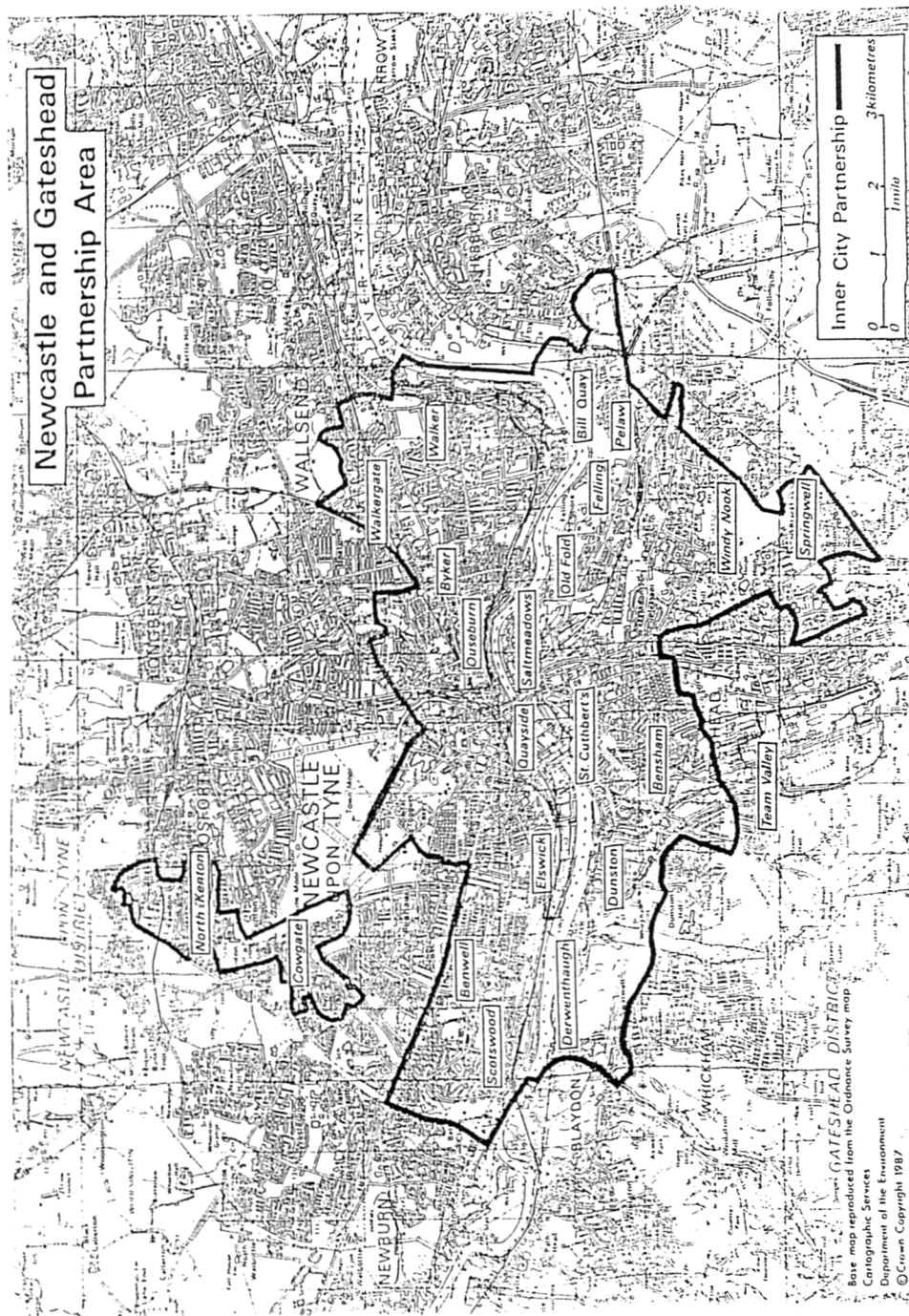


Figure 7.2 Newcastle and Gateshead Inner City Partnership
Area Boundaries (Planning Department,
Newcastle)

status of Regional Capital. Therefore no restriction was given to office floorspace in the Structure Plan. Office development in the city centre was promoted without specifying any specific strategy for the structural problems of the city's service sector. In parallel with this, the Structure Plan gave priority for the provision of strategic road networks, such as the new Redheugh Bridge and the West Central Route as well as small highway schemes according to their relevance to the City Centre. Whilst it promoted housing development in the City Centre, it restricted shopping facilities in the face of congestion and inadequate parking facilities. Emphasis was also given to the existing shopping centres and Eldon Square's adverse effects on the development of shopping activities elsewhere in the centre.

As the previous chapter stated, previous Local Authority Plans had identified the City's role as a Regional Capital and directly promoted redevelopment activities in the city centre, mainly the creation of what was at the time, Europe's largest Shopping centre, Eldon Square, the construction of the Eastern Central Motorway and the comprehensive office development of All Saints, Quayside. However all these attempts did not bring any solution to the City's economic problems, apart from an expansion of part-time female employment and the disappearance of indigenous retailing capital from the region's economy (Chapt. 6).

In the above context, the City Centre Local Plan's primary objective was to enhance and strengthen, the role and function of Newcastle as a regional capital as was previously stated in the other plans. The 1985 plan made no major changes in policy orientation from previous plans, except for a reduction in the allocated space for warehouses, small workshops and storage in favour of the allocation of office space, in particular areas neighbouring the East Central motorway (figures 7.3 & 6.2). However, the implementation strategies for these policies focused on refurbishment, renovation and restoration rather

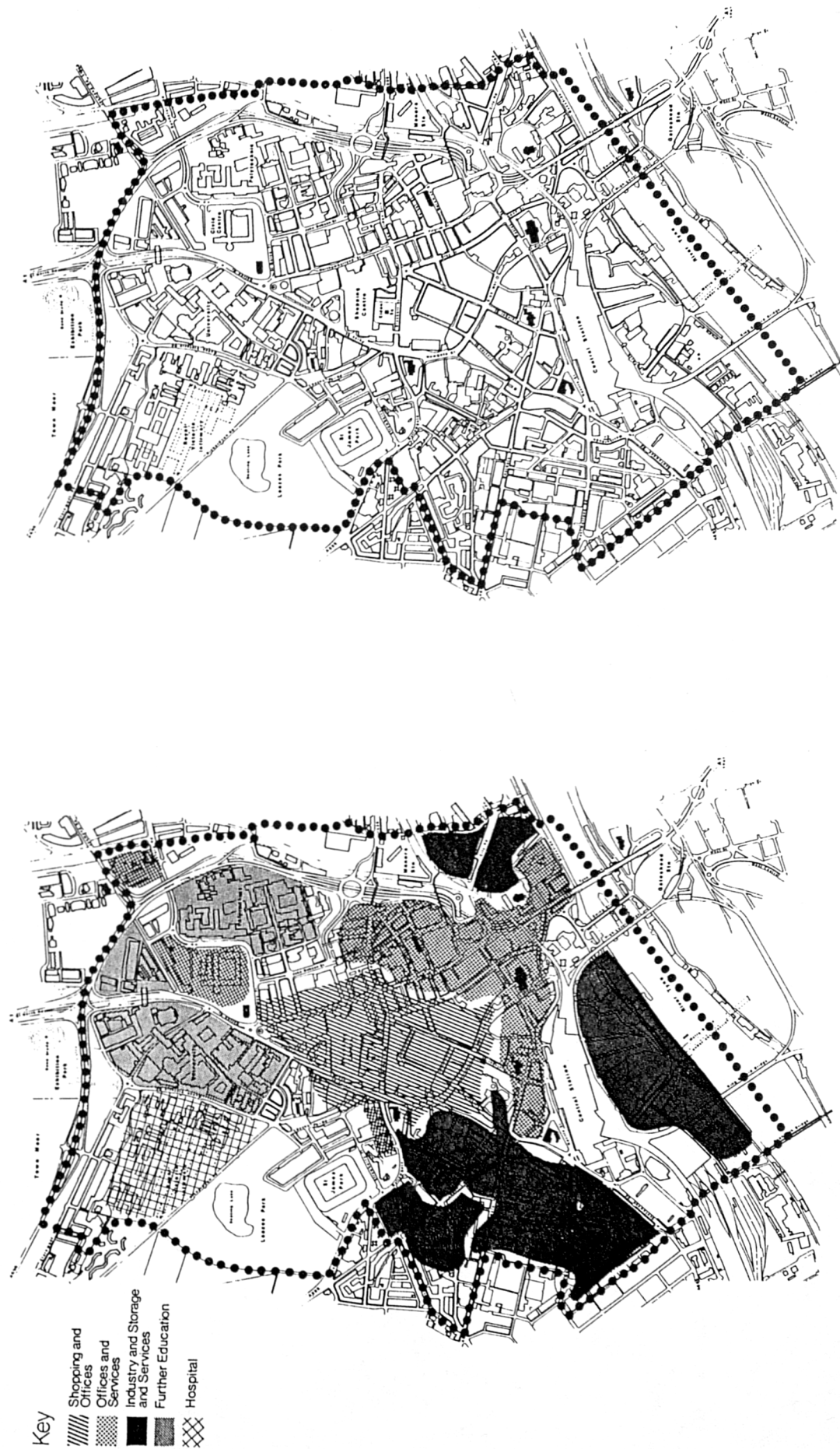


Figure 7.3 City Centre Local Plan Boundaries 1978
(Planning Department, Newcastle)

than redevelopment as a result of strong populist criticism and pressure group activities, along with the existence of a deepening fiscal crisis (1). This was an important shift from the grandiose development schemes of the previous period to smaller scale operations.

The city centre local plan, reflected a "policy plan" outlining broad policy objectives and providing a detailed account of proposed strategies and policies topic by topic. The city centre was divided into seven sub-areas, outlining specific proposals and policy objectives, land use patterns and development potentials. In some cases this was carried out even parcel by parcel (2). Its aim seemed to give specific ideas to interested parties who wished to implement development and refurbishment schemes. It may therefore be seen as a regulative document, giving information about possible development schemes and activities to be encouraged by the council. The type of regulation imposed by the plan was positive and promotive. There were also substantial financial packages to specifically targeted areas seen to be in a state of decline through Inner City Partnership Funding (3).

Main Policy Objectives of the City Centre Local Plan:

The creation of favourable conditions for economic activities, the revitalization of areas in decline, the coordination of different modes of transportation and the improvement of the physical environment and quality of life in the city centre were the general objectives of the local plan (4). Revitalization, the provision of transportation channels and environmental improvement stood as core objectives.

7.1.1. COMMERCE AND ADMINISTRATION

The plan argued that the city centre's function as a commercial centre remained underdeveloped in comparison with other major centres, such as Manchester, Leeds, etc. This was also emphasised in the Strategic Plan for the Northern Region. In this plan, this was seen as a result of the organisational structure of the region's industries, still markedly characterised by nationalized heavy industry and externally controlled branch manufacturing plants, so reducing demand for local services and bringing obstacles to the diversification and enhancement of the regions' service sector (5). This was reflected in an underrepresentation of office jobs as a proportion of all occupations available in the region as well as an underrepresentation of contemporary service sector activities. The region and city's problems, related to commercial activity, were therefore identified as structural. The existing productive base was found problematic (6). However, there was no attempt or strategy to restructure the region's economy or overcome obstacles created by the lack of diversification and specialisation identified as existent problems in the city's commercial activities.

As for the office property market, the plans stated that substantial modern office accommodation had been provided in the city centre in the early and mid-1970s. This led to an oversupply in office accommodation at the time. However, almost all was occupied by 1980. The plan argued that the new upsurge in office redevelopment and refurbishment could result in an increasing vacant capacity in office accommodation (7). At the same time, the plan saw oversupply as an opportunity to overcome the underrepresentation of service sector activities in the city centre. This meant that the availability of over-supplied modern office space would attract contemporary service-based activities to the city centre. However, this assumption was used in the development of the All Saints office area (Chapt. 6.3.2) and proved that

oversupply did not attract advanced service sector activities unless the regional economy was dramatically restructured.

The plan also identified a shortage in the provision of small office accommodation in the city centre, but a large amount of vacant small office accommodation existed in the Quayside area as a result of a lack of investment. Refurbishment was the strategy chosen to provide small office accommodation in the city centre to meet the existing demand. The plan also promoted new office development through the replacement of the existing accommodation by the construction of new modern office blocks, so placing restrictions on actual service sector extension to areas within the city centre boundaries. The provision of adequate parking facilities and maintenance and enhancement of the city centre's environment were also important components of the planning strategy.

As a commercial centre for business, the city could accommodate the regional offices of central government departments and the headquarters of the local authority and associated bodies. The function of the city centre was consequently identified as that of a commercial and administration centre. Both the strategic and structure plans (1979) supported the provision of further office accommodation in Newcastle city centre despite the existing oversupply in office accommodation (7).

Areas were identified where office development and refurbishment would be encouraged. These were the principle office areas where office accommodation had previously been concentrated (figure 7.4). St. James office area held considerable potential for new office development around the new metro station. Areas with large scale, speculative office development potential were also identified. This potential was seen to be located to the west of the central station and to the east of the central motorway in the Manors area. All

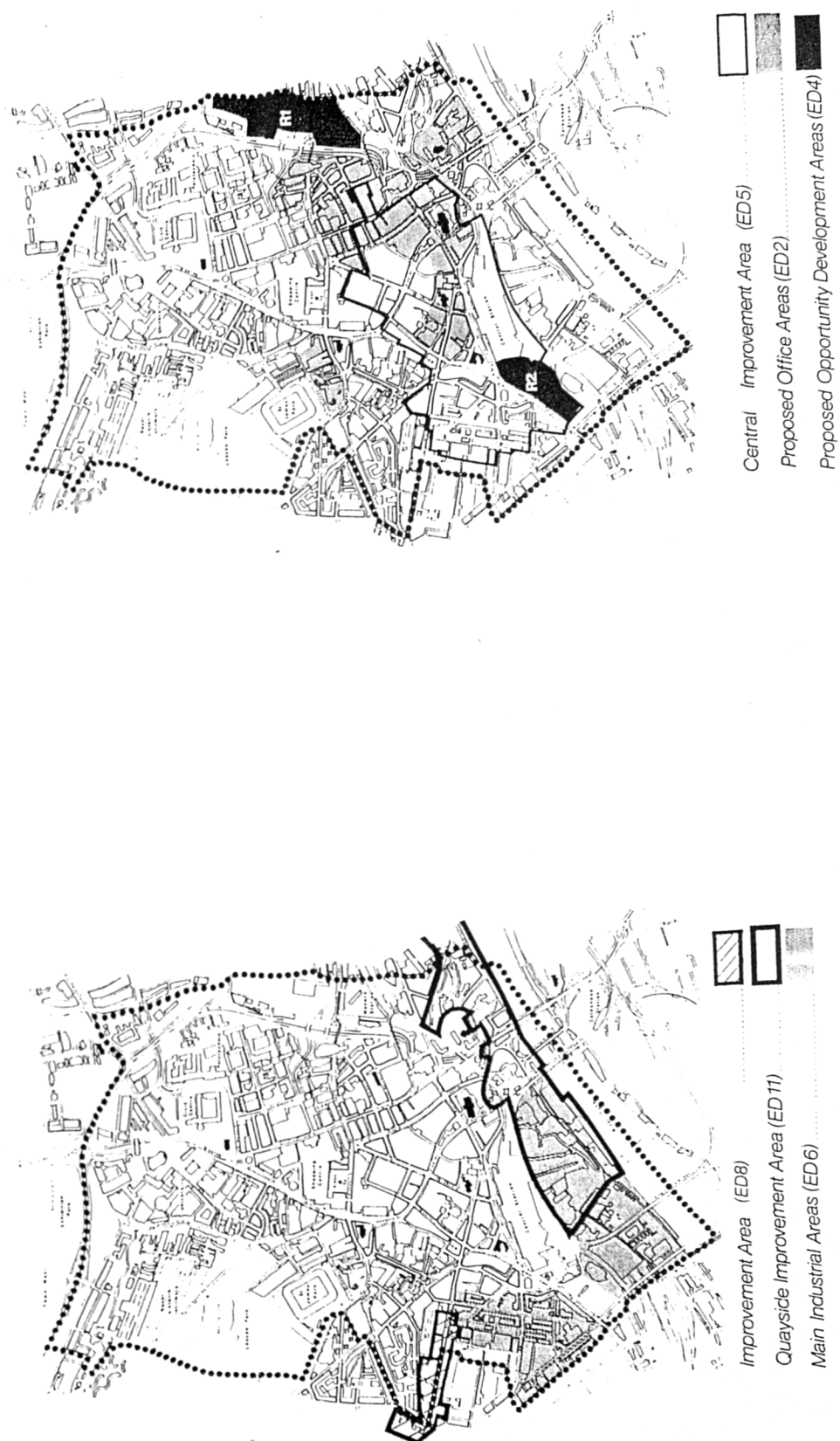


Figure 7.4 Office and Industry Land Use Policies (City of Newcastle upon Tyne, 1985)

these areas were in the hands of the public sector, in this instance British Railways.

The main objective was to confine office development within these areas which had potentials both for redevelopment and refurbishment activities. This could be complemented with the conversion of old premises into office accommodation through the preservation of historical, architecturally-significant buildings, where considerable environmental improvement was possible through office development schemes, or accommodation was for a particular named company, which would create new job opportunities in the city (8). This was complementary with the council's conservation policies.

The emphasis was on the functional division between the main shopping areas and principle office areas in order to reduce traffic congestion. This also showed a continuation of a modernised ideology in terms of spatial organisation. However, the mixture of leisure and small scale retailing activities of any kind were considered as an important component of the commercial areas (9).

The plan identified difficulties in encouraging refurbishment and small scale infill office development activities particularly in the southern part of the city centre where there was a concentration of vacant, underused and relatively run down or abandoned property, giving an overall sense of decay in the built fabric. In order to assist business and secure refurbishment and infill development activities in these areas, the council designated a number of improvement areas in the city centre. This status brought priority within the designated inner area (ICPA) for public infrastructure and environmental improvement investments as well as substantial intensive packages to private investors for a variety of business, enterprise and development activities. The designation of improvement areas therefore was used as an instrument for the

implementation of the designated planning strategies and policies in order to utilize the substantial packages available to local authorities from central government in the form of the Inner City Partnership funding (ICPF) through the Urban Programme (UP). Blackfriars (1980), Quayside (1981) and City Centre (1983) Improvement Areas were declared in order to utilize existing central government grant provision for the revitalization of the declining areas of the city centre.

7.1.2 MANUFACTURING INDUSTRY, SERVICE INDUSTRY AND STORAGE

Manufacturing and storage floor space had declined significantly along with employment in the city centre as a result of the replacement policies implemented during the previous period. Scottish and Newcastle Breweries was the only large industrial plant left in the city centre. However there still remained a number of smaller firms, particularly in the printing, clothing and engineering industries. Three areas were identified where the majority of these industrial and warehousing units were concentrated; the area to the south of central station, the area to the west of the shopping and business centre, and the area along the riverbank known as "Milk Market" on the East Quayside (figure 7.4). The previous plan had designated Blandford and Blenheim Streets as industrial areas. Subsequently manufacturing and service industry along with storage facilities were encouraged to support these localities (10).

The plan identified a considerable demand for industrial and warehousing provision and so encouraged this kind of development in localities such as that to the south and south-west of the central station as well as the north-west of the central station around Blandford Street which was mainly characterised by industrial and storage space (figure 7.4). Blenheim Street had been affected by a

proposed road for many years and consequently remained underdeveloped with the use of car parking and open site car sales. This area was targeted as a potential small scale industrial development site by the plan. Leazes, Blackfriars and the All Saints/Quayside Area had substantial accommodation for industrial and storage use. The retention of these uses was accepted, but the expansion of existing premises was restricted. The plan stated that further expansion of the Scottish and Newcastle Brewery was a possibility and if so this would be encouraged. The plan still encouraged small business and workshops to locate on the periphery of the city centre.

7.1.3. SHOPPING

The plan states that Eldon Square had become the focal point of the shopping centre with increasing retail turnover. The objective of the plan was not to expand shopping floor space in the city centre, but rather to revitalize and strengthening the existing shopping floor space in the southern area, such as Clayton and Grainger Streets (11). The expansion of floor space would therefore be limited, and priority given to the regeneration of southern area. Shopping development would be encouraged to a lesser extent in Newgate Street. The development of a new shopping mall on the east side of the Eldon Square as an extension of the existing Eldon Square Shopping Centre and crossing Blackett Street by means of a new bridge was encouraged and promoted by the plan (figure 7.5).

As a result of the scale of Eldon Square, the retailing development in the north of the city centre had directly affected the decline of the Southern parts. Reorganization of public transport, through a new bus concourse in Eldon Square and a metro station at Grey's monument, also brought better access to the north, reducing pedestrian flows to the southern shopping centre (Davies &

Howard, 1986). The impact of the metro, bringing shoppers from the central station directly to Monument, the plan argues, would be critical for the regeneration of the southern areas. The Eldon Square extension was also seen as critical. The only other exceptions to the above policy objectives were minor ones, generally connecting the Eldon Square Shopping Centre with the other streets (figure 7.5).

The plan did not propose the development of the shopping area towards Haymarket. Small scale shopping facilities would be encouraged in this areas with historical interest and tourist attraction points, such as Blackfriars and the Quayside. The plan identified Westgate Road as a specialised and in some respect down market shopping area. This area was also targeted by the plan regeneration.

7.1.4. HOUSING

The plan also aimed to attract residential development *into the city centre area*. New developments and the conversion of old premises for residential use were encouraged by the plan. Housing Associations were to be involved in the refurbishing of existing residential stock and the conversion of existing premises to residential use. The plan predominantly targeted the provision of one or two person accommodation in the city centre. The areas around Leazes Terrace and Park, St. Thomas's Crescent, Blackfriars and Quayside were the areas targeted for this new residential development and refurbishment (figure 7.6). Residential development was also seen as an important component of the mixed development areas as well as part of the general revitalization strategy (12).

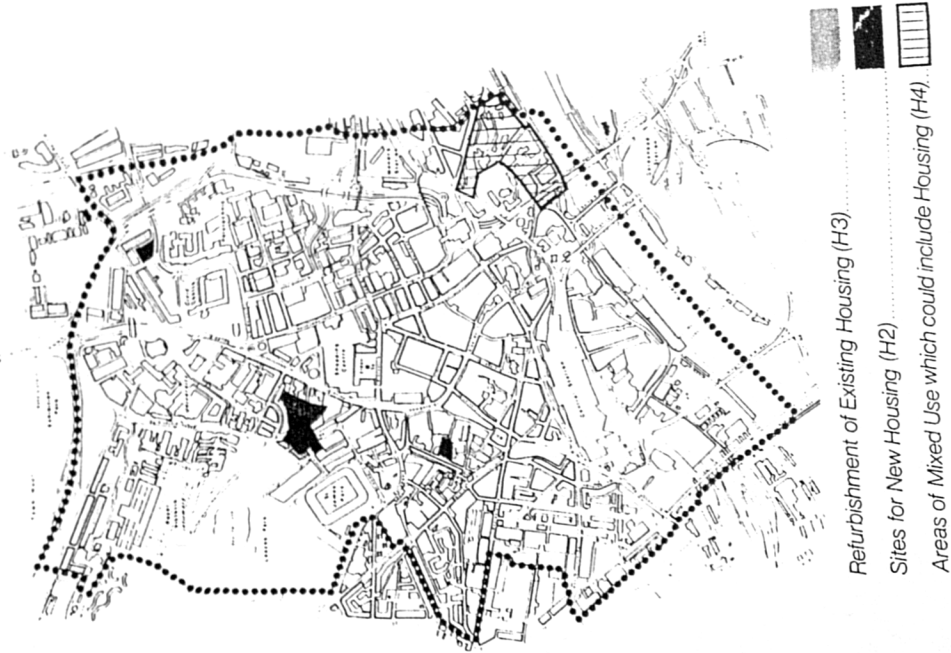
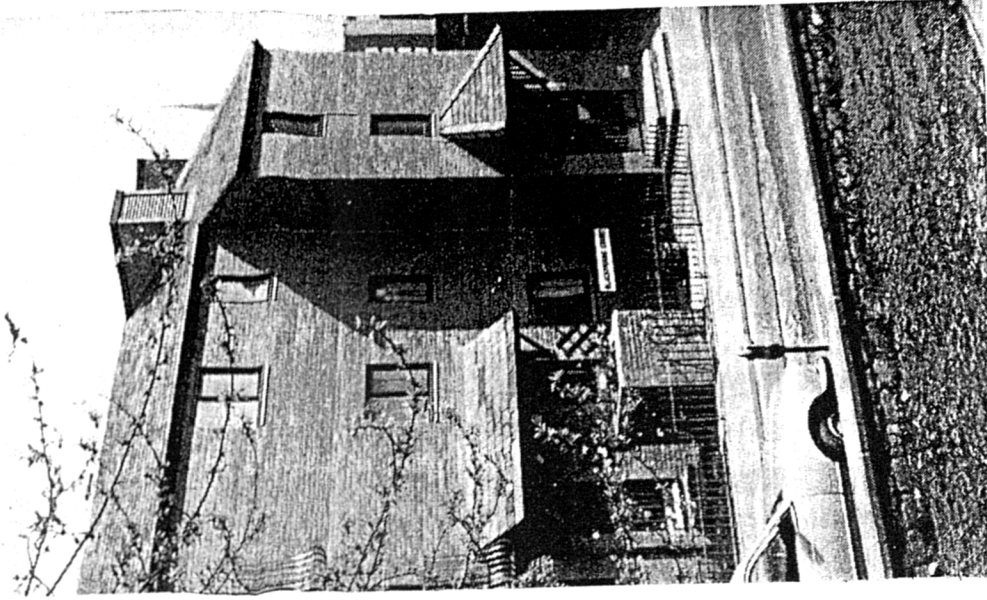


Figure 7.6 Housing Land Use Policies (City of Newcastle upon Tyne, 1985)

7.1.5 LEISURE and TOURISM

The plan gave an importance to tourism on the basis of the creation of employment, the attraction of investment and the revitalization of historical fabric. Tourism related activities would, it was expected, bring a wide range of amenities and services, sports and recreational facilities. This strategy also emphasised the need for the coordination of tourism-oriented policies and strategies with policies concerning inner city employment, transport, recreation and sport with reference to Department of Environment circular 13/79. The plan only provided a guideline for land use proposals underlying a comprehensive programme for the management and development of tourism and related initiatives which would be implemented within a four year period. The English Tourist Board stated that tourism development policies should be based on structure and local plans. However, the success of these policies would depend on private sector initiatives and projects.

The plan stated that certain parts of the city centre had potential for the development of tourism. In order to activate this potential, the plan argued for the importance of environmental improvement schemes and the preparation of development sites for tourism related activities through land assembly and required infrastructure provision by the city council. In this case it would be the city council who would take a leading role in this activity. The city council would promote and coordinate private sector initiatives and projects concerning tourism in conjunction with the Northumbria Tourist Board. Publicity and marketing strategies were also considered as instruments to promote areas with tourism potential, in particular Blackfriars and the Quayside (figure 7.7). The city council intended to stimulate development activities in Blackfriars as an "in town village", a living and working community (13).

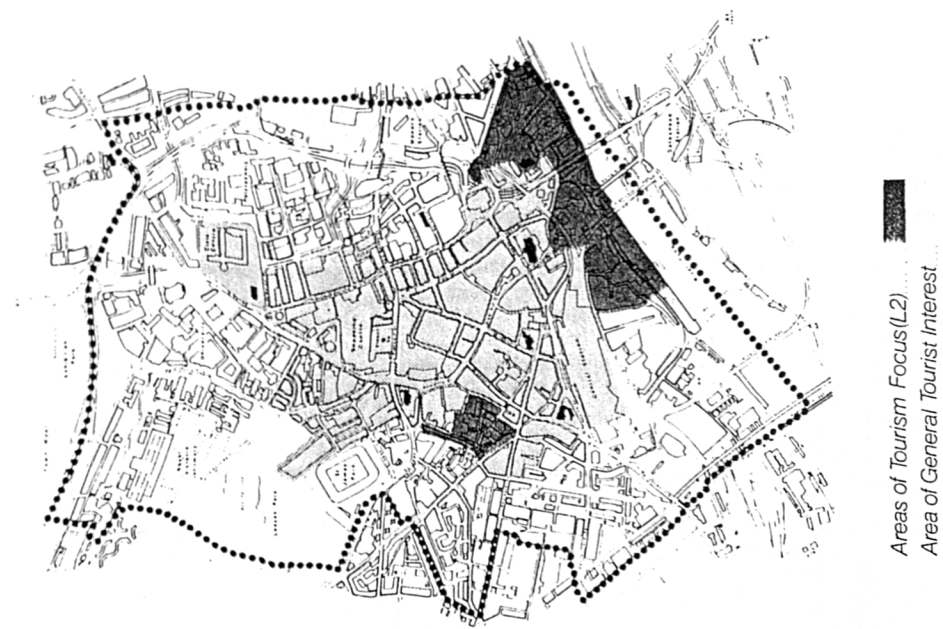


Figure 7.7 Leisure & Tourism Development Proposals (City of Newcastle upon Tyne, 1985)

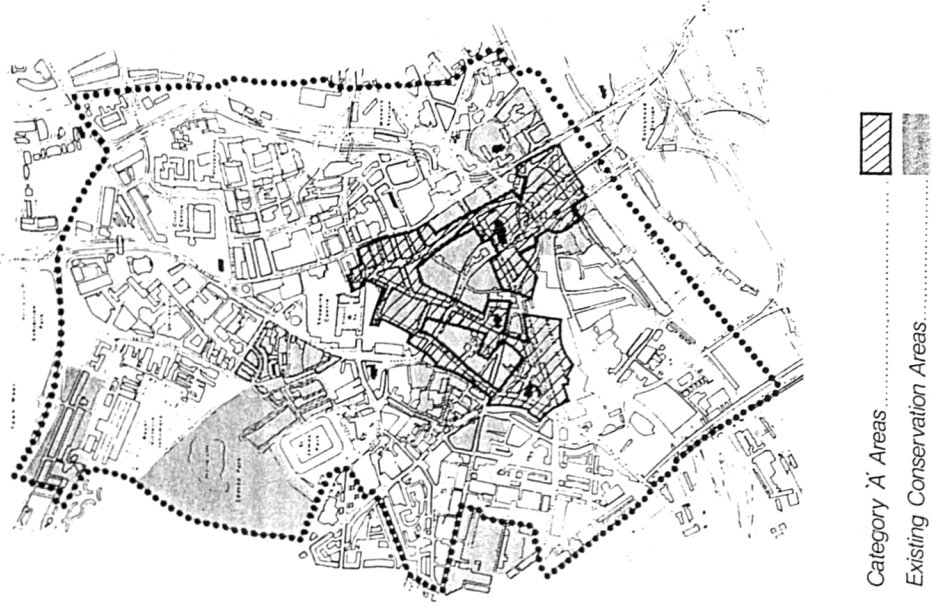


Figure 7.8 Conservation Areas (City of Newcastle upon Tyne, 1985)

7.1.6 CHARACTER AND ENVIRONMENT: CONSERVATION AREAS

The plan stated that the character of the city centre was a product of constant change , as a result of a multitude of decisions and actions. The city included Medieval, Victorian and Modern built environment forms; each period gave its own distinctive character and texture. Redevelopment activities in the 1960s and 1970s dramatically changed the city's spatial pattern and organization through the erection of Eldon Square, the Central Motorway and new offices. Popular criticism of these redevelopment activities, in particular office redevelopment, were very strong. Criticism was often based on the architectural design and quality of these new buildings (14).

The plan focused on the quality of the environment in terms of architectural design and form as well as the use of building materials. This consideration, it stated, should be given both to redevelopment and refurbishment projects. It also emphasised that criticism had arisen during the public participation exercise on the basis of the damage inflicted by redevelopment activities in the 1960s and 1970s to the existing architectural value and general built fabric of the city. Public opposition emphasised gradual development rather than dramatic changes through large scale development projects. The plan argued that a conflict existed between the *maintenance of the city's role as a regional capital* and the limitation of large scale redevelopment schemes. The plan stated that the city council could control the quality of development schemes through its development control powers and the preparation of development briefs. The plan also argued that development control powers would not produce good design, only prevent what was considered as bad design.

The plan emphasised the necessity of further redevelopment and change to maintain the city centre role as a major commercial, administrative and

educational centre despite strong popular criticism. The city centre could be enhanced and strengthened by sensitive and imaginative redevelopment projects incorporating the existing built fabric. Development control power in this case was seen as an important instrument alongside the production of development briefs by the council.

The designated conservation areas were divided into two categories with policy and development control objectives (figure 7.8). Category A areas were identified as "exceptionally high quality townscape containing a high proportion of listed buildings" (15). Here the main development activity should be restoration and refurbishment in parallel with maintenance and improvement to street surfaces, layout, design of street furniture, etc. A limited amount of development would be permitted if development schemes were to improve and enhance the area's character. However such developments were also subject to design controls including form, scale and material in relation to the character of the surrounding area. Category B comprised fewer listed buildings and potential sites for redevelopment. Such sites would be promoted to develop, subject to design controls suitable to the character and scale of the designated area. The council also would discourage outline planning applications in these areas because of the consideration of detailed building design, material and colour. Outside the conservation areas, the city council would use its development control power for redevelopment projects to match the existing townscape and enhance the quality of the environment by controlling the use of building material and design techniques.

The plan also emphasised the need for the restoration of historical buildings. The city council would expand its "Town Scheme Grant" as funding for the restoration of historically important buildings. The city also encouraged the development, improvement and landscaping of vacant and underused sites, in particular in the Central Quayside Improvement Area. The implementation

programme would also be used as an instrument to give priority to the improvement of environmental quality in such areas. This would contribute to attracting investment and people to such areas as places to work and live.

The plan also argued the importance of the protection of archeological sites. It would enforce these conditions when granting planning permission to developers by allowing reasonable time for archaeological investigations to be undertaken, this power was given under the Archaeological Area Act 1979.

7.7.7 TRANSPORTATION, HIGHWAYS

The city centre is a major focal point for road and rail traffic in the region. Two new river crossings, the metro bridge and the replacement of the former Redheugh Bridge were constructed during the process of the plan preparation. The county council as highways authority attempted to improve public transportation.

According to the findings of the plan survey, 65% of all trips within the county were for non-work purposes. A large proportion of these were shopping journeys made by public transport whilst a half of all households in the county did not have a car (16). All these factors led to a belief in the prioritisation of a programme of improvement and maintenance to public transport services. This reflected the county council's policies and their decision to construct the metro, a light railway system, on former railway lines and to integrate metro services with other forms of public transportation services through the creation of interchange points, providing efficient and coordinated public transport services. The city centre would benefit as a focal point of this new network (figure 7.9).

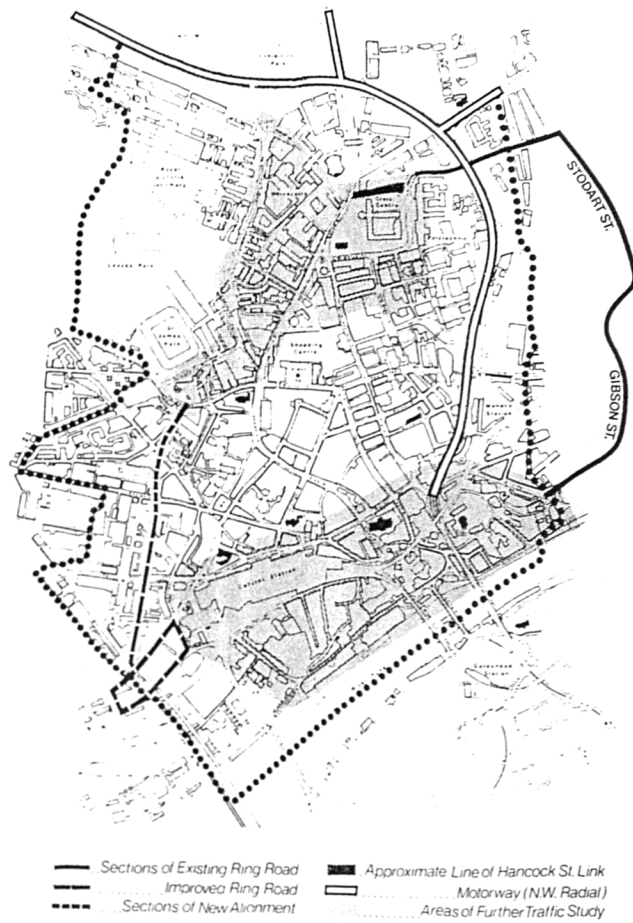


Figure 7.9 Proposed Transportation Channels (City of Newcastle upon Tyne, 1985)

Problems related to traffic congestion were found to relate to inadequate junction designs and capacity rather than a shortage of road space. Traffic management measures could therefore be used as a solution to traffic congestion.

It was intended to develop a new ring road in the west of the city centre. This was first proposed in the 1963 Development Review Plan. The provision of this road would assist in diverting existing traffic to alleviate traffic congestion in the city centre. However the areas with severe traffic problems were identified for further survey and investigation. It was thought that pedestrians should be given priority in the core areas of the city centre. However, the scale of pedestrianisation proposed in the plan was limited and fragmented.

Except for the proposed ring road in the west of the city centre the strategies for the improvement of the transportation network were not well defined in the plan as they could require further investigation. However many of the identified areas have been problematic at least since the 1960s. The plan also justified its weak transportation policy strategies as resulting from a scarcity in capital resources.

7.1.8 IMPLEMENTATION STRATEGIES

The plan strongly argued that the implementation of planning policy, strategy and objectives would depend on private sector initiatives and projects. It also stated that the city council would "act as a catalyst in the initiation of the schemes which would bring together the public and private sectors" (City of Newcastle Upon Tyne, 1985, p.61). The city council would have a key role in the implementation process as the city council had been very active previously in the redevelopment of the core areas of the city centre (Chapt. 6). The

continuation of this role, by the council, was seen in the plan as essential. The county council's role in the implementation process would be confined within highway improvements, the provision of public transportation and financing restoration schemes.

In the process of implementation, the city council would initiate two related but distinct courses of action as stated in city centre local plan document:-

"It is considered that there is much to be gained from making an explicit attempt to both promote the attraction of the Regional Capital as a location for investment and to initiate an intensive programme of activity based on declaring Improvement Areas in the southern part of the city centre" (City of Newcastle Upon Tyne, 1985, p. 62).

The southern part of the city centre had experienced constant physical, and economic decline. The city council attempted to reverse this trends with the designation of a number of improvement areas under the provisions of the Inner City Area Act (1978). The designation followed by financial resource allocation for each improvement area from the Inner City Partnership Funding derived from the central government's Urban Programme for each year (Appendix 3.1).

The city council combined its regulatory power under the planning acts with its pro-active power under the Inner City Area Act to foster development activities through using resources within national urban policy provisions. This pro-active role in the city centre was based on the power of the city council. This power was, however, gradually whittled away by central government during the 1980s (Appendix 3).

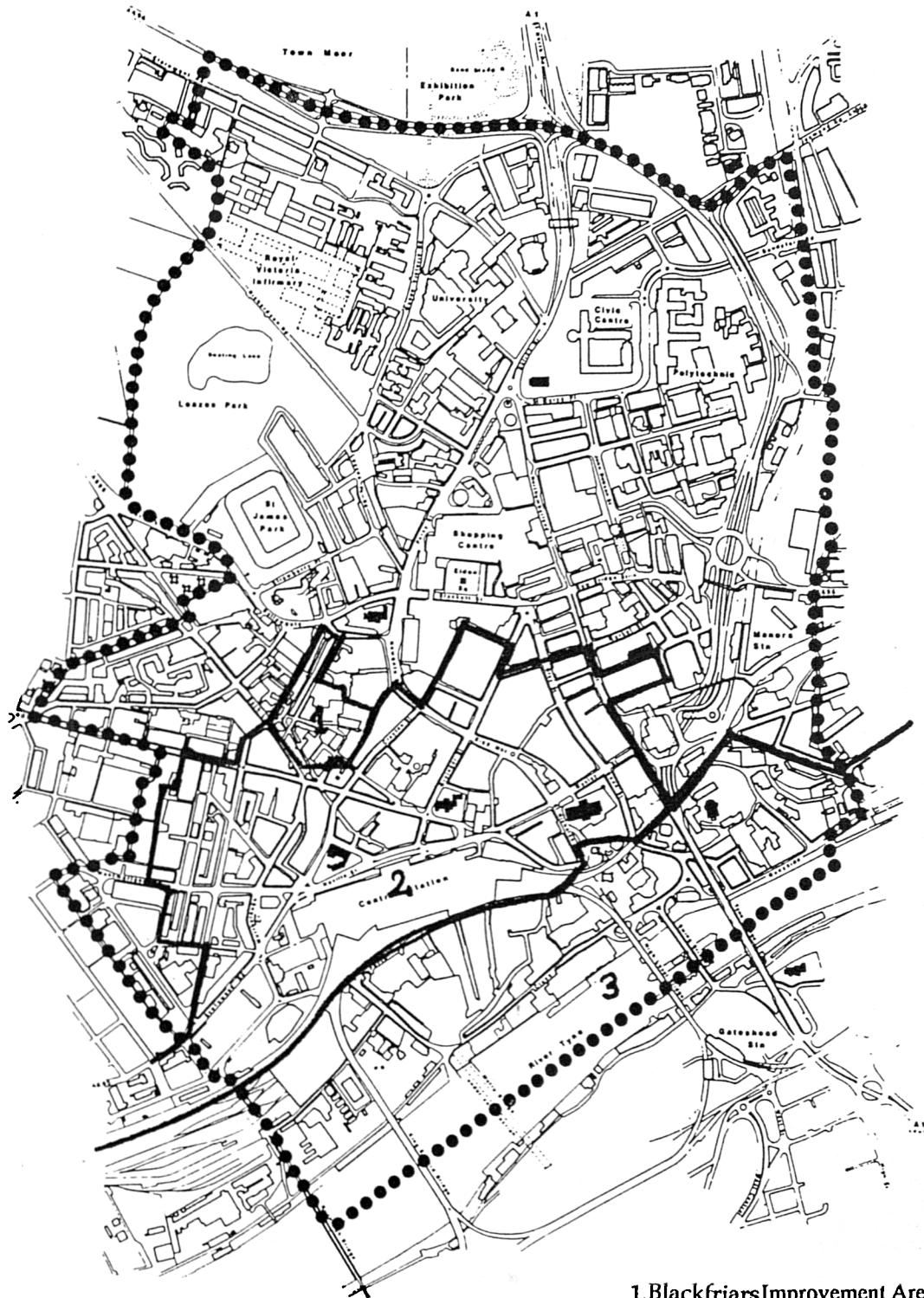
7.2 REGENERATION POLICIES AND DESIGNATED AREAS IN THE CITY CENTRE

Following the designation of the Newcastle and Gateshead Inner City Partnership Area under the Inner City Area Act (1978), a number of industrial and commercial improvement areas were designated to allocate, what is referred to as a block grant for each improvement area. This would be derived from Newcastle and Gateshead Inner City Partnership Funds for each year. Consequently public sector investments were programmed and concentrated in these areas (Appendix 3.1).

The city council designated three areas in the southern part of the city centre during the early 1980s. At the time the city centre local plan was in the process of preparation. Blackfriars Improvement Area (1980) was introduced as a focal point for the attraction of tourism. This was a relatively small area. The Quayside Improvement Area (1981) was designated as a focal point for cultural, leisure, commercial and residential usages along the river bank whilst the Central Improvement Area (1983) was to be upgraded as a section of the central business and shopping area. Potential for tourism was also identified in the central area (figure 7.10).

The main considerations were:-

- "* the use of Improvement Areas as the focus for funding from a wide range of sources e.g. Partnership, Urban Development Grants, E.E.C., Capital Receipts etc,
- "* close contact between firms and Council officers,
- "* city council commitment to ensure that infrastructure works are carried out to improve operating conditions in the area,
- "* availability of financial assistance to support improvement works carried out by firms on their own premises." (City of Newcastle upon Tyne, 1985, p.61)



1. Blackfriars Improvement Area

2. Central Improvement Area

3. Quayside Improvement Area

Figure 7.10 Improvement Areas in the City Centre

The above suggests that the designation of improvement areas was used as an instrument to direct private sector investment with the concentration of a variety of public sector funds and to encourage partnership arrangements between the public (city council) and private sector, giving leading roles to private sector actors under the directions of the public sector (Appendix 3.1).

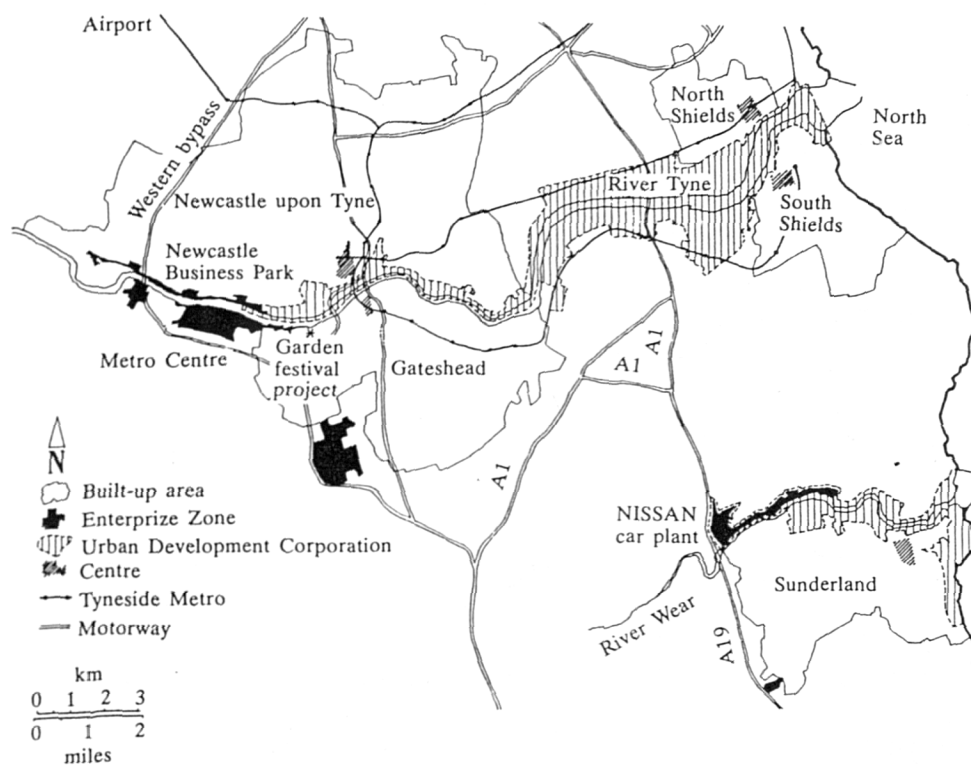
The designated improvement areas were geographically large. They were therefore divided into sub-areas in accordance with their physical characteristics. The Blackfriars Improvement Area was the exception to this (figure 7.10). The pattern of ownership in the designated areas was mostly in the hands of the private sector, leaving very limited scope for the city council's actions except to the west of Central Station in the Quayside area.

The improvement areas became instruments for the implementation of the policies of the 1985 City Centre Local Plan. This had happened previously in the instance of the CDAs in the 1960s (Chapt. 6.2). However improvement areas did not have any separate plan. The policies associated with these areas were broadly formulated and the primary objective was flexibility in land use policies. In this case, improvement areas were very different from the 1960s CDAs (Chapt. 6.2).

Improvement area status provided priority to the allocation of financial resources in the form of a block grant from the Inner City Partnership Funds (Appendix 3.1). This led to the concentration of public sector investments with the expectation that private sector investments could be stimulated through a general upgrading of the areas. Grants and loans were also specifically allocated to private sector investors. In this case, there was a similarity between the Improvement Areas and the CDAs. In both cases, it was hoped to concentrate and programme the city council's investments in these areas and so attract private sector investments. The CDAs had aimed to attract large scale

private sector investment from outside the region whereas the improvement areas focussed on the attraction and encouragement of small scale, indigenous private sector investments (Chapt. 6.2). This was as a result of a shift from national economic growth in the 1960s and the subsequent effect of this on the region to national and regional economic crisis during the late 1970s and early 1980s (Chapt. 6). This clearly illustrates how the city council shifted its priorities and targeted investment groups in accordance with changes in the economic and political environment. There was also a shift from emphasis on the detailed physical surveys and project design, both concerns of the CDAs (Chapt. 6.2), towards investment programming and management in the improvement areas. This change of emphasis was in keeping with the objectives of the Inner City Partnership Funding. Project design was seen as a powerful driving force in the 1960s whilst a concentration on public investment in partnership with private funds was expected to regenerate improvement areas during the early 1980s.

The Team Valley Enterprise Zone (EZ) was designated under the provisions of the 1980 Land and Planning Act (Appendix 3.2.1). It was located on a site to the south west of the city on the site of the former Team Valley Industrial Estate (figure 7.11). The aim was to regenerate large tracts of derelict land in the Team Valley which had resulted of the closure of Fordist based branch plants and heavy industrial establishments. This was done by attracting the development industry's attention away from the city centre through substantial subsidy packages provided by central government. A large sum of public money from the Inner City Partnership and the Derelict Land Grant was allocated by the local authorities (Newcastle City Council and Gateshead Borough Council) to undertake complex land assembly schemes, to reclaim derelict land and to provide the necessary infrastructure. At the same time substantial subsidy packages were provided to private sector investors in the



**Figure 7.11 Urban Regeneration Initiatives in Newcastle
(Healey, 1994)**

area. These ranged from a relaxation of the rules concerning planning permission to tax relief for a set number of years after establishment. (Appendix, 3.2.1). Enterprise Zones were the Conservative Government's first attempt to weaken the power of local authority planning machinery.

There were also a number of grant regimes available to private sector initiatives where there was a gap between the cost of private sector development and its value upon completion (Appendix 3.2.3). The Urban Development Grant (UDG) was available between 1982 and 1988 in the designated areas (Inner City Partnership Areas and Enterprise Zones) whilst the Urban Regeneration Grant (URG) was provided for large scale development projects between 1986 and 1988. Both grant regimes were replaced by the City Grant (CG). However this was only available for large scale development projects and administered by the central government. In this respect it was similar to the URG (Appendix 3.2.3). These changes clearly show that the central government started promoting large scale projects and limiting the local state's activities through taking over its resource management role.

A series of changes was also introduced in the organization of local government. Tyne and Wear County Council along with the other metropolitan councils throughout the country was abolished in 1986 and the planning system subsequently changed with the introduction of a new one-tier planning regime, allowing for "Unitary Development Plans". The Tyne and Wear Structure Plan was abolished whilst the Newcastle City Centre local plan would be in operation until a new Unitary Development Plan was produced. Following this, the Tyne and Wear Development Corporation (TWDC) was established in 1987 with the power to regenerate the banks of the Tyne and the Wear (Chapters 7.4.3.2 & 7.8) whilst the Newcastle Initiatives (TNI) was formed by the Confederation of British Industry in 1988 specifically to be involved in the regeneration of the city centre (Chapters 7.5.2 & 7.8). This led to dramatic

changes in institutional relations in the city centre (Chapter 7.8). The Quayside Improvement area fell under the control of the TWDC (Chapt. 7.4.3), whilst the TNI became very active in promoting the central areas of the city centre, in particular, Grey Street and Westgate Road (Chapt.7.5.2).

By the late 1980s, there were several regeneration projects competing with each other with differing subsidy packages, consequently the regulatory and promotional power of the plans has been dramatically weakened (Healey, 1994). The role and power of the city council was further weakened by the introduction of new grant regimes (City Grant) which by-passed the council. This process intensified with the compulsory sale of council housing legislation, the deregulation of buses and reductions in the city council's capital resources (Appendix 3.2.4). All these central government initiatives tended to take the impetus away from the city centre, adding to its existing problems. The following section focuses on the designated areas in the city centre

7.3 THE BLACKFRIARS IMPROVEMENT AREA

The designated area was delineated by Bath Lane, following the longest remaining stretch of medieval town walls from the south-west to north-east, St Andrew's Street to the north excluding St. Andrews, the oldest of Newcastle's Churches, following Low Friars Street and Cross Street to the east, excluding the North Eastern Co-operative buildings and Newgate House and converging with the remaining Town walls to the west on Bath Lane (figures 7.10 & 7.12).

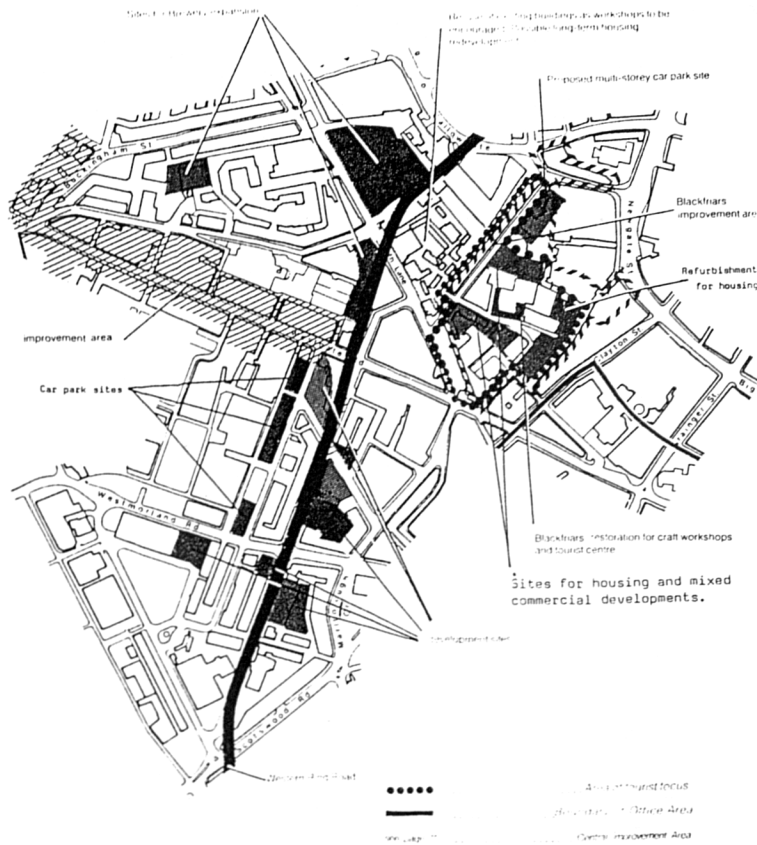
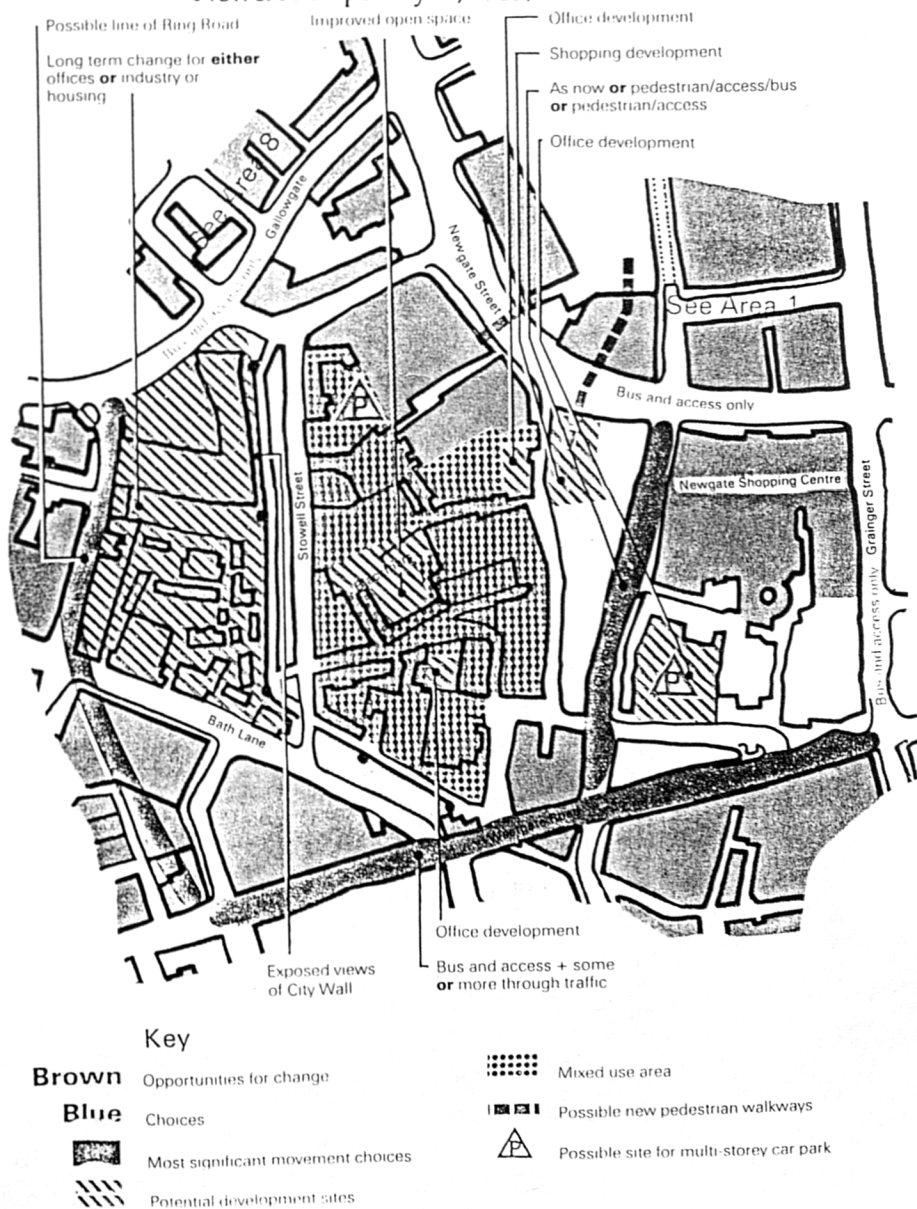


Figure 7.12 Blackfriars Improvement Area (City of Newcastle upon Tyne, 1985)



7.3.1 THE HISTORICAL DEVELOPMENT OF THE AREA

This area was one of the earliest parts of the city to develop, originating from a Saxon village in the locality. The erection of St. Andrew's Church in the twelfth century agricultural market area around White Cross to the south of the church formed one of the oldest parishes in Newcastle (Chapt. 5.1). The Dominican Blackfriars came to the area, further south of the church in the thirteenth century, creating a focal point with land holding and buildings. When the medieval town walls were erected, the area fell within their boundaries. Following the dissolution of the monasteries, Blackfriars, which held a prominent position at the core of the area, was partly abandoned and partly adapted to new uses (Chapt. 5.1). The church was to disappear altogether, but the buildings surrounding the cloister were occupied by the Tanners and Taylors guilds. However, the guilds also left them to decline during the following centuries. By the eighteenth century, much of the area was covered by houses. Many were in poor condition, derelict or run down. The area was mostly inhabited by the poor. The first known speculative residential development took place in Charlotte Square in the late eighteenth century in an early attempt at revitalization. During the nineteenth century the area was affected by Grainger's development of Clayton Street and considerable redevelopment activity at Low Friar Street. By the turn of the century the area was dominated by Medieval and Victorian built structure in use as warehouses and small factories. In the 1960s the North East Co-op building and Newgate House were constructed on Newgate Street. Development activity in the area was still depressed. In the 1970s, a proposed multi storey otopark at the northern corner of Stowell Street created conflict among interested parties and led to further decline in the area.

The area was therefore covered by a mixture of half ruined, derelict and unused, architecturally significant and insignificant, some listed, some unlisted,

Medieval and Victorian built structures, mostly located on Low Friar Street. The built environment included warehouses, small workshops and a factory together with a few poor quality 20th century buildings prior to its designation. Land and property values in the area were very low in comparison with the rest of the city centre. Property development activities were almost unknown in the area for years. The area was therefore marginal to the operation of the land and property markets in the city. Under the general condition of depressed property markets in the city at the time, this was a difficult area to revitalize. Nevertheless, Blackfriars, one of the most complete remaining Dominican Priors in England, together with other interesting features such as a substantial stretch of the thirteenth century Town Walls and the eighteenth century Georgian Charlotte Square were seen to provide potential for tourist attraction by the city council.

7.3.2 INITIATIVES OF THE CITY COUNCIL PRIOR TO THE DESIGNATION AND IMPLEMENTATION OF POLICIES FORMULATED FOR THE DESIGNATED AREA

The city council gave priority to the restoration of the half ruined and derelict Blackfriars complex in its conservation policies (17). The city council approached the Tyne and Wear County Council, the Department of Environment and the English Tourist Board in order to finance and implement the restoration and excavation work required and eventually, a partnership was set up among them to finance and carry out the required restoration and excavation work at the Blackfriars complex in 1973.

The excavation work started in 1973 and was completed in 1979 (18), whilst the city council local plan was in the process of preparation with the publication of a series of public consultancy reports. The restoration of existing

buildings subsequently started in 1980, whilst further excavation work was carried out in the court where the church had formerly stood. Following the restoration and excavation work at Blackfriars and its identification as a focal point for tourism, the area was designated as an improvement area in 1980 with a rolling grant allocation from Inner City Partnership Fund (ICPF) via the Urban Programme (UP) (19). This status provided a continuous allocation of financial resources for local authorities (city and county councils) to undertake infrastructure and environmental improvement schemes as well as grants and loans to private sector investments in the designed area. These grants and loans were available for both the improvement and refurbishment of built structures and businesses already in operation within the designated area.

The restoration of the remains of the main Blackfriars monastery was the focal point of the revitalization programme. The infrastructure and environmental improvement investments by the local authorities around the Blackfriars complex were also seen to stimulate private sector investments in the designated area. The Blackfriars area would consequently be opened up by private sector development activities in the form of refurbishment incorporated with redevelopment for mixed land use containing housing, craft workshops, small specialist shops, small office suits and open public spaces. The aim was to promote the area as a living and working community, what the city council called an "in town village".

7.3.3. THE REGENERATION PROCESS OF BLACKFRIARS IMPROVEMENT AREA

The restoration of the remains of the Blackfriars Monastery involved a substantial investment by both the city and county councils. Investments were made in environmental and infrastructure works around the complex. Further

money came with the introduction of the new grant regimes (UDG; 1982-1988; URG, 1986-1988; CG, 1988) by central government. These central government's grant regimes subsidised the development costs of proposed projects in order to establish profit levels desirable to private sector investors. The availability of these grants attracted private sector investments into the designated area. In this regeneration process, the circulation of substantial public sector capital, mainly provided by the central government in the form of UDG and CG, played a critical role.

The Blackfriars Complex

As a focal point, substantial public sector investment was devoted to the restoration and excavation of the Blackfriars complex between 1973 and 1985. A restaurant, craft workshop, exhibition area, gift shop and tourist information centre were established in the complex. Blackfriars complex and its surroundings were landscaped by the city council and the access to the area was improved and rearranged by the county council between 1982 and 1985. Small scale clearance work was also undertaken by the city council around Charlotte Square and the square in front of Blackfriars Monastery as a part of the council's environmental improvement scheme. The city and county council's finances were allocated and incorporated by the investment programme of the Inner City Partnership Fund.

Charlotte Square Project

Following the introduction of the Urban Development Grant in 1982 and the completion of the restoration of the Blackfriars Monastery, the Charlotte Square housing project was initiated by Barratt (Newcastle) Limited, a subsidiary of a regional based national and international house building company (Chapters 5.5 & 6.5) This scheme proposed the refurbishment and conversion of the eighteenth century terraces around Charlotte Square into one or two person flats with infill development on a vacant site between the terraces. This vacant

site, owned by the city council, was sold to Barratt (Newcastle) Ltd. following the initiation of the project. The project included the provision of 62 flats for one or two persons, two shops and car parking.

Barratt (Newcastle) Ltd. received a substantial amount of grant funding in the form of an Urban Development Grant in 1983. Conversion and infill development work started in 1984. By that time, the City and County council allocated financial resources to this scheme through the investment programme of the Inner City Partnership Fund. This lasted from 1984 until 1986. The city council carried out the Charlotte Square environmental improvement scheme, whilst the county council improved highway access to the area.

After completion, in 1985, all of the flats were relatively quickly sold, reflecting demand for this type of residential accommodation in the city centre (Usher, 1990).

Tanners and Taylors Project

The conversion of the former Tanners and Taylors' building into 29 luxury flats for sale, 13 shops on Low Friar Street and two office units for letting was proposed by Blackfriars Properties, a London-based subsidiary of the Voluntary Service Housing Association in 1983 (Usher, 1990). The Tanners and Taylors building was 200 years old and located at the corner of Low Friary and Fenkle Streets, opposite the Blackfriars complex. The Tanners and Taylors building has a long frontage on Low Friars Street where 13 shops were proposed.

Blackfriars Properties leased out the building from the Tanners and Taylors for 125 years. The city council and Blackfriars Properties negotiated the scheme for five years. It was a difficult and relatively large scheme covering refurbishment, infill and redevelopment activities. The conservation policies and concerns of the city council at the time were rigorous.

By 1989 the government changed its grant regime by introducing a city grant directly allocated by the central government. Blackfriars Properties utilised this change and received a substantial amount of city grant from the regional office of the Department of Environment. A partnership between the Newcastle Building Society and Blackfriars Property was established. Newcastle Building Society would provide mortgages to buyers/end-users of the 29 luxury flats. Newcastle Building Society also made a financial contribution to the scheme (the Journal, 6.3.1990).

Construction started in 1989 and was completed in 1991, whilst the city council carried out substantial environmental improvement work around the scheme. This took a particular emphasis through the connection with Blackfriars and Stowell Street, so called China Town, as well as the maintenance and improvement of Low Friar and Fenkle Streets. All these improvement and maintenance works were financed by resources allocated from the Inner City Partnership Fund through the investment programme. Most of the flats in this scheme including the shops and office suits were still vacant in mid-1993.

Stowell Street Project (Blackfriars Cemetery)

In order to accelerate the regeneration of the Blackfriars area, the city council organized an architectural competition to develop a residential complex in Stowell Street, on the former site of Blackfriars cemetery, in 1986. By this time, negotiations were still taking place between Blackfriars Properties and the city council on the Tanners and Taylors Project as has seen above.

R. Norman Limited, a local housebuilding firm, with links to large firms who had previously undertaken development schemes in conservation areas, was selected to construct 22 flats and three retailing units as a redevelopment

scheme on this historical site. The site was leased to R. Norman Ltd. by the city council for 125 years.

The location of the site produced a number of complicated issues and provoked the intervention of several governmental institutions. As the site was on the Friary's cemetery it required a licence from the Department of the Environment. Beside this, the location was opposite the site of the remains of the Blackfriars monastery, so requiring the agreement of English Heritage prior to development (Usher, 1990).

By 1989, an application for grant assistance was made to the Department of the Environment's regional office. R. Norman Ltd. subsequently received a substantial amount of City Grant money to implement the scheme. During this time, a partnership was established between the Newcastle Building Society and R. Norman Ltd. Newcastle Building Society would provide mortgages to the buyers/endusers of 22 luxury flat, besides their financial contributions to the scheme (The Journal, 6.3.1990).

Construction started in 1989, whilst the city council started promoting Stowell Street for a concentration of Chinese restaurants to create China Town in Newcastle, which was in parallel with the prevailing fashion for the creation of China Towns in other provincial cities. A considerable demand also existed at the time for the initiation of such a scheme from the Chinese community and subsequently, a substantial grant provision was allocated from the Inner City Partnership Funds for the support of the establishment and improvement of Chinese restaurants. The grants covered the development and improvement of business, in this case restaurants, as well as built structures. Considerable environmental improvement works, such as a provision of car park, opposite the site of the restaurants on the derelict site, and substantial infrastructure maintenance and improvement work on Stowell Street were undertaken and

financed by the city council through the allocated financial resources from the Inner City Partnership Fund. Twenty two flats and three shops were all sold following the completion in 1990. The end-users were mostly ethnic Chinese families, who bought flats nearby the Chinese restaurants, shops and supermarket. The area was soon recognized as a China Town, with its Chinese restaurants and imitation Chinese style street furniture and a telephone box. Newcastle Building Society arranged mortgages for flat purchasers (The Journal, 6.3.1990).

Dispensary Lane Office Development

The area also attracted the office development in Dispensary Lane, an area to the east of both Norman Ltd.'s housing scheme and the Blackfriars complex, by Reiver Properties. This development also received a city grant and underwent substantial environmental and infrastructure improvements by the city council and private sector's investments. However, the Dispensary Lane office accommodation remained only partly occupied by mid-1993.

Restoration of the City Walls

The city council approached English Heritage for assistance in the restoration of the longest stretches of the Medieval town walls in 1986. A partnership arrangement was established between them by 1987. The clearance of derelict and run-down properties on the north west side, together with the provision of a car park was undertaken by the city council, whilst the restoration of the town walls themselves was carried out by English Heritage. The surroundings of the town walls were landscaped and existing infrastructure, such as Bath Lane, was maintained and improved. As a result, the restoration of the town walls and surrounding landscaping absorbed a large amount of public money provided by English Heritage and the city council through the allocated Inner City Partnership Fund.

7.3.4 WHAT BLACKFRIARS REGENERATION PROCESS TELLS US

In terms of conservation and heritage, the Blackfriars complex was to be the focal point for the regeneration of the area. In respect of this, council initiatives and investments were concentrated here in the hope that this would increase property prices up, making the place attractive to private sector investors. At this stage the source of regulation derived ostensibly from a city council-based political and professional elite working in partnership with regional officers and representatives of the central state.

Following the completion of the restoration of Blackfriars Monastery, the area started attracting the development and refurbishment projects of local development companies except Tanners and Taylors project. Four main issues had significant influence in attracting the developers' interest to the area. First, the existence of public subsidies, secondly environmental and infrastructure improvements implemented by the city council, thirdly long term land leasing arrangements with the city council and fourthly developers already held a knowledge of the area.

At the time of negotiations, property prospects were not good, but by the time that development projects were completed they were able to benefit from boom conditions. The availability of subsidies demanded much more delicate negotiations between the developers and the council in order to create value in the 1980s' projects. Subsidies brought two inter-related benefits for local investors, firstly their direct contribution to the establishment of the desired profit levels for developers and secondly indirect public spending on infrastructure and environment to push property prices up, so creating value.

To apply Harvey's theorisation (Chapt. 2), the state may be seen to have enabled the switching of capital to secondary circuit investments. In the case of

Blackfriars, this was a switch into consumption fund outlets in the form of private housing and a small number of retail units, and to a lesser extent, fixed capital investments in office developments. In this instance, a class alliance existed between a small group of local developers and the political and professional elite of the city council.

7.4 THE QUAYSIDE IMPROVEMENT AREA

The Quayside improvement area covered a large area of the river front from the Ouseburn Burn in the east, to Forth Banks in the west (20). The improvement area was divided into three sub-area on the basis of the characteristics of each area's built structure (figure 7.13). Sub-area A was located in the south of the Central Station, in an area between Forth Banks and Tuthill Stairs, including the Close and Hanover Street, whilst sub-area C was located to the south of City Road, an area between Broad Chare and the Ouseburn Dene. These areas has been the locations of factories, warehouses and small workshops for years. Sub-area B was located south of the existing railway line, an area between Tuthill Stairs and Broad Chare. As part of the historical core it consisted of Medieval, Victorian and Modern built structures.

7.4.1 THE HISTORICAL DEVELOPMENT OF THE QUAYSIDE

The quayside, commonly encompassing an area between the Tuthill Stairs and Broad Chare, had a very long history as a core area. During the Middle Ages large, elegant, timber merchant houses were developed on the Side, Sandhill Quayside and the Close (sub-area B), tucked behind the town wall running

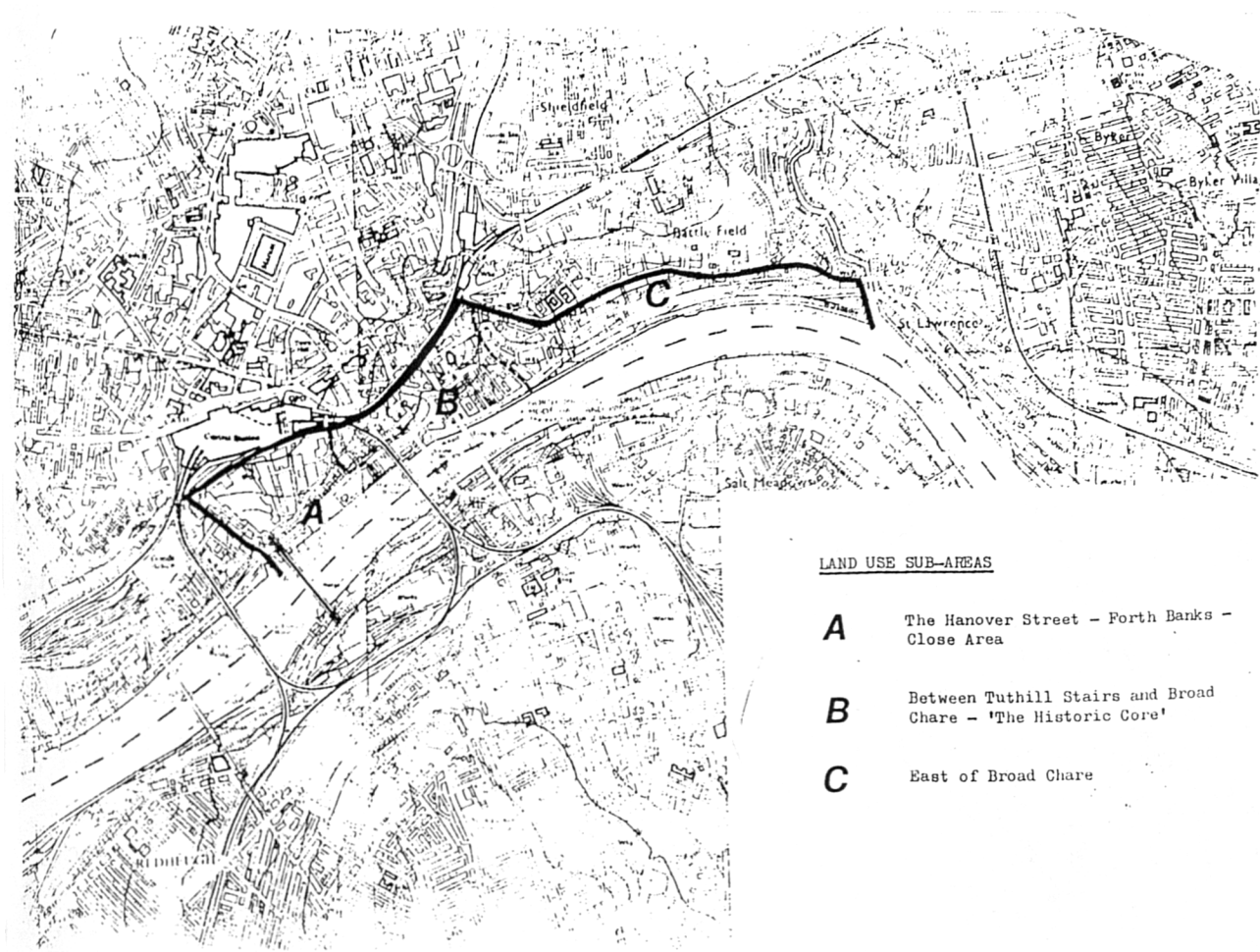


Figure 7.13 Quayside Improvement Area (City of Newcastle upon Tyne, 1981)

along the Quayside itself (Chapt. 5.1). With the expansion of trade the walls were removed. The construction of warehouses started on the Close (sub-area A) and the east of Broad Chare (sub-area C), whilst industrial establishments started clustering along the river bank, so utilising the advantages of river bank location on the both side of the historical core, the Close (sub-area A) and the east of Broad Chare (sub-area C) (Chapt. 5.2). In parallel with these developments, many of the large houses were subdivided in the historical core (sub-area B), as the area declined into an overcrowded slum district by the eighteenth century. This was further encouraged by the creation of the "New Town" as a new commercial core to the north by Grainger and Clayton (Chapt. 5.3). The area gradually started to lose its importance in the town as a core commercial area. This was further encouraged by the erection of the railway station with the development of large Victorian offices around it. The railway station further attracted a concentration of factories and warehouses to the east and south of the railway station (sub-area A). The main residential and commercial areas moved towards the north of the town, leaving at the Quayside port-related and industrial activities along with derelict properties (a part of the sub area B). Much of this dilapidated old built environment in the historical core, mainly on the Side, was further destroyed by a large fire in 1854. Following this, late Victorian redevelopment provided office buildings on the east side of Swing Bridge, on the Side and along the river bank to Broad Chare (sub-area B) mainly catering for port related commercial activities (Chapt. 5). With changing economic circumstances through the 20th. century, the area gradually declined. This was in parallel with the gradual decay of the regional traditional industries. By the 1960s, the area was mostly derelict and run down. Much of the late Victorian redevelopment on the Side and east of the Side and some fragments of Medieval structures remained but they had fallen into disuse, whilst many premises on the Close and the east of Broad Chare had been taken over and subdivided as workshops, spatially intermittent with

derelict sites. At the time, land and property markets were very depressed and development activity in the area was almost unknown. This was as a result of a long term decline in the area's economic base and the shift of development interest in this period further north (Chapt. 6). In the 1960s, the city council attempted to regenerate a part of the Quayside as a major commercial centre, the "All Saints Office Precinct", in the hope of spreading the city back towards its original core area (Chapters 6.2 & 6.3). The redevelopment scheme was only partially implemented, only three office blocks around All Saints Church on the upper part of the redevelopment site were erected as a result of the property market slump. The topographic conditions of the site and the gap between the cost of, and the expected profit margin from, development inhibited investment (Chapt. 6.3). This experience proved how difficult it was to implement redevelopment in the area without subsidy provisions to developers regardless of the city council's willingness and promotion. This redevelopment had no noticeable effect on land and property values on the river bank. This was as a result partly of substantial redevelopment activities concentrated in the north of the city (Chapters 6.2 & 6.3) and partly because the actual redevelopment took place in the upper part of the neighbourhood and so left the Quayside in a marginal location relative to the development activities of the time (Chapter 6.4). The built structures in the area continued to decay, land and property markets were very depressed and development activity was almost unknown.

7.4.2 THE POLICIES OF THE CITY COUNCIL FOR THE REGENERATION OF THE QUAYSIDE

The city council attempted to regenerate the Quayside area and so launched a competition for the regeneration of the Quayside area in 1980 (21). At the same time the city council conducted intensive research in the area and subsequently a report entitled "Regeneration of the Quayside" was published in 1981 (22).

Following this, the Quayside was designated as an improvement area and subsequently allocated the Quayside Regeneration Block Grant from Inner City Partnership Funding (ICPF) via the Urban programme (UP) as a main financial source for the project. This would provide grants and loans for private sector investments and finance the city council's initiatives, such as environmental improvement schemes as well as the County Council's infrastructure maintenance and improvement schemes. There was also a range of other grants and loans available for the regeneration of the area, such as conservation grants (from the Department of the Environment, and later English Heritage and the County [until 1986] and City Councils). Resources were also available from the European Regional Economic Development Funds (ERDF) and the English Tourist Board Fund for the promotion of tourism. It was the city council who mobilised such resources for the regeneration of the Quayside. Resource management would therefore become a very important task for the city council in the process of the regeneration of Quayside in order to use it as a powerful driving force for development activities of all kinds.

The Quayside was seen to have exceptional potential, offering a unique combination of heritage derived from its Mediaeval, Victorian and Modern structures and layout. The physical character of the Quayside was identified as very distinctive in its architectural heritage, offering a unique juxtaposition of sites and buildings along the banks of the Tyne. Restoration, renovation and refurbishment would therefore be a primary consideration in policy implementation. It was also pointed out that there were potential sites for new developments in the area without giving any loss and damage to existing properties (in particular reference to sub-area A on the river bank). The objective was to ensure that the unique character of Quayside would not only be enhanced, but would bring benefits to the community at large. Its revitalization was considered desirable to contribute to the quality of the life on

the Tyne in general and to local economic development in particular. Non profit making projects, such as leisure-based activities, especially museums could be used as a stimulus to attract people from the central areas to the Quayside and open up opportunities for the use of restaurants and cafes, so stimulating consumption in the area. These activities would in turn provide favourable conditions for the attraction of private sector development schemes.

A lack of investment in the area was identified as a primary problem because of deteriorating built structures and depressed land and property market conditions. The primary objective was to provide a stimulus for both large and small scale private sector investments through direct financial assistance to firms and individuals. Substantial public sector investments were also considered as a necessary component of the area's regeneration strategies. All these required financial sources which could be provided from the allocated rolling Quayside Regeneration Block Grant. Positive planning in terms of assembling land, providing the necessary infrastructure, making sites ready for redevelopment by local authorities and private agencies, would also be seen as a vital tool to promote development activities in the area, beside the said financial assistance.

The project identified the existence of 200 small businesses with a total work force of 4000, despite being mainly housed in run down premises or derelict patches of land. The project would promote existing business expansion and improvement with subsidy packages, whilst the project would also give substantial consideration to the improvement of deteriorating environmental conditions on the Quayside, so that existing business would be the first to utilize these improvements. However, it was argued that this would subsequently lead to increase in the rental values of properties and therefore possibly lead to replacement or cessation of existing business practices regardless of the available grants for the expansion and improvement of

existing enterprise. However, there was no specific policy explaining how the city council would compensate for the displacement of existing business. This is rather similar to the 1960s and 1970s redevelopments. The policies, in both cases, identified the displacement of existing business, but did not provide any formulated policy for the relocation of these businesses. Only one difference existed in the 1960-1970s. Then small businesses were directly displaced by redevelopment, whilst in 1980s the replacement would rather indirectly occur as a result of increases in rental values.

The city council was to maintain a managerial role to ensure the provision of a wide range of property in order to fulfil the varying demands of potential and existing tenants. It also took account of the role of market forces (private sector) in the process of the revitalization of the Quayside. This clearly shows that the city councils' role has continued to be managerial and promotional as it was in 1960s and 1970s. The council saw its function as a regulator/ mediator between demand and supply or between consumption /endusers and production/investors.

Traffic was a major, long standing problem in the area. The lack of parking spaces and difficulties in accessibility for pedestrians to the area were the main issues to be taken into account. The County Council considered the traffic flow to the south of the city centre as a problem and the solution for the Quayside area was to be found within the considerations of the wider surrounding area in 1981. However, the County Council did not formulate any policy on the issue of traffic flow at that time as a result of the complexities of the matter, mainly its location within the central conservation area as well as its topographic position.

The area between Hanover Street and Milk Market had limited pedestrian access to the northern core of the City Centre. One pedestrian route started

from the Sandhill through Dean and Grey Street to the Monument whilst another was via All Saints' Office Premises' subways to Pilgrim Street and the last one started from the Side through the Tuthill Stairs, Castle and Blackgate to Collingwood Street and the Central Station. Although this area's link as a historical core with the commercial and retail core of the city centre was strategically important, none of the possible routes offered easy pedestrian access. It was nevertheless the Quayside area which gave much of the identity associated with the city with its historically important and architecturally unique built fabric alongside the bridges across the river. No policy existed dealing with how to link the river bank with the city's commercial and retailing core.

Land Use Policies (figure 7.14)

Broad land use policies were formulated in accordance with the area's characteristics and potentials. Flexibility was the principle in the formation of these policies. The area between the High Level Bridge and Hanover Street to the west was identified as a potential large scale redevelopment area. The area between Hanover Street and Forth Banks to the south of the Central Station was considered for industrial accommodation and warehousing activities while commercial and tourism-related activities were found inappropriate, except on the Federation Brewery site and the Close Riverside.

The area between Tuthill stairs and Broad Chare within the central conservation area (sub-area B) was primarily promoted as a centre for the accommodation of leisure and cultural activities, in other words a major tourist attraction centre with its historical and architectural significance. The land use policies were outlined in general terms. The aim was to bring flexibility to the pattern of land use which was defined as a mixed use area, so allowing developers greater freedom in their proposed schemes. This in turn would bring a variety of private investment schemes as well as attracting people from

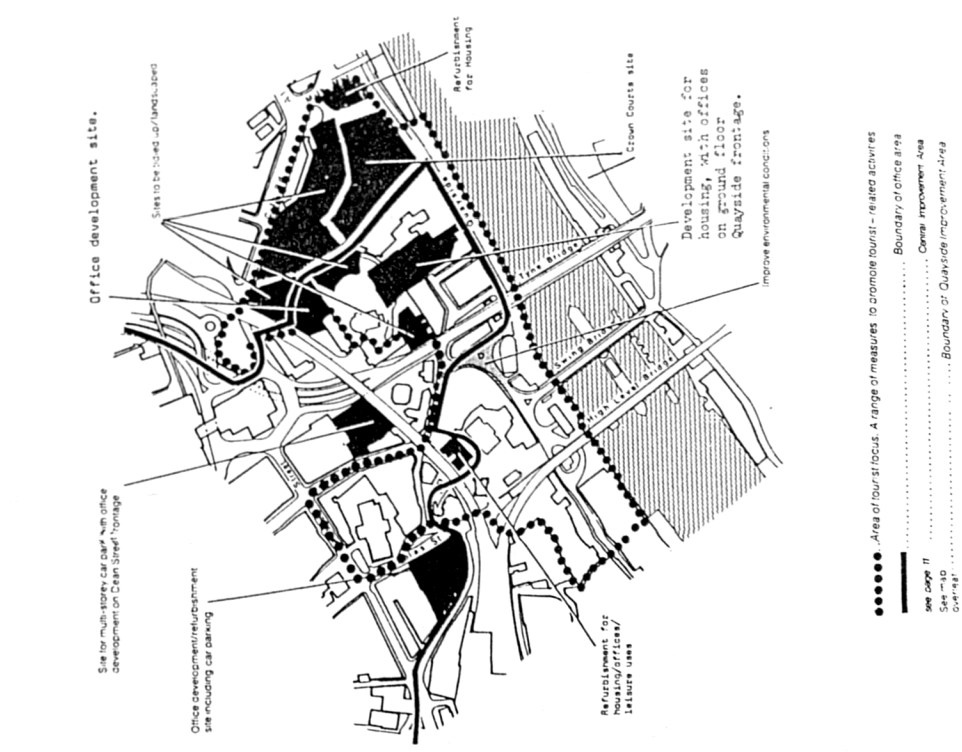
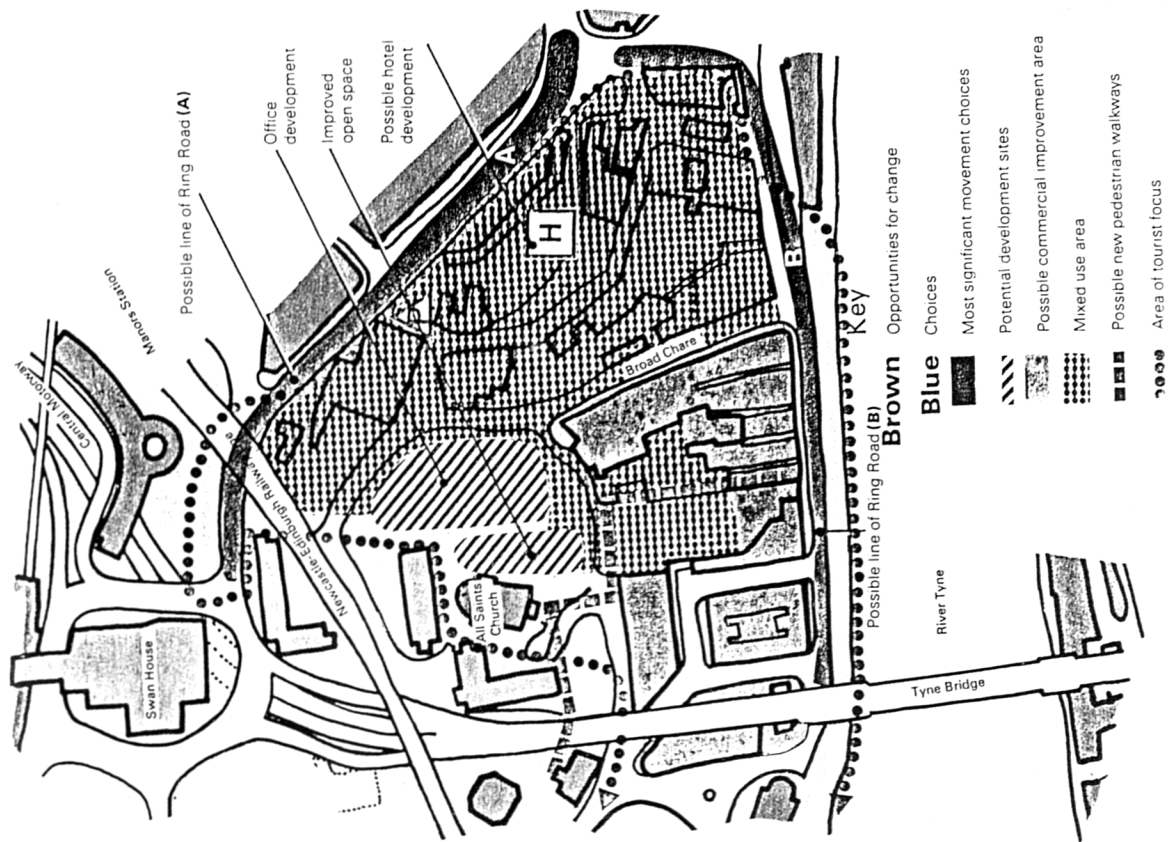


Figure 7.14 Quayside Area Planning Policies (City of Newcastle upon Tyne, 1985)

the upper part of the city centre to use the leisure and entertainment activities provided in the Quayside area. Housing was also encouraged as an important component of the revitalization programme, so special consideration was given to the conversion of under used and vacant building stock into one or two persons flats. There was already a considerable amount of office accommodation available in the area, but much of it needed to be brought up to modern standards through refurbishment. Infill office development would also be encouraged. Regeneration policies in the area were therefore based on the preservation of the existing building stock supplemented with the provision and management of substantial grant packages along with funds for small scale infill development through the Quayside Regeneration Block Grant. Refurbishment could be used as a means to bring underused and derelict property into use through altering their internal structures and making them suitable for new usage. All of these strategies were reflected and considered in the city centre local plan (Chapt. 7.1).

The area, east of Milk Market (sub-area C), would accommodate industrial-based activities. In the area between the east of Broad Chare and Milk Market, the refurbishment and reuse of old warehouses would be encouraged, whilst office development would not be permitted apart from the long term development potential of Arnoco House and the Quayside Sheds site.

Institutional Relations

The city council would play a key role in providing infrastructure, upgrading the environment, assembling land where necessary and subsidizing existing and incoming business and private sector development activities. Tyne and Wear County Council and Highway Authorities would undertake the improvement of the transportation network and, to a lesser extent, land reclamation works. All funds would come from the Inner City Partnership Investment Programme, incorporating the investment programmes of the city

and county councils. The city and county councils had funds for investment or for the promotion of private sector investments, but increasingly these funds were only available via central government, which added more and more restrictions on how they could be used (Robinson, 1989).

What the Regeneration Policies Tells us

The improvement area was large. However the formulated policies and strategies were concentrated on the core area between the Tuthill Stairs and Broad Chare (sub-area B). This shows that the city's main attempt was to revitalise the historical core area, whilst the remaining heritage from different periods was seen as holding potential for the attraction of leisure and tourism related activities as was the case in the Blackfriars Improvement area. There was no project, apart from broadly formulated policies, bringing flexibility to land use patterns, and so attracting all kinds of interested parties to the area. Long term depressed property markets and local economic decline complicated the situation when it come to regenerating the Quayside area. The Quayside had, over many years, become a marginal area of the city.

7.4.3 THE REGENERATION PROCESS OF THE QUAYSIDE

The city council's investment was strategically concentrated in the area between Hanover street and Milk Market to regenerate the existing, declining, built structure, much of which was surrounded by derelict land as a result, partly, of the failure of the previous redevelopment scheme and partly the closure of existing industrial premises. This part of the development activities in the form of refurbishment and infil was concentrated on the central areas between Milk Market and Hanover Street, covering Side, Quayside and the Close. The city council was the major land owner in this area as a result, partly, of previous

planning activities and partly through purchasing the former premises of displaced industries (23).

The city council's investment in environmental upgrading schemes was seen as a driving force to encourage and attract private sector investments. Many of these improvement schemes were completed by 1982. All Saints church and the surrounding area was promoted as a focal point for tourism. At the same time, the environmental improvement work around the church was undertaken by the city council. Derelict sites and sections of river bank to the east and the surrounding areas of All Saints Church such as the area of Croft Stairs, Manor Chare, Dog Bank and Silver Street were tidied up and landscaped with funds allocated from the Quayside Regeneration Block Grant. Croft Stairs and the Corner Tower on the town wall were restored, street furniture was positioned on the Bank and the area landscaped.

All Saints Church, a Grade I listed building, was restored as an auditorium for lectures and concerts with an educational centre for urban studies. The restoration scheme was financed with substantial public money from both the Quayside Regeneration Block Grant and a Conservation Grant from English Heritage. This was in parallel with environmental improvement work undertaken around the All Saint Church, Manor Chare, Dog Bank, Silver Street and Cowgate as mentioned above.

The Trinity House complex was another site targeted by the city council for restoration as a museum in order to develop tourism in the area. A four-year rolling grant scheme was allocated for the restoration of the complex, Grade I listed buildings owned by the master and brethren of Trinity House. Part of the rolling programme funding was for the refurbishment and conversion of the existing premises into office units for sale to commercial users. Money acquired from the sale of refurbished office units was used to finance the refurbishment

of the remainder of the complex. A listed unused warehouse next to the Trinity House complex on Broad Chare was refurbished and converted into the Maritime Museum and its administration given to a charitable trust. The council also financed the refurbishment of another warehouse next to the Maritime Museum and its conversion into a theatre which was leased by the Live Theatre Company. The Coronation Building, which was a vacant, early 20th century Grade II listed building on the Quayside, was also refurbished and converted into offices for lease with the provision of on-site parking. This scheme was entirely financed by the Quayside Regeneration Block Grant.

It was the city council who was the active developer and financier for the refurbishment and restoration of the existing built fabric, in particular on Broad Chare. The city council's investments were, not surprisingly, concentrated on the former All Saints CDA, particularly on the east side of the area in the early 1980s.

The city council's active involvement in refurbishment and environmental improvement schemes attracted a few privately financed refurbishment projects. Mercantile Chambers on Quayside was purchased by Redhead Advertising Ltd. and completely refurbished for their own occupation without any subsidy. Phoenix House on the Sandhill, the former Victorian office block was also refurbished as a restaurant with 9 flats for sale. This scheme was mostly privately financed. It had only a very small amount of public subsidy for the stone blasting of the building. In another small scale refurbishment scheme on the Quayside, no public finance was used. In this scheme, the premises were owned by the city council and leased out to a private company for 125 years. The company refurbished the property for their own occupation. It could be concluded that the refurbishment of listed buildings was usually financed by private companies for their own use, sometimes along with the small amount of public financial assistance through conservation grants.

Some redevelopment sites were also opened up to private sector operations by the city council. A city owned site with a small frontage to the Quayside and a large rear, surrounded by King street to the west and Trinity Chare to the east was opened up and redeveloped. In this case, the city council launched a limited architectural competition for the selection of a scheme for the site in 1982. As a result, a private local house builder, CM Yuill Ltd. with their proposed housing scheme were selected to redevelop the site. The scheme comprised 61 dwelling in a series of terraces and courtyards with new modern commercial building for the gap on the Quayside frontage. The site was leased to the building company for 125 years. The scheme was also subsidized by UDG which covered a substantial part of the construction costs of the scheme. The construction of the scheme started in 1988 and was completed in two years. It was the first redevelopment scheme in the Quayside area.

The restoration of Bessie Surtees House on the Side, a Grade I listed, 17th century, half-timbered building, was financed by a partnership arrangement between the city council and English Heritage on the basis of the rolling grant allocation for each year through the council's conservation grant scheme. The Close 28-30, a listed Grade I building of national interest, dating back to 16th century, was acquired by the Tyne and Wear Building Preservation Trust, a voluntary organization, and fully financed by the inner city partnership fund.

The long standing search for a suitable location for the Crown Court during the 1970s and 1980s on the Quayside was finally resolved with the decision for a location on Broad Chare. Warehouses known as Arnoco House were bought by the city council. Following this, an architectural competition was launched for the design of the new court building in 1985. A local architecture firm, Napper Collerton Partnership, was selected with a scheme comprising 12 crown and 2 county courts on a key site facing the Quayside. Construction work commenced

on the site in August 1986 by Laing, a national construction company. The council also purchased an electricity sub-station site to the rear of the Crown Court site to be laid out as public car park. The Crown Court occupied a key location between Sandhill and Milk Market.

One of the strategies for the regeneration of the Quayside was to open up the river bank for public access. In parallel with this, Aberdeen Wharf which was located in front of the Guildhall was restored and landscaped during the mid 1980s. Public investments in environmental improvement schemes moved towards the west from the former All Saints CDA. In order to create a riverside promenade, the improvement of public accessibility to the riverside and additional car parking facilities work started on the erection of a new quay wall to the west of the Swing Bridge. At that time the city council changed its policies around the Forth Bank from productive towards consumption based use.

7.4.3.1 Policy Changes; The Close/Forth Street Area

Immediately after the publication of the city centre local plan, "The Strategy for the Close/Forth Street Area" was published in the light of the changing character of the area (1985). The council was a major landowner in the area. The aim was to give detailed guidance to potential development activities on a basis of constant reassessment of the area (24). The area's functions and land use were redefined as one of the focal points for tourism in the city centre local plan (figure 7.15). The area had formerly been defined as a location for warehouses and industrial premises. It was argued that the formerly proposed land use patterns were not appropriate for new developments. Other initiatives current at the time were also integrated into this new approach, such as the lay out of the new interceptor sewer in the area, the construction of the new quay wall between the Swing Bridge and Mansion House Wharf, the compulsory acquisition of land to the north of the Close and its subsequent reclamation and

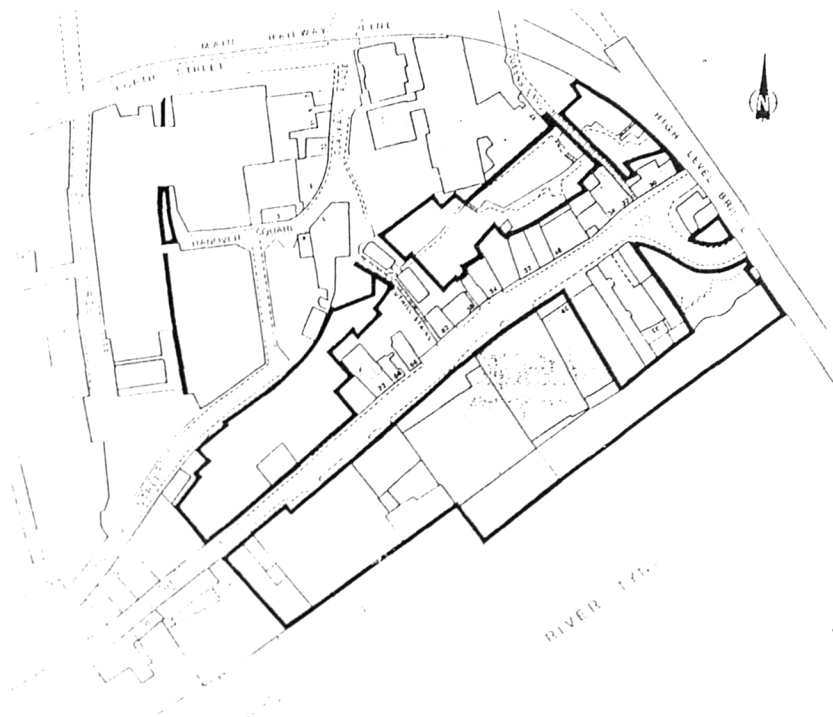
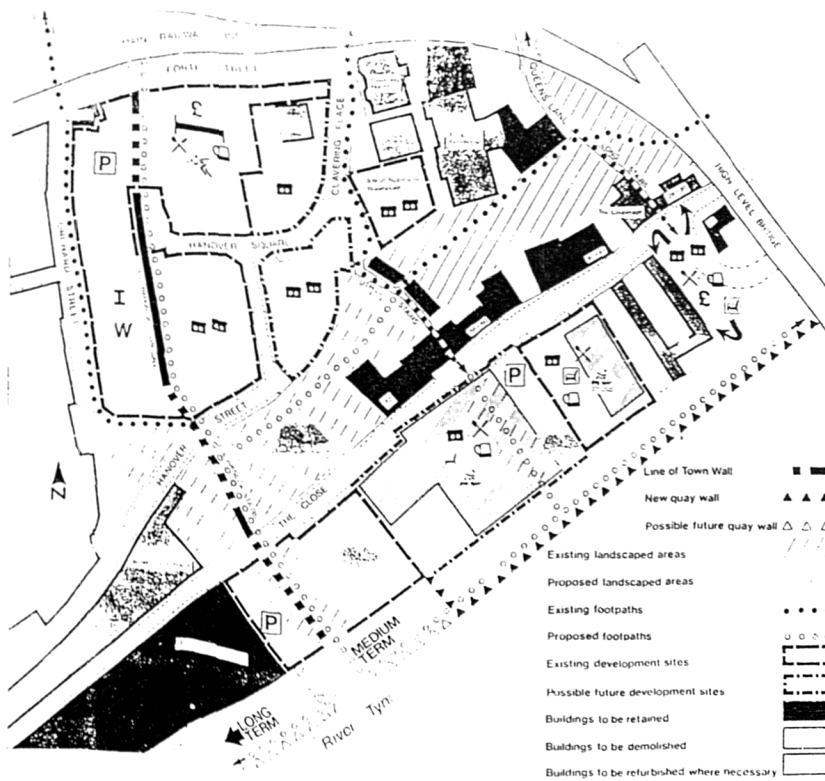


Figure 7.15 Forth Street and the Close (City of Newcastle upon Tyne, 1985c)



landscaping, the demolition of the Federation Brewery Complex, the restoration of the remaining town wall, the improvement of pedestrian access to the river bank. The attempt was to reduce uncertainty in the area in respect of land uses in order to maintain confidence and attract investments from the private sector. The area was principally opened up to mixed use developments, with accommodation for small scale professional offices, technological and media related activities through fully utilizing the leisure potentialities of the area. Existing industrial based activity was to be replaced over time.

This was an important shift from industrial-based towards mixed use development. The area was identified as a major redevelopment area. This was to be achieved by the city councils' investments and promotion. The councils' large land ownership in the area was seen as an important driving force alongside existing subsidy packages to the private sector. Both land ownership and subsidy (public money) were thought to be attractive to large scale, mixed-use development schemes by the private sector.

The policy change indicated that the city council shifted its emphasis from small scale refurbishment schemes undertaken by end-users in the area to large scale, speculative, consumption based projects. This also clearly shows that the city council shifted its investment programme from the refurbishment and restoration of Medieval Heritage (Quayside and Blackfriars) towards the acquisition of land left derelict as a result of industrial collapse, the clearance of left-over industrial mass, and the promotion of these sites as consumption oriented, speculative, potential development areas. This was also as a result of the changes in property cycles moving slowly from slump towards boom (Healey et al, 1992). Central government's policy initiatives also affected the city council's policy making process besides changes taken place in the global scene.

Following the publication of the report, the city council as a major land owner in the Close and the areas to the west of the Close undertook a considerable land reclamation and environmental improvement operations through the resources allocated by ICPF (25). Derelict sites between Hanover Street and the Close were reclaimed and landscaped along with the restoration of Breakneck Stairs and the remaining stretch of town wall by the city council. The highway in the Close was improved and maintained in incorporation with the said environmental improvement schemes (25).

Tyne and Wear County Council was abolished in 1986 along with the other metropolitan councils throughout the country. The planning system changed from two tiers to one tier producing district-based unitary plans. Local authorities financial resources were further cut. All this suggested that local authorities were in the process of losing their traditional powers (Parkinson, 1987).

In July 1986, the Cutty Sark Tall Ships Race and Newcastle Martime Festival were staged with great success, attracting over one million visitors to the city. Considerable environmental improvement within the Quayside area was brought forward in part in preparation for these events, including work on Bessie Surtees House and Trinity House. There were other initiatives which clearly showed that the city council had started to make use of marketing strategies to attract people to the city, creating spectacular events and catching people's attention.

Princess Building, a listed Victorian office block in Queen Street, was refurbished for mixed commercial and residential use between 1986 and 1989. This property was owned by the city council and let on a long lease to North Housing Limited, with a substantial grant from the Quayside block fund and a small amount of subsidy from English Heritage in the form of a conservation

grant. This scheme is an example of the housing associations' early involvement in the process of refurbishment, providing flats, small office suites and shops for lease.

The city council also promoted large scale redevelopment schemes such as the former Vickers military engineering factory site in the Tyne Enterprise Zone. Intensive land reclamation work was implemented by the city council through the allocation of financial resources from the Quayside Block Grant. A national developer's interest was eventually attracted to the site with the prospect of developing a shopping mall. Following land reclamation and improvement work in the Close (see above), a development proposal for a hotel was given to the City Council by Copthorne Hotels (Newcastle) Limited, a Newcastle based consortia. The city council principally agreed with these development proposals. While negotiations between the developers and the city council were in progress, during 1987, the Quayside Improvement area fell into the boundaries of the newly established the Tyne and Wear Development Corporation.

7.4.3.2 A Change of Agency : The Tyne Wear Development Corporation

By 1986 central government announced the establishment of the Tyne and Wear Development Corporation (TWDC) (Appendix 3.2.2). TWDC formally became operational in 1987. The TWDC's designated development area covered 2375 hectares of land along the river bank where the city council, in the case of Newcastle, had substantial land ownership (90% of the total area including other public agency-held land assets) and undertook considerable reclamation and environmental improvement works alongside infrastructure investments (Chapters 7.4 & 7.6; Figures 7.11 & 7.16). The Quayside Improvement Area and the Enterprise Zone fell into the boundaries of the TWDC, together with the other new initiatives, including the Newcastle Offshore Technology Park. The

Tyneside Projects - Major projects initiated by Tyne and Wear Development Corporation or receiving practical support from the Corporation.

In addition to the projects shown on this map, substantial sums have been provided for **BUSINESS DEVELOPMENT, COMMUNITY DEVELOPMENT and TRAINING** initiatives on both banks of the Tyne. There have been a number of smaller **ENVIRONMENTAL IMPROVEMENT** and planting schemes.

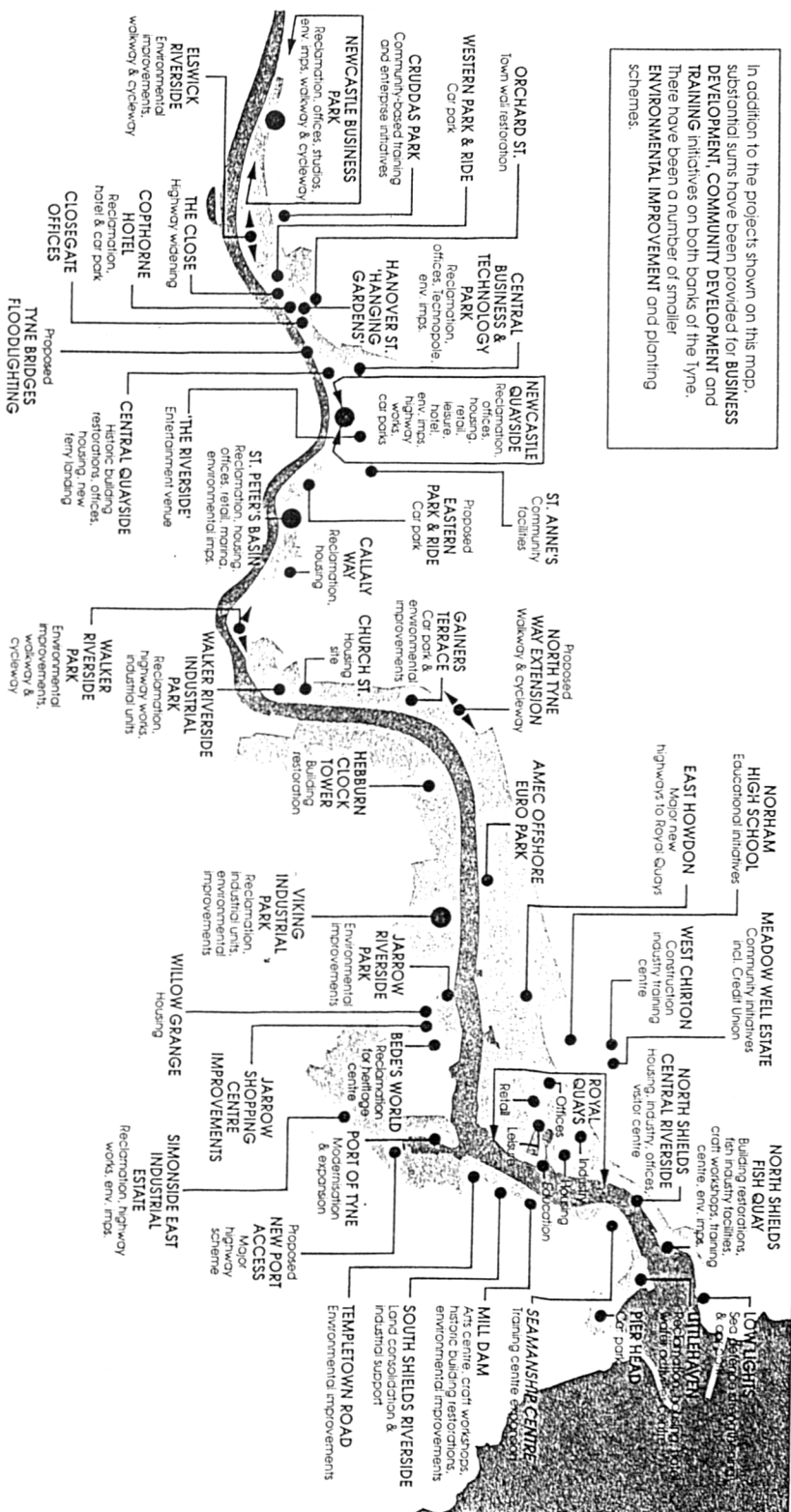


Figure 7.16 Tyneside Projects, TWDC (TWDC, 1992)

potential large scale redevelopment areas identified in the city centre local plan (1985) also fell under the control of the TWDC. These included an office development area at Manors station and a potential large scale development area to the west of the central station. At the same time the large scale redevelopment projects under the negotiations mentioned above fell under the control of the TWDC. Planning and development control power in all these areas was therefore transferred from the city council to the TWDC.

All this led to a considerable conflict between TWDC and the city council. However this conflict eventually, to some extent, disappeared with partnership arrangements between the two, such as with respect to the Newcastle Offshore Technology Park, whilst planning permission in the TWDC Areas have been given as a result of negotiations between the two. The TWDC have also undertaken highway improvement schemes in their areas in co-operation with the City Council Highway Authorities.

The TWDC promoted a number of imaginative, mixed use, large scale development projects to attract national or international investors (figure 7.16). Some of these projects were previously initiated by the city council, such as the former Vickers site and Copthorne Hotel site. The TWDC was involved in the processes of land assembly, reclamation and the provision of required infrastructure networks. This was no different to what the city council had been doing. They also used intensive marketing strategies to attract potential investments into the area with the aim of changing the image of the river bank through "flagship projects" (figures 7.17, 7.18 & 7.19). This is relatively similar to the city council attempts to market its CDA projects in the 1960s (Chapt. 6). They also appointed a number of consultants to carry out investigations related to the area and draw detailed project designs and development briefs, through which they evolved an overall development strategy (Davoudi & Healey, 1990).

The Tyne and Wear Development Corporation is a Government-backed initiative that is working closely with local authorities and the business community to regenerate 2,400 hectares of inner city sites along the banks of the Tyne and Wear. Capital expenditure of £150 million over the next five years will be devoted to those sites where public sector input in the form of land assembly, infrastructure, or city grant is necessary to unlock future development by the private sector. In Newcastle, the historic Quayside is witnessing an explosion of activity and becoming the focus of attention for private developers and entrepreneurs. A number of key developments are already planned, including:

- A 25 acre site on the East Quayside is to be developed by Newcastle Quayside Developments Ltd., a joint venture between Seaham Water Holdings and a consortium of Roseberry Group and local developers Stanley Muijsers. It will provide high quality specialist shopping, offices, a 5-star hotel, conference, leisure and exhibition facilities and a major area of new riverbank housing.

TWELVE



East Quayside

A scheme in the Lombard Street and Saffron area, between the Tyne Bridge and the old city centre, will bring the same benefits to future residents. Saffron will provide modern office space for high-tech and commercial enterprises.

- At St. Peter's, a high quality residential scheme and marina, will be developed around the historic Down wall in the part of the Quayside that is planned to be developed for the National Garden Festival at Gateshead.

Newcastle Riverside Park



St. Peter's

Elsewhere in the City major schemes well advanced include:

- The Newcastle Business Park, a 60 acre landscaped riverside site offering 500,000 square feet of space for high-tech and commercial enterprises.
- At St. Peter's, a high quality residential scheme and marina, will be developed around the historic Down wall in the part of the Quayside that is planned to be developed for the National Garden Festival at Gateshead.

The Closegate Hotel Development



THIRTEEN

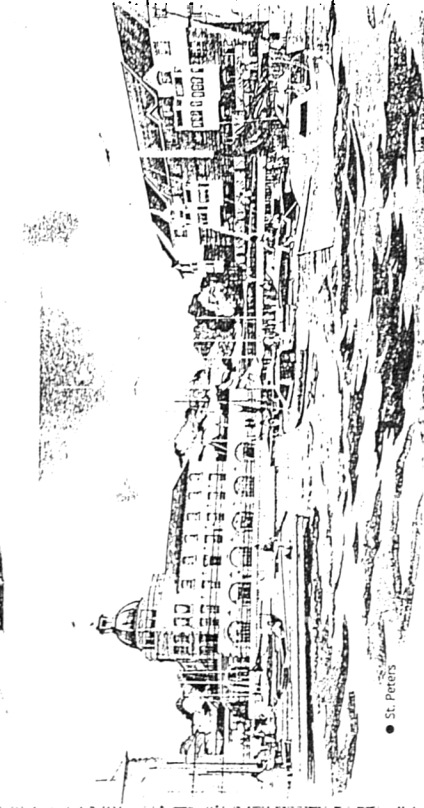
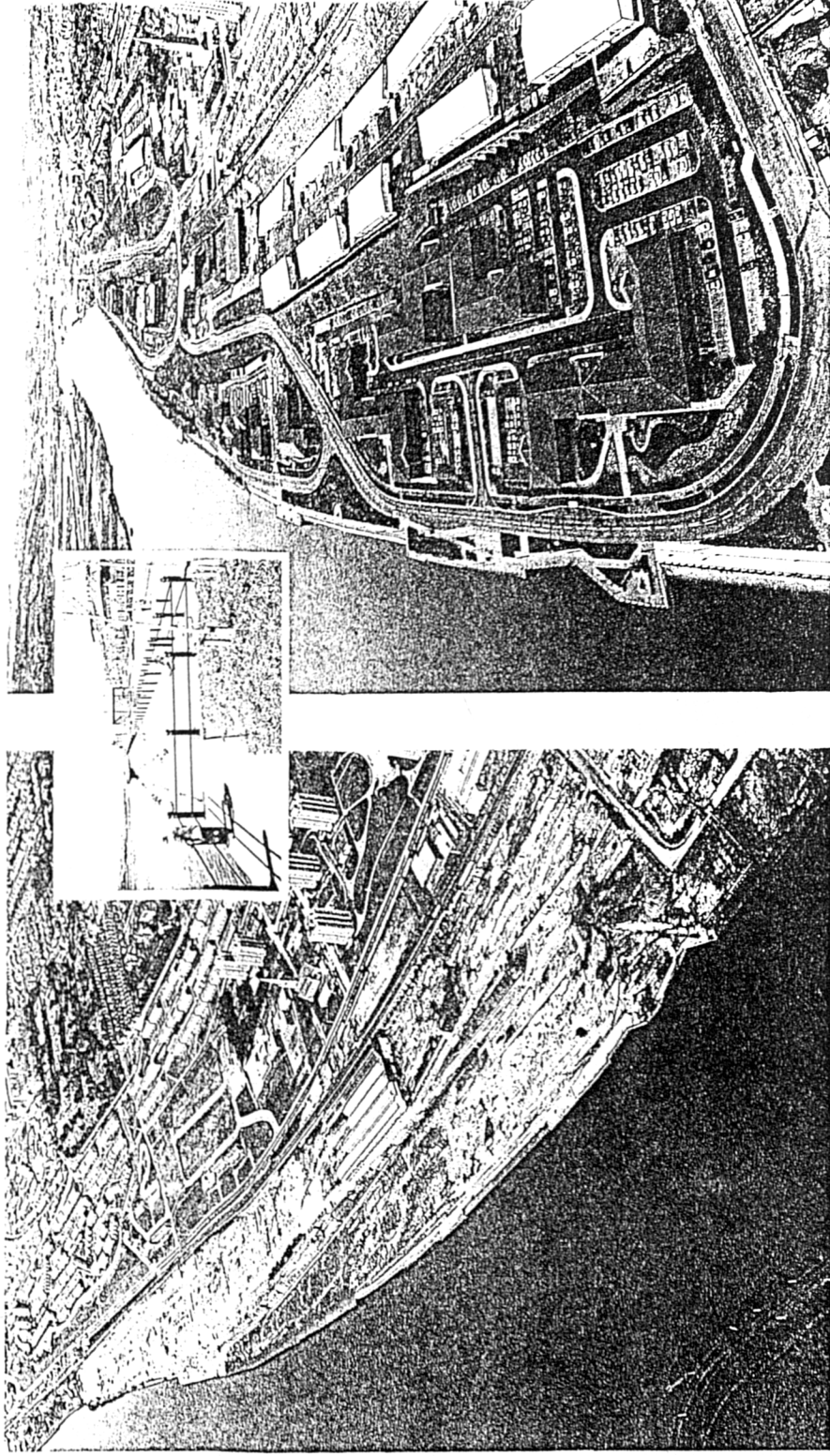


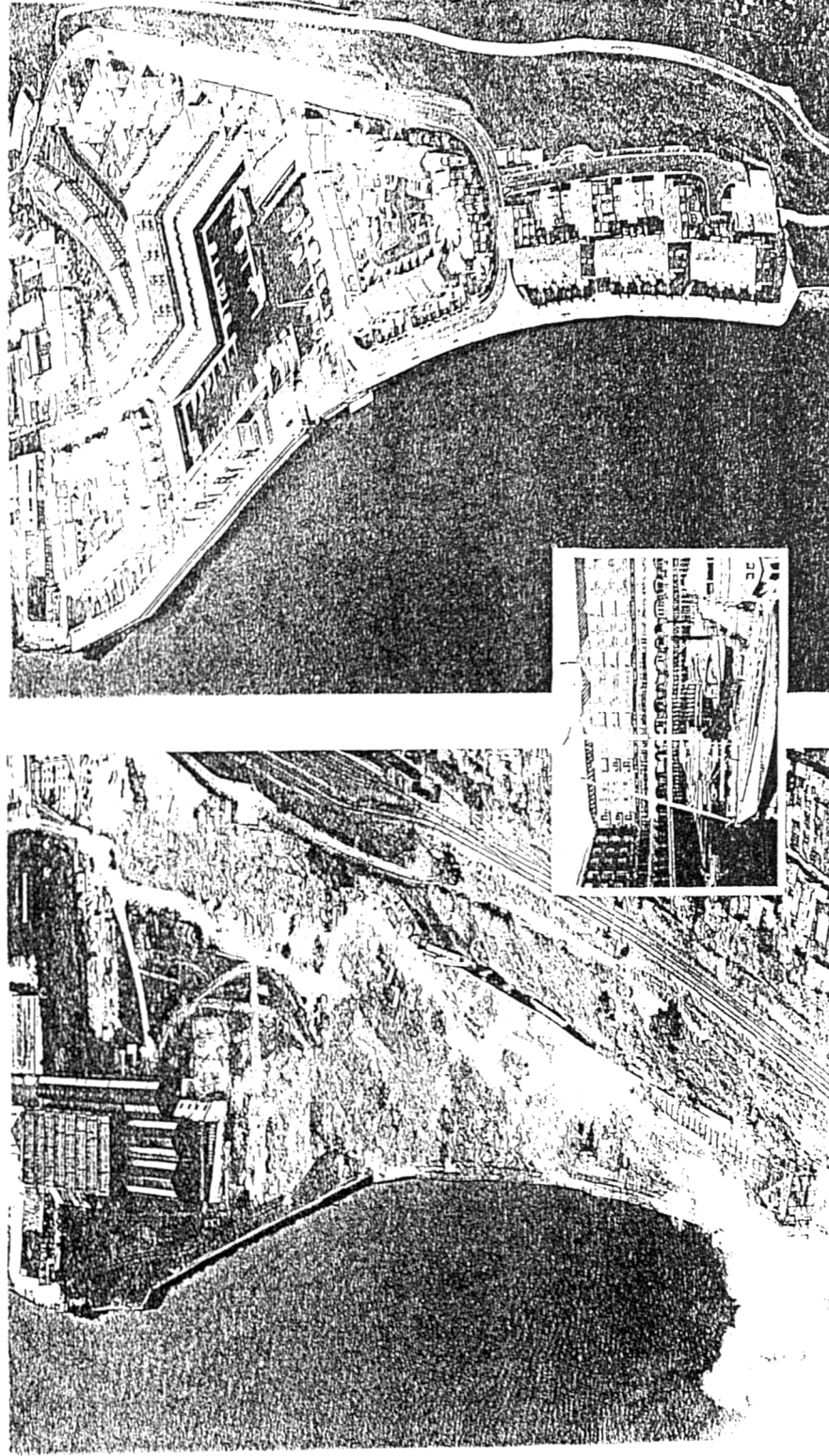
Figure 7.17 East Quayside Development Project (TWDC, Marketing Brochure)



Dereliction transformed... the site of Newcastle Business Park before and after development. The 60 acre scheme won the 1992 RICS Award as Britain's best urban renewal project.

Figure 7.18 Newcastle Business Park
(TWDC, Marketing Brochure)

Figure 7.19 St Peter's Basin Village
(TWDC, Marketing Brochure)



St. Peter's Basin Village before and after development. The scheme won the gold medal as the best partnership project in Britain in the 1991 'What House' Awards, the 'Oxars' of the housing industry.

The TWDC consisted of two bodies, the board and the administration. Decisions were taken by the TWDC board. The board encompassed regionally-based production interests drawn from brewing and engineering concerns, nationally-base financial interests, represented by the regional director of a high street bank and a partner in a financial consultancy, development interests represented by an innovative local developer and local political interests from the areas local authorities (figure 7.20). The board members were appointed by the Secretary of the State for the Environment, as individuals not representative of organizations. A class alliance was therefore formally established by the state with powerful representation from the old ruling elite. By 1990, some of the board members left and new members, the managing directors of two multinational production companies, an eminent university professor and new representatives of the local political elite were appointed (figure 7.20). The formally established class alliance therefore brought a number of new players into the governance of the region's economy. The TWDC's board was supported by around fifty staff based in offices in Sunderland and Newcastle (figure 7.21). The administration of the TWDC, like other UDCs, was rather different from the local authorities, in that it replaced the democratically-elected decision making process of local government by centrally appointed members from non-accountable, private sector bodies. This was not new, similar agencies had also been formulated by the central government in the previous periods to change the region's economic fate (Chapter 5 & 6).

The TWDC, like other UDCs, had substantial financial resources, a budget of around £160 million was provided for their first five years of operations (26). Following the establishment of the UDCs, a reduction in the central government allocation of Inner City Partnership Funding from the Urban Programme was introduced. This was in parallel with the introduction of a new grant regime, City Grant and the abolition of two previous grants, the

Figure 7.20 The Board Members of the Tyne and Wear Development Corporation

Chairman: Paul Nicholson (1987 to date)
Chairman and Managing Director, Vaux Group PLC.
Director, Northern Development Company.
Chairman, Northern Investors Company Limited.
Director, Tyne Tees Television.

Deputy Chairman: John S. Ward (1987 to date)
Regional Director, Barclays Bank PLC.
Director, Northern Investors Company Limited.
Director, Tyne and Wear Enterprise Limited.

Board Members:

J. Graeme Anderson (1987 to date)
Executive Deputy Chairman, NEI PLC.
Director, British Nuclear Associate
Deputy Chairman, The Newcastle Initiatives.

John Barnsley (1987 to date)
Partner, Price Waterhouse.
Member, Industrial Development Board for the DTL.

Albert Moore OBE (1987 to date)
Leader, Conservative Group, Newcastle City Council (till 1989)
Chairman, Northern Region Council for Sport & Recreation

Dr. Ralph Iley (1987 to date)
Director, Northern Development Company.
Director, Northumbrian Water Authority.
Chairman, Tyneside Training & Enterprise Council (CBE) (from 1989).

Joe L. Mill (1987 to date)
Regional Secretary, The Transport & General Workers Union.
Deputy Chairman, The Port of Tyne Authority

John Hall (1987–1990)
Chairman and Managing Director, Cameron Hall Developments Limited.
Board Member, The Newcastle Initiatives.

Councillor, John Donnelly (1987–1990)
Deputy Leader, Sunderland Metropolitan Borough Council
Chairman, Newcastle International Airport

Councillor, Sep Robinson (1987–1990)
Deputy Leader, South Tyneside Metropolitan Borough Council.
Director, Tyneside Economic & Development Company (TEDCO).
Vice Chairman & Director, Tyne & Wear Economic Development Company (TWEDCO).

Councillor, Ian Gordon (1989 to date)
Leader, Conservative Group, North Tyneside Council.
Partner, BDO Binder Hamlyn, Chartered Account

Ian Gibson CBE (1990 to date)
Managing Director, Nissan Motor Manufacturing.

Frank Sharratt (1990 to date)
Chairman, Kerr McGee Oil UK PLC.

Prof. Patsy Healey (1991 to date)
Head, Department of Town and Country Pl. University of Newcastle (till 1992).
Director, Centre for Research in European Urban Environments, University of Newcastle (1992 to date).

Councillor, Eric Bramfitt (1991 to date)
Leader, Sunderland City Council

Councillor, Tony Flynn (1990 to date)
Deputy Leader, Newcastle City Council.

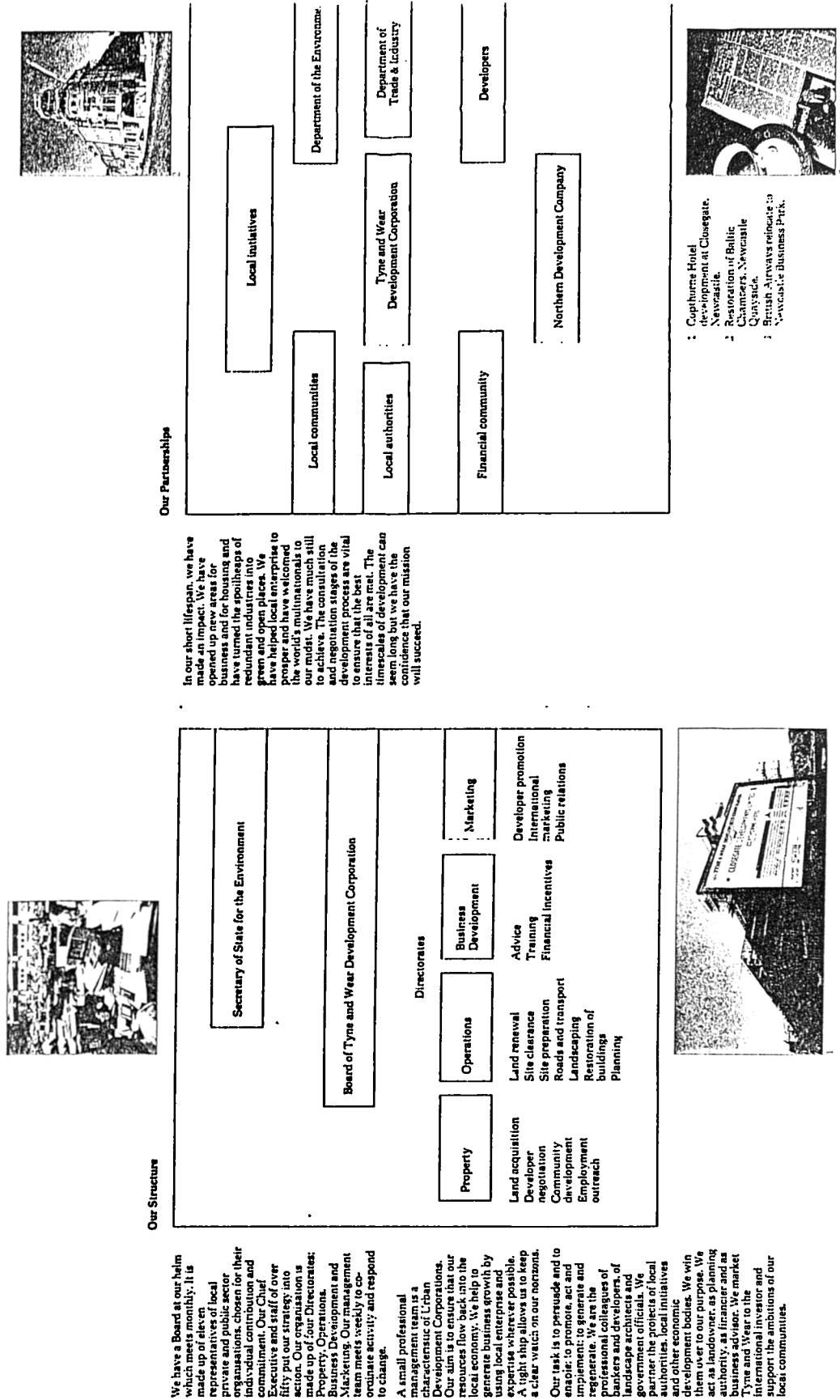


Figure 7.21 TWDC's and Other Agencies(TWDC, 1990)

UDG (1982) and the URG (1986) in 1988 (Appendix 3.2.3). The power of allocating funds from the new grant regime was under the control of the regional officers of the central government rather than the local authorities. All of this brought about a new environment for development, in which the private sector was (in theory) to play pro-active developmental role rather than the public sector. Those areas governed by the UDCs were in effect democratised areas under the direct oligarchical control of a small elite of key capital interests.

The Development Activities in the TWDC's Areas within the Boundaries of the City Centre

Considerable new development took place on the Quayside within the boundaries of the TWDC's area (27). Some of this development was promoted by the city council before the formation of the TWDC as mentioned above. A hotel and office complex development in The Close, Newcastle Science Park, comprising business units and an innovation centre, on the site of the former Manors Station and East Quayside Project, consisting of a major leisure, commercial and housing development to the east of City Road on the Quayside (figure 7.17) were large scale redevelopment schemes. There were also two other large redevelopment schemes constructed in close proximity to the boundaries of the city centre. One of these was an early TWDC scheme. Newcastle Business Park, on the site of the former Vicker's factory, was used to provide high quality office accommodation in a landscaped setting on the west of the Quayside (figure 7.18). The other was St. Peter's Basin Village, comprising a housing redevelopment together with marina, leisure, and a small scale commercial development, on the former ship yard located to the east of the Quayside.

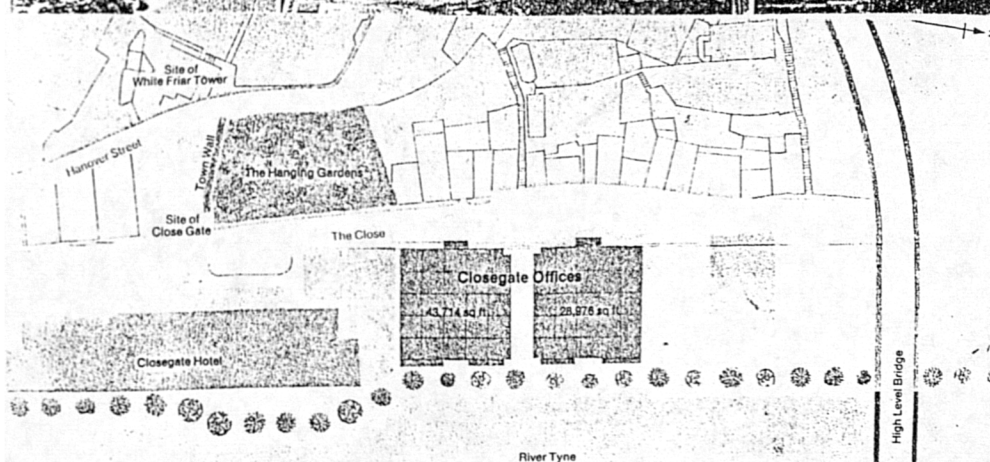
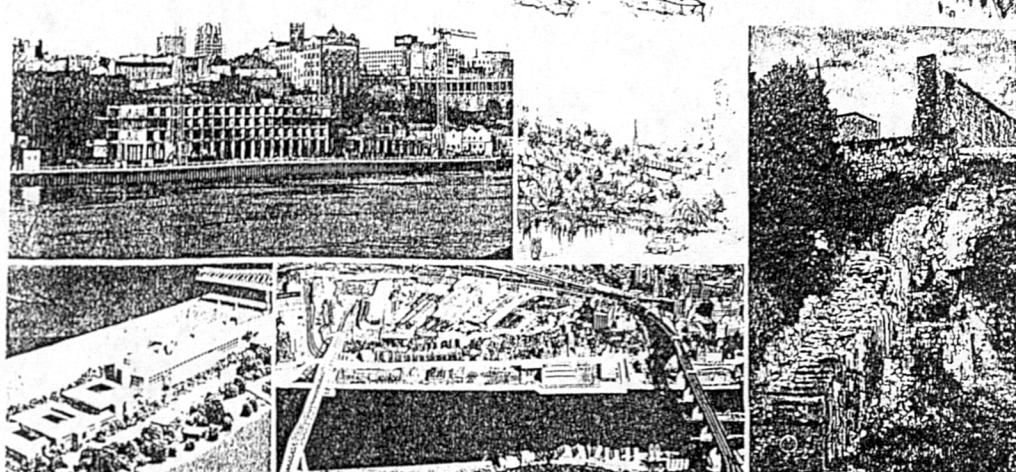
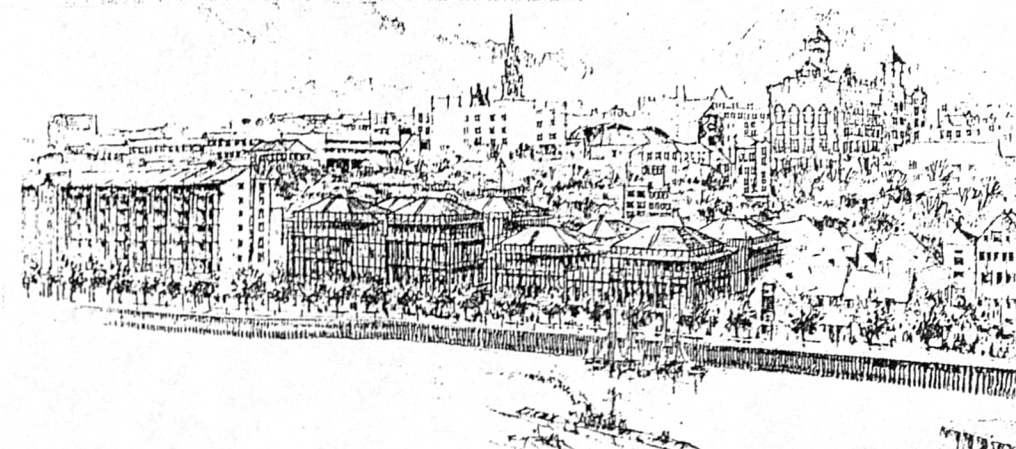
Closegate hotel and office development and Newcastle Science Park are selected here as case studies. The former was one of the first development

projects of the TWDC and the latter is another large scale redevelopment scheme promoted by the TWDC and the city council as partners. The later example, undertaken by the TWDC, has been selected to show the change of the operational patterns of the TWDC.

Closegate Hotel and Office Development

The development proposal for a hotel was given to the City Council by Copthorne Hotels (Newcastle) Limited operating under the name of Closegate Development Ltd. prior to the foundation of Tyne and Wear Development Corporation (figures 7.23 & 7.24). The chosen site was at the Close, located to the west of the High Level Bridge, on the Tyne river bank, within walking distance of the Central Station. While the negotiations between the developer and the city council continued, the Tyne and Wear Development Corporation came into existence and the site fell into the Corporation's designated area. In other words the development control and planning power of the area passed on to this newly established, quasi-public agency from the City Council (as mentioned above section 7.4.3.1).

The developer approached the Corporation for the same development proposal following the statutory change which introduced the TWDC. The Tyne and Wear Development Corporation agreed the development proposal in principal, but insisted on several alterations to the project design. As a result, the Copthorne Hotel (Newcastle) Limited changed their architects and appointed Arups to design the scheme. The Tyne and Wear Development Corporation's consideration at this stage was on the design quality of the proposed development because of the existing attributes its location in the medieval part of the city, within the boundaries of the Central Conservation Area. It would also be one of the first flagship projects of the Corporation which would stand or fall as evidence of the effectiveness of the TWDC. The TWDC also wished to use this proposal as a catalyst to attract other forms of



Closegate

The resurgence of the Newcastle upon Tyne riverside illustrates one of the finest examples of business community development in the country. Its revival is seen as the renaissance of the original commercial heart of Newcastle. And on the threshold of a new century, exciting ventures are now taking shape that will create a dynamic new era of growth within this historic location.

Closegate is a development by Closegate Developments Limited in partnership with Tyne & Wear Development Corporation. Comprising the highest specification office units in the North East, it offers enterprising companies exclusive business accommodation in a desirable riverside setting.

Situated between the impressive new Quayside development and the 64-acre Newcastle Business Park, Closegate is only a few minutes walk from Newcastle City Centre, where the main focus of the region's retail, commercial and cultural activity lies.

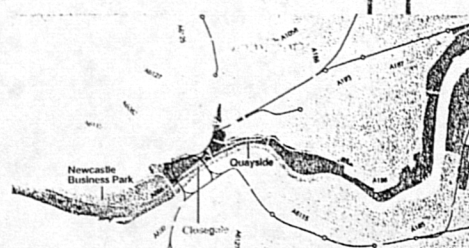
Newcastle is an important regional financial centre. The major UK clearing banks, merchant banks, principal accountancy firms and other vibrant financial services have offices in the city.

The area has been successful in attracting companies of major international stature. As well as manufacturing giants such as Nissan, many large office-based organisations, and key technology industries have invested here.

Businesses moving into Closegate will also find themselves on the doorstep of the North East's principal academic and technical resource centres. There are two universities, two polytechnics and six colleges of further education. The MARS Group, for instance, next to achieve European status in specialist computer systems technology.

The Location

Closegate stands next to the prestigious new four-star 156-bedroom Capthorn Hotel on a superb stretch of river frontage offering spectacular views of the Tyne bridges. The location enjoys immediate access to city centre and cross-river road routes, is minutes away from the InterCity railway station, and only 20 minutes drive from Newcastle International Airport.



The Accommodation

The Closegate complex comprises a two-storey and three-storey building offering a mix of premium quality office accommodation ranging from 13,600 to 15,374 sq ft per floor. The high specification - unsurpassed at date of completion by any new office development in the region - includes high quality stone block facing at ground floor level, extensive natural light to working areas, automatic solar controlled external blinds, pitched roofs with sloping double glazed rooflights,

stainless steel internal lifts, and full hygiene facilities. All mains services are installed, including gas-fired heating. In addition, the offices have trunking for telecom and computer information technology systems. There is, of course excellent car parking accommodation. Part of the vibrant new era of change emerging on the riverside, Closegate presents an unparalleled opportunity to acquire business accommodation in the North East's most exclusive office complex.

Figure 7.22 Capthorn Hotel (TWDC, Marketing brochure)

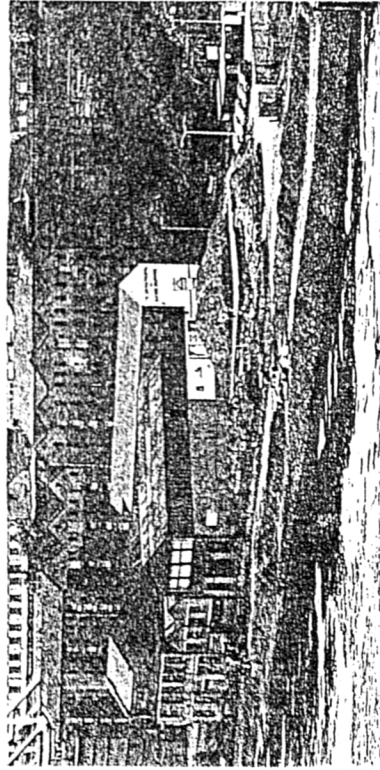
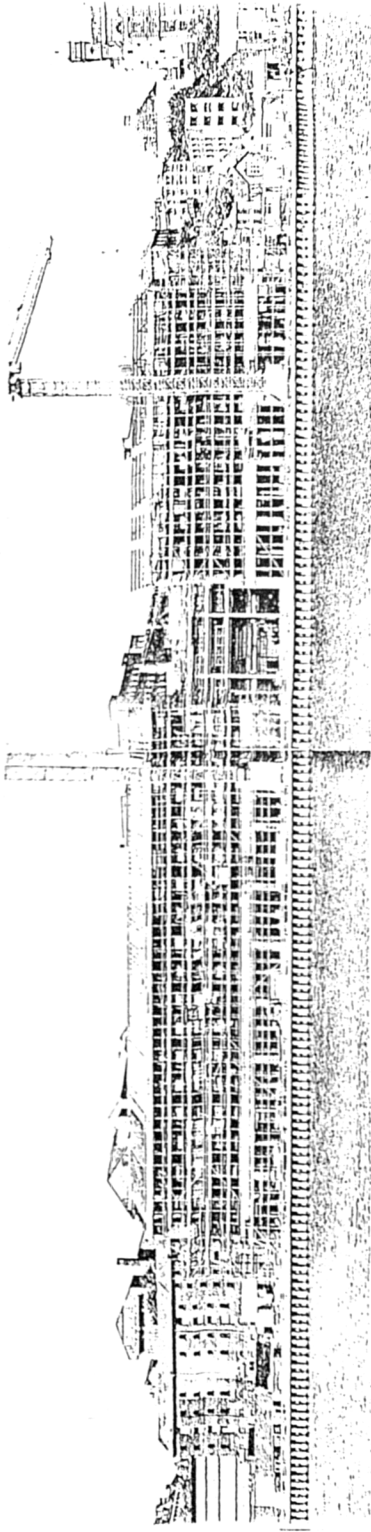
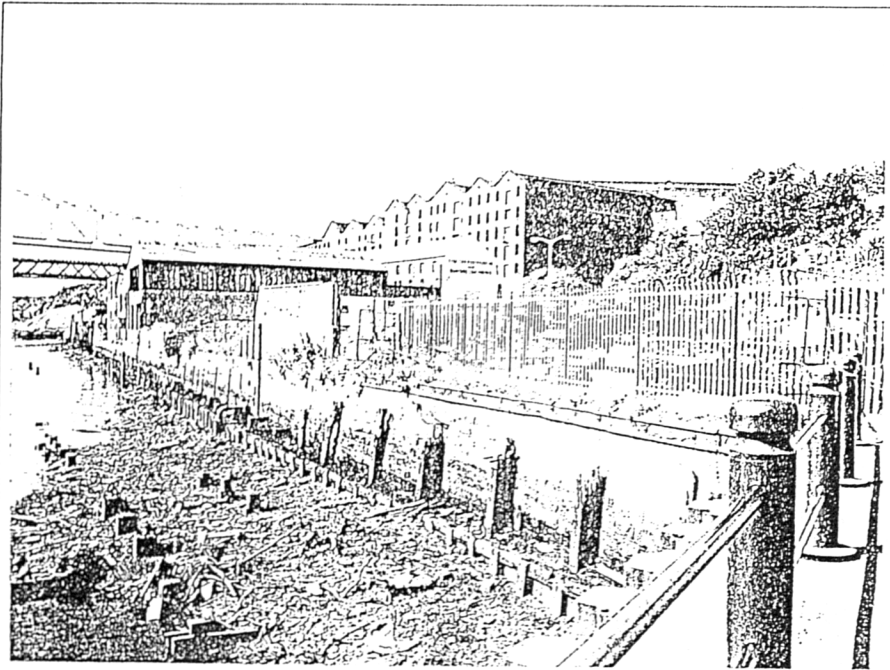


Figure 7.23 Capthorn Hotel (TWDC, 1991)



THE SITE OF THE COPHTHORNE HOTEL BEFORE WORK BEGAN AND AFTER COMPLETION

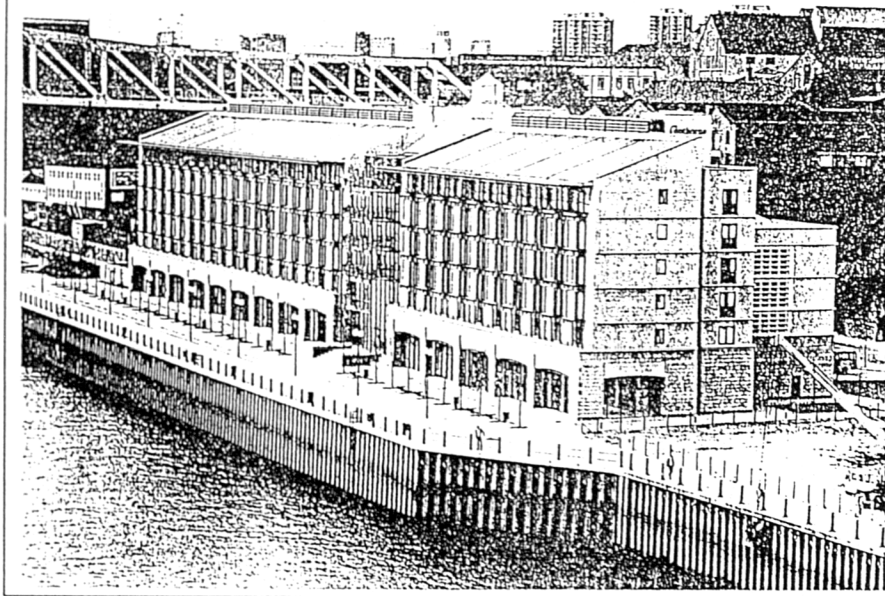


Figure 7.24 Caphorn Hotel (TWDC, 1991)

development schemes into the area. Alastair Balls, chief executive of the TWDC, stated:-

"It will be one of the biggest developments in the centre of Newcastle for some ten years and certainly the first major new hotel for many years" (E.C., 17/2/1988, Quayside plan gets green light).

As a result, a close working relationship was established between the developer and the TWDC.

There was a derelict warehouse and a few small businesses in operation on the site prior to the development. Originally the site was partly owned by the developer, Closegate Development Ltd., and partly by the city council. The council's part was eventually transferred to the TWDC's ownership. Existing buildings were demolished and the reclamation of the site started. However, at this stage, problems occurred. The remains of a section of the City Wall were discovered under the site and archaeological investigations became necessary. Following this, the existing remains of the 13th century Town Walls and the remains of the medieval river walls were preserved. This led to an increase in the cost of the development scheme and also postponed the commencement of construction. These operations were undertaken and financed by TWDC.

By the time the development scheme took its final form the city council demanded that the provision of public car parking be incorporated within the scheme. This demand created a conflict between the city council and TWDC. It was eventually resolved with an agreement over the required provision of car parking.

Following the reclamation of the site in February 1988, at the time of the property boom, Rush and Tompkins, a national construction firm, was chosen as a builder in partnership with Closegate Development Ltd. Construction work on the site for the hotel started, however, the developer was

inexperienced in the management of property development. This project was their first initiative in the field of property development, consequently they were heavily dependent on their professional advisers' recommendations. The construction work was badly organized. This caused several delays, and eventually the construction company, Rush and Tompkins, went into receivership. This was also in parallel with changes in macro-economic circumstances. Rush and Tompkins were particularly vulnerable to changes in interest rates, as a result of their usage of short term commercial bank loans. A second construction company, locally-based Bovis Construction Ltd, was appointed in 1990. This led to an increase in the cost of the development along with a delay in the completion of the scheme. The scheme was eventually completed in February 1991. The completion of the scheme was very important for the image of the TWDC. At the beginning they did not question or assess the developer's experience in property development. They wanted to go ahead with the developer's proposals, and only demanded alterations in the design of the scheme which would assist in enhancing their image. Therefore they promoted the scheme from the beginning as evidence of their early success and used it as an instrument for the establishment of their reputation. The construction stage, however, did not go as well as they expected. They had to agree to finance the development of the hotel through the City Grant. This was awarded for the development of the hotel-office complex in order to make the completion of the construction of the hotel possible. The allocated grant went into the construction of the hotel rather than the office complex specified in the agreement between the developer and TWDC. The construction of the hotel was completed, but commencement of the office development remained uncertain.

Closegate Development Ltd. looked for the funds for the construction of the proposed office block. In the more difficult financial climate of the early 1990s,

they could not find funding for the construction of the offices unless they were able to pre-let them prior to construction. By this time office demand was less buoyant, with a great deal of office space coming on stream in the other parts of the city (i.e. Newcastle Business Park). In 1992 the TWDC terminated its agreement with Closegate Development Ltd. to develop the site and eventually Scottish Amicable took on the project.

By the time that the construction of the hotel was undertaken by the developer TWDC had carried out a series of infrastructure and environmental improvement schemes associated with the development scheme. The TWDC in conjunction with the city council's Highway Department, widened The Close and provided walkways. At the same time a walkway was constructed along the river bank and its surroundings landscaped. The TWDC transformed a neglected, steep sloping site, at Hanover Street into hanging gardens with public access. The remaining City Walls on this site, which had been previously restored by the city council through the Quayside regeneration grant were incorporated into the Garden Scheme. The infrastructure and environmental improvement works around the Closegate Hotel Development were therefore undertaken by the city council and the TWDC. This was a continuation of the role of the public sector as providers of such infrastructure, as was seen throughout the 1960s, 1970s, 1980s and 1990s, despite the rhetoric of private sector initiated regeneration with which central government promoted the development corporations.

The hotel did not succeed in attracting the anticipated numbers of visitors in its early years. The hotel manager appointed a marketing agency in order to publicize and attract guests. In 1993, it was uncertain how successful this has been (Caterer and Hotel-keeper 15-21/4/93, p.36-8), but by the mid-1990s it had established a secure position in the city's hotel market.

The TWDC played a key role in the development process. It was directly involved in the process of land assembly and reclamation, the provision of infrastructure and environmental improvement operations and in the process of construction through arranging subsidy via the City Grant which was allocated from central government. The developers only undertook the project design and construction work and most of this was sub-contracted to smaller firms. This was similar to the large scale redevelopment schemes initiated by the city council in the 1960s and 1970s (Chapt. 6). There was however, one difference in that the city council did not subsidize the construction costs of the redevelopment schemes even when assistance was directly requested by a developer as was the case with the All Saints Office Redevelopment Scheme in 1978. The developer of the All Saints Office Redevelopment Scheme searched for available subsidies either for end-users or construction costs (Chapt. 6.3.2), and eventually failed to find them. The only such subsidy existing in the 1960s and 1970s was for industrial development and investment schemes. This also clearly shows that there was a shift in central government policies from the promotion of industrial developments and investments with substantial subsidy packages towards the promotion of highly speculative consumption-based development and investment schemes supported with a range of incentive packages.

Central Business and Technology Park

The former Manors Station had been identified as a potential large scale redevelopment area in the 1985 city centre local plan (Chapter 7.1.1), although there no attempt was made by the city council to promote development activities on the site (figures 7.16 & 7.25). This was, in part, as a result of a slow improvement in land and property markets in the city, partly as a result of British Railways interest as a landowner and partly because of the city council's initiatives on the riverbank in the form of land reclamation and clearance of



Figure 7.25 Science Park (TWDC, 1991)

former industrial sites, in particular in the Enterprise Zone, the Forth Banks area and the provision of a riverside promenade.

TWDC in partnership with the city council promoted the site for the development of a technology park. The site, covering 5.5 acres, was acquired from British Rail and reclamation work commenced in 1990 by the city council and TWDC. In this project, TWDC selected the developer, AF Bulge Limited, through its own experts. AF Budge Limited, a nationally well-known firm, was specially formed to undertake technology and business park development schemes, with a highly experienced management team. The development brief was eventually presented by the developer. During the process of the project design, the developer consulted with the Passenger Transport Executive in order to obtain access to Manors Metro Station.

The Central Business and Technology Park compromise 7500 sq. metres of business units in four blocks. A further building, to occupy about 52000 sq. ft. out of a total 140000 sq. ft. would accommodate Technopole; which was to be a nursery for high technology, research and development projects on the former Manors Railway Station.

The first phase of the construction of four high tech business blocks started in March 1991 and was completed Autumn 1992. The early success of the scheme came when one of the business office blocks was taken over for use as the national headquarters and computer centre of the Universal Building Society. The second phase of the construction of the technopole technology innovation centre would act as a nursery office support for new companies. An advisory board was established to encourage the growth of new technology in Newcastle in order to help to diversify the local economy. Representatives of the city's higher education institutions and local business were members of the board.

The city council was involved in the development process at the stage of infrastructure provision in partnership with the TWDC. The developer, as usual, undertook the project design and construction work which was also subsidised by the government's City Grant.

This redevelopment scheme was initiated by the TWDC and to a lesser degree the city council in contrast to the previous case study of the Closegate Hotel development. The role of TWDC changed over time. In the Closegate Hotel development, the TWDC worked through a developer, but increasingly took a guiding hand in the Manors development, the TWDC was the developer. During the 1990s, TWDC increasingly became the developer which takes us back again to the situation as it had existed in the 1960s (Healey, 1995).

Other Development Projects

Besides these large scale schemes, actively promoted by the TWDC, there was a considerable demand for the refurbishment of the existing built fabric with public financial assistance. The Watergate Building next to the Guildhall, a former shipping company offices, was converted into flats and a restaurant. The site was formerly bought by Whitbread Breweries and sold to the Northern Housing Association. A partnership scheme was proposed between the two organizations. The upper floors were converted into 14 flats for let whilst the brewery transformed the ground floor into a pub and restaurant. Tower House, an old, unused, derelict hotel, was converted into 34 furnished flats for rent by the North Eastern Housing Restoration Company in 1990. A property at Queen Street was refurbished as a restaurant, offices and a penthouse flat in 1991. The Baltic Chamber, a picturesque corner site next to the new Crown Court building, was converted into flats, a small office and a restaurant by the local developer, Ralph Tarr. All these schemes were subsidized by the City Grant through the TWDC and undertaken by the locally-based developers.

A development at Pandon next to the Crown Courts was undertaken by River Property Limited and consisted of transforming three Grade 2 listed buildings into 60 flats and maisonettes, offices for sale, a restaurant and refurbishing the Tyne Public House. The scheme was completed in 1992.

Following the construction of the Crown Court, refurbishment and redevelopment activity started both to the west (above scheme) and to the east of the Crown Court building. The rear of the Crown Court was eventually tidied up, landscaped and partially laid out as car parking by 1991. Adjacent to this, to the east, the large scale development of the East Quayside was underway by the mid-1990s, following a prolonged litigation over compulsory purchase for land assembly in the area

7.4.4 WHAT THE QUAYSIDE REGENERATION PROCESS TELLS US

The regeneration of the Quayside may be seen in two clear phases. The first of these from 1980 - 1987 was under the jurisdiction of the city council, and the second from 1987 until today was under the control of the TWDC. Further to this the operations of the city council before 1987 may be subdivided into two periods. First the council concentrated on restoration. This continued until 1985 when the council moved to marketing strategies to attempt to attract large scale redevelopment schemes. When the control of the area was undertaken by the TWDC in 1987 and onwards, the TWDC continued and further intensified the implementation of marketing strategies and the promotion of large scale development projects. As a result of this it aimed to attract national developers to the area under their jurisdiction.

The 1980 to 1985 period.

The city council was the key actor initiating the original process of regeneration on the Quayside through its direct involvement in the restoration of historically significant listed buildings, environmental improvement schemes and capital injections into private sectors initiatives. At the same time the county council undertook improvements in highways and some reclamation schemes until its abolition in 1986. The Quayside Regeneration Grant allocated from the ICPF played a key role in the process of the regeneration of the Quayside along with conservation grants from English Heritage and the County Council.

Once again in the theoretical position proposed in Chapter Two may be used to explain the transformation of the built environment through continuous injections of public money. Under the city council a local political and professional elite directed policy options in alliance with the central state. At this stage an alliance was formed between local developers and the local state (Chapt. 7.4.3). Small scale development activities were undertaken by local developers and financed from their own funds. In this period, property markets in Newcastle were in a state of slump (Davoudi, S & Usher, D., 1992), meaning that the economy was still in a state of crisis. What the city council attempted to do was to generate value through its restoration and environmental improvements in order to attract local developer interest around these schemes as was the case of the Blackfriars redevelopment (Chapt. 7.3). The city council therefore played a managerial role in the regulation of the property markets and built structures. It also managed to bring various public agencies' financial resources together to restore historically significant built structures.

1985 and onwards

From 1985, the city council continued to build alliances attempting to work with increasingly large and diverse capital interests. It initiated marketing

strategies and promoted large scale redevelopment schemes (Chapt. 7.4.3.1). The city council's role shifted from managerialism towards entrepreneurialism. This was however under conditions of increasing infringement upon its powers by the central state. At the time property markets started improving, moving from a state of slump to a state of boom. The city councils role was eventually to take a secondary position with the establishment of the TWDC. Under the TWDC new class alliances became influential in the process of policy formation. These new class alliances were based on the old regional class elites alongside representation from new productive capital sectors. Development was still pushed forward by public money only in the new situation funds were generally handed on to much larger developmental concerns. Here national based developers were to benefit. Further to this direct control was through central rather than local government through direct appointments to the TWDC. Again public sector money may be seen to have been used to switch capital investments into secondary circuits in the form of investments in the built environment. In this case, national developers used their own funds or commercial bank loans in order to finance their large scale development projects.

7.5 THE CENTRAL IMPROVEMENT AREA

The area was situated to the south of the city centre, surrounded by Blackfriars Improvement Area to the north, Quayside Improvement area to the south and Pilgrim Street to the east and the west of the central station (figure 7.10). It was designated in 1983 (28). A substantial amount of the designated area fell into the central conservation area (figures 7.8 & 7.10). Much of the built fabric was to be preserved with limited redevelopment permission.

7.5.1 THE HISTORICAL DEVELOPMENT OF THE CENTRAL IMPROVEMENT AREA

Clayton, Grey and Grainger Streets, the early Victorian, planned, speculative commercial centre was included in the improvement area. These streets originally comprised shops on the ground floor with living accommodation on the upper floors with separate access from the street levels (Chapt. 5.3.3). The upper floors were eventually converted into office units, in particular during the last quarter of the 19th. century. Following office redevelopment elsewhere, mainly Collingwood Street, in the 1970s, the upper floors became vacant and under used in parallel with declining retail activities on the ground floors. This was as a result of Council's policy to redevelop the main shopping precinct in the northern part of the city centre with the development of the Eldon Square complex (Chapt. 6). Northumberland Street and Eldon Square became a focal point for shopping facilities, whilst Clayton and Grainger Streets became peripheral areas of the prime retailing core. Retailing activities were consequently drawn towards the north from the southern part of the city centre. The southern part soon became a concentration of vacant and underused units, in particular the upper floors leading to neglect and eventual decay in the built fabric.

The City's "Regional Capital Initiatives" (1981) promoted the central areas of Newcastle for commercial development with a steering committee acting as a go-between amongst the public sector bodies. This led to some of the Inner City Partnership Funds being diverted to revitalise the central areas in the form of a Regional Capital Block Grant (1984) (29). However, grant allocation was limited in amount because of previously undertaken and continuing projects, in particular the Quayside and the EZ (30). The Inner City Partnership Fund was reduced in amount with the introduction of other grant regimes directly

administered by central government, such as City Grant and allocated grants to UDCs (Parkinson, 1989; Robinson, 1992)(Appendix 3).

The official reports from the mid-1960s and onwards re-emphasised the absence of specialized producers and services in the conurbation. The change in the composition of the work force from industrial to service-based jobs did not lead to a particularly advanced service sector economy (Chapt. 7.1.1). In Newcastle, producer services employment remained underdeveloped, in the form of low level service sector employment, mostly clerical. Many service jobs were based on the public sector and marginal service sector occupations. With the command and control functions lacking from the city's economic structure, it was dependent on investment decisions made outside of the region, and was consequently economically marginalized. The Regional Capital initiatives attempted to promote the city's position in the hierarchy of British cities in the absence of substantial incentives, whilst similar strategies in other cities were initiated. This introduced conditions of competition between provincial cities. Newcastle, with its weak economic structure, could not compete without a strong innovative strategy.

The City Council also stated, in the city centre local plan, that the regeneration of the southern part of the city centre was vital for the maintenance of the city's role as a regional capital (Chapt. 7.1), in order to enable the regeneration of the area's historical built fabric and its environment and to stimulate enterprise within it. The area was designated as an improvement area in 1983. This status provided a special rolling block grant allocation from the inner city partnership fund. The improvement area status was also an instrument to implement the city council's policies with the provision of special subsidy packages. The city centre local plan was the guideline for development schemes in the area. Improvement area status was used to attract private sector investments for both the refurbishment of the existing

built environment and enterprise within these structures. At the same time it is used to programme public sector's infrastructure maintenance and environmental upgrading work. Before 1986, there was no attempt to target any specific location within the designated area. The aim was to regenerate the designated area as a whole, responding to demand flexibly. Development activities were to be predominantly based on the refurbishment of the existing built fabric along with the conversion of the interiors of these built structures for appropriate modern uses; predominantly residential and commercial. Mixed uses were also to be promoted in order to bring flexibility to private sector operators. There were no specifically formulated land use policies. This initiative ran in parallel with the other initiatives of the city council at the time (i.e. Tyne Enterprise Zone, Quayside and Blackfriars Initiatives).

The city council with its limited resources attempted to promote small scale refurbishment schemes in the area. The Central Improvement Area was large in size. The city council gradually focused on two areas within the designated area as the first to be revitalized. The Clayton Street project was initiated in 1985. This was followed up with the Grey Street Initiative in 1988. Both initiatives were taken-over and promoted by The Newcastle Initiative as flagships projects in 1988.

7.5.2 THE REGENERATION PROCESS OF THE CENTRAL IMPROVEMENT AREA

Following the designation of improvement area status, partnership funds were concentrated in the city centre for the improvement of the built environment with particular emphasis on bringing the upper floors of the older properties back into use (31). The castle keep and its surroundings were landscaped by the city council. The allocated Regional Capital Block Grant was predominantly

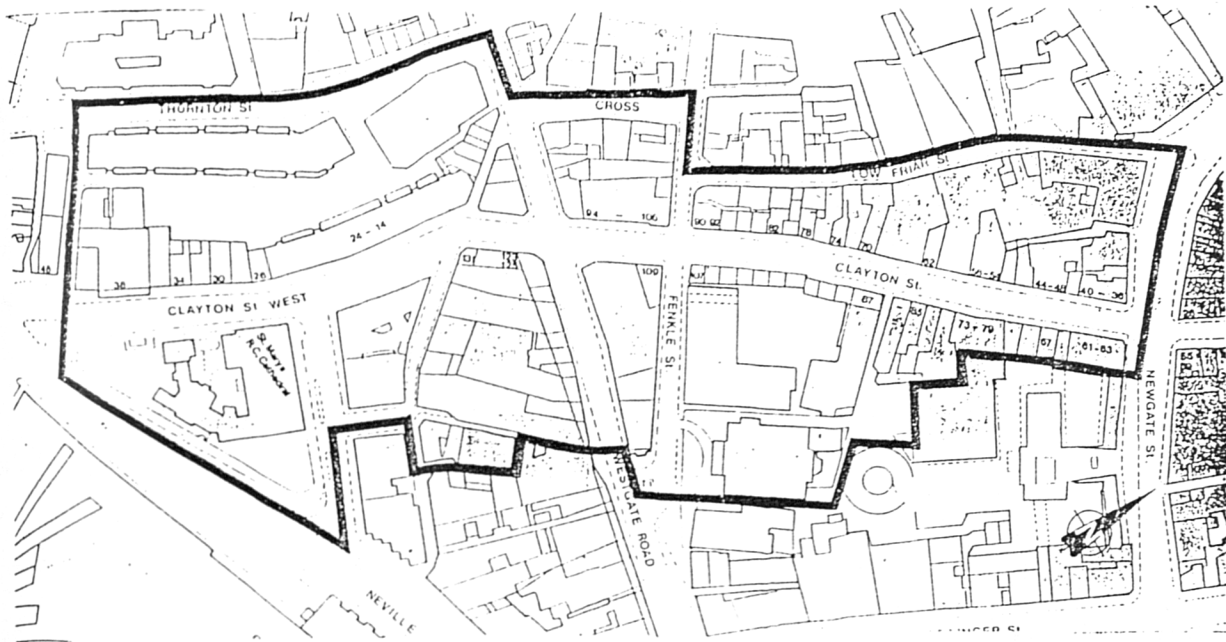
invested in environment and highway improvements by the city and county councils.

The conversion of Crown Hotel in Clayton street into flats by the Northern Housing Association in partnership with the city council (1981-84), the refurbishment of the Art Centre in Westgate Road by the Northern Arts in partnership with the city council (1982-88), the conversion of Waterloo House in order to extend the Tyne Theatre with the refurbishment of the Tyne Theatre in Westgate Road by the city council (1987-1991) were major initiatives undertaken to the east side of the improvement area, close to the previously initiated Blackfriars Improvement area. Voluntary-based agencies in partnership with the city council initiated such schemes with subsidy packages from Inner City Partnership Funds. The City council in the early 1980s initiated moderate art related policies, such as a creation of an art centre with Northern Art and in turn used this as a stimulus for the revitalisation of the area.

The opening up of the Old George Yard; a medieval route from Bigg Market to High Bridge, was also promoted by the city council (1985-87) with a grant allocation from the Regional Capital Block Grant. This was followed up by the restoration of the remaining Medieval properties around the Old George Yard. These schemes were followed by small scale refurbishment schemes in the Cloth Market (1986-88) with limited public financial assistance from the Capital City Block Grant. These were not commercial schemes. They were refurbished by end-users for their own uses.

7.5.2.1 THE CLAYTON STREET PROJECT AND THE REGENERATION PROCESS

The city council set up the Clayton street project within the central improvement area by mid 1985 (figure 7.26). The aim was to regenerate the area with specific policies, coordinated with various grant sources and substantial public sector infrastructure maintenance programmes and



**Figure 7.26 Clayton Street Improvement Area ((Planning
Department, Newcastle, 1988)**

environmental upgrading schemes (32). Specific attention was also given to sympathetic architecture to blend into the streetscape. The shop fronts, however, were considered to have long lost their original character. The council established a development control policy based on the restoration of a uniform shop front considered of similar appearances to the originals. In order to achieve this, the provision of grant aid was found essential. The 'Clayton Street Guide-line' was formulated by the city council and allocated grant which covered 50% of the total shop front replacement cost including the cost of removing existing fronts and the construction of the new ones. The scheme was publicized in the hope of encouraging the traders in the area to replace their shop fronts with the new approved style. The city council also made alterations in the city centre local plan policies affecting Clayton Street between Fenkle Street and Newgate Street. The similar case also existed in the Quayside area at Forth Bank. The council with these alterations now offered greater flexibility through mixed use status to developers who were interested in refurbishing the built fabric of the area. The proposed Clayton Street highway improvement was also to promote and encourage private sector investments. The city council attempted to enhance private sector confidence through public sector investments.

The strategies for the regeneration of Clayton Street were formulated by mid-1986 in accordance with the city centre local plan. A special grant for the Clayton Street project was also allocated by the city council through the Regional Capital Block Grant via the ICPF, so giving the highest priority to the allocation of grants to bring under-used buildings back into full use. However, by that time the amount of allocated capital resources in the form of the ICPF was reduced by central government a parallel with introduction of new urban policy initiatives (Chapters 7.2 & 7.4.3.2, and Appendix). At the same time, a series of changes in local government finance was made by central government,

leading to a dramatic decrease in the city council's capital resources. The project was also in competition with the council's other initiatives in terms of the allocation of block grants. The city council subsequently attempted to search for funds, a move which was further forced by central government through reductions in local government's capital resources. The city council first approached English Heritage for further funds. English Heritage agreed with the city council's assessment of the potential and importance of the streetscape of Clayton Street itself, and as part of the core tourism area, linking up with the Blackfriars. Consequently English Heritage decided to give priority to Clayton Street for the allocation of a conservation grant. The city council attempted to form a partnership with a private consortium. However this never materialised. The scale of the financial resources allocated for the Clayton Street Project by the city council was relatively small. No comparison could be made with the financial resources previously available to the Quayside Project and EZ.

The Clayton Street project also encouraged traders operating in the area to establish a trader's association in order to act as a focus with which the council could operate. This never materialized however, in spite of several meetings held between the traders and the council. Emphasis was given to publicising the project. Building owners and developers would be invited to enter into partnership with the city council to exploit opportunities for development with unspecified, limited subsidy packages supposedly provided by the ICPF. The Clayton Street Project struggled to initiate new instruments to overcome the lack of financial resources available.

The pattern of small, fragmented and diverse land ownership was found to be an obstacle to the area's revitalisation on the basis that the refurbishment of individual buildings was expensive, so that the council decided to promote relatively large scale refurbishment schemes, consisting of a group of buildings, rather than the refurbishment of individual buildings. In order to achieve this,

the council decided to buy properties in Clayton Street using either compulsory purchase powers or agreement to attract private sector investment to undertake refurbishment projects. The council also planned to make a major highway improvement investment in the area. The council would have a key role in the regeneration process. They failed, however, to allocate substantial resources for the area's regeneration as a result of a reduction in both the inner city partnership fund and the council's own capital resources. These new circumstances left the council unable to implement its own initiatives. The central state gave a leading role to private enterprise through the introduction of new grant regimes and reduced local state involvement in the development process. The power of the local state, as a result of its lack of financial resources, was weakened in favour of the private sector and the development industry in particular. Newcastle with its gradual declining economy became more dependent on the private sector's investments from outside of the region. The kind of investment attracted by the city was almost marginal to the operations of mainstream economic activity.

Small craft and specialist shops, restaurant and coffee shops were to be promoted in the Pink Lane area as a link between the central station and Blackfriars following the line of the town walls. This was prioritized within the project area as an essential link with the revitalization of the Blackfriars area, creating a historical, touristic nucleus. The council also intended to use its power of compulsory purchase to assemble land and properties and subsequently stimulate redevelopment projects in certain, specifically targeted areas.

By the late 1988, the Clayton Street project was expanded to become the Theatre Village and China Town Initiatives, covering the south west edge of the city centre, as an initiative/flagship project of 'The Newcastle Initiative' in conjunction with the city council (33). The aim of the Theatre Village and China

Town Initiatives was to formulate overall strategies to stimulate and coordinate regeneration of the area through identifying scope for development opportunities (figures 7.27 & 7.28). It was an attempt to regenerate the area comprehensively with the establishment of detailed strategies based on intensive, detailed analyses of the built fabric and potentialities of the area. This was rather similar to the 1960s Comprehensive Redevelopment Area Schemes as well as the flagship projects of the TWDC. The city council attempted to attract private sector investment through detailed development briefs which were published and marketed as TWDC's flagship projects.

The Regeneration of the Clayton Street Project (34)

The major scheme here was the refurbishment of a listed Victorian block at the corner of the Westgate Road and Clayton Street which was converted into offices on the upper floor and retailing units on the ground floor. The scheme was undertaken by Highbridge Properties on a speculative basis in 1990 with the assistance of City Grant funds. All other refurbishment schemes were small scale and in limited numbers; retailing units on the ground floor and flats on the upper floors. The existing public subsidy had no significant impact on development/refurbishment activities in the area. Today, many of the properties' upper floors are still vacant and under-used, the buildings in general remain in a state of decay.

A moderate public sector investment was made to improve Pink Lane, linking the central station through Clayton Street with Blackfriars as stated on the policy documents. These pedestrianization and environmental improvement scheme also attracted private sector investment into the area. Much of the property in Pink Lane was refurbished and successfully revitalized with the provision of the City Grant between 1989 and 1991. Revitalisation activities were therefore concentrated at corner of the Clayton and Westgate Road which was incorporated with the revitalisation of

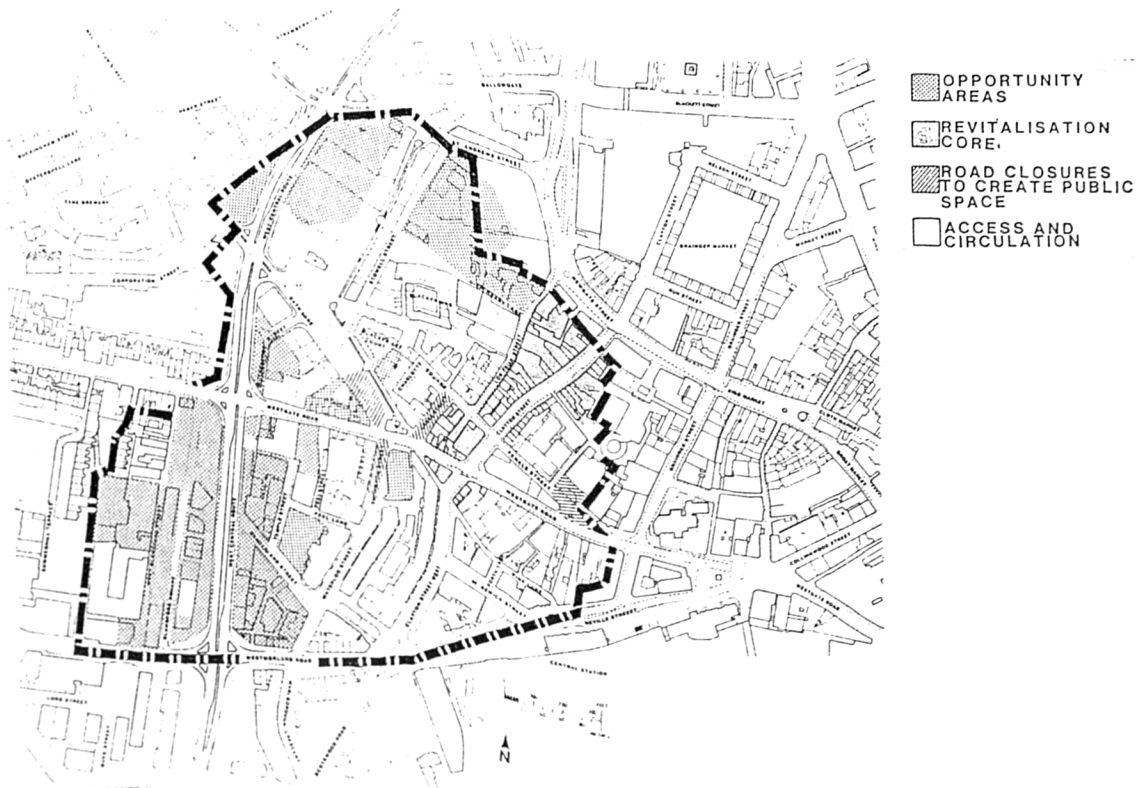


Figure 7.27 Theatre Village & China Town Project (City of Newcastle upon Tyne, 1988)

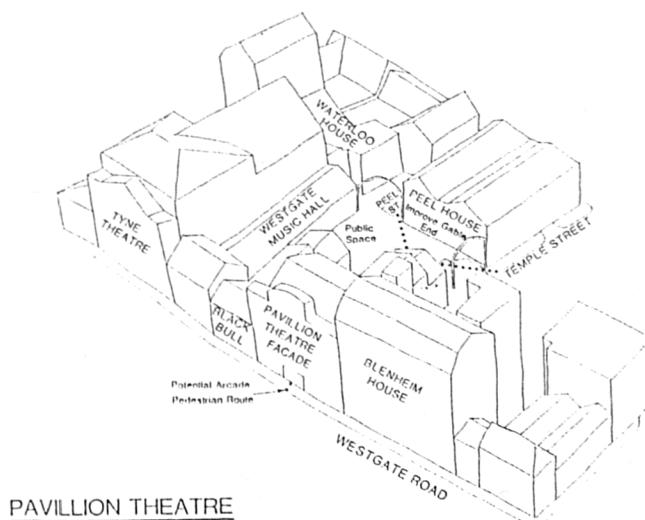
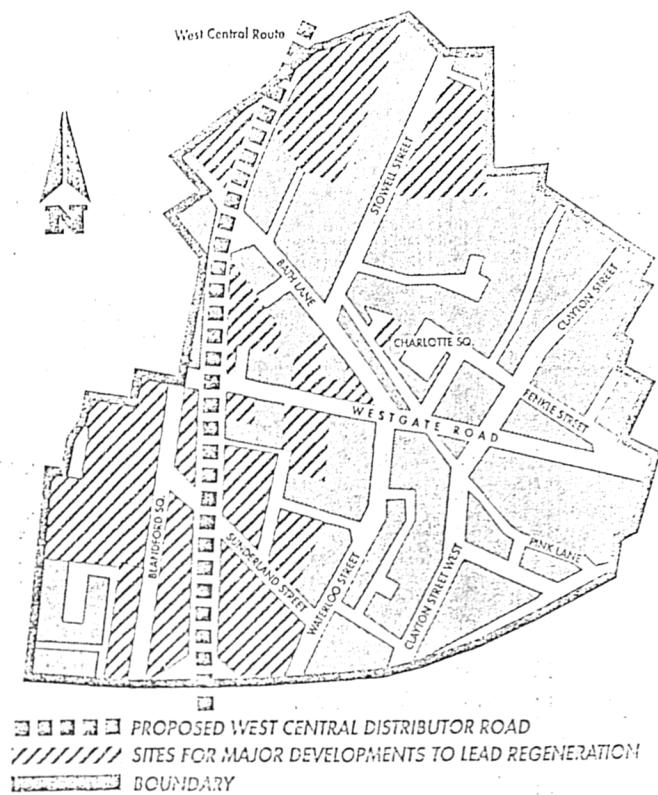


Figure 7.28 Theatre Village & China Town Project (City of Newcastle upon Tyne, 1988)

Blackfriars, providing an attractive pedestrian route leading to the Blackfriars Monastery.

In the case of the Clayton Street project, the city council attempted to find financial resources to promote the project within the limitations imposed by the central government upon its borrowing capacity. These circumstances pushed the city council to form partnerships with the private sector in order to provide financial resources to prospective developers. This eventually led to the formation of the Westgate Trust, consisting of eminent business and financial interests to promote the Theatre Village and China Town Projects. The failure of the regeneration of the central areas of the city centre was partly due to both a lack of financial resources and of publicly-owned land, and consequently unfair competition with other spatially promoted zones such as the TWDCA and the Tyne EZ.

The Theatre Village and China Town Initiative had no significant impact on the revitalization of the area as a whole. Indeed properties on Westgate Road further decayed as a result of the threat of the possible implementation of a Compulsory Purchase Order.

7.5.2.2 THE GREY STREET INITIATIVE AND THE REGENERATION PROCESS

The city council gave priority to the regeneration of Grey Street early in 1988 (35). This coincided with a general property boom throughout the country as well as the existence of a significant demand from the national commercial banks for property in which to locate branches in Grey Street.

The Grey Street Initiative's objectives were to promote private sector investments into the area through subsidy packages in the form of public sector investments, such as the provision of car parking and service facilities, maintenance of the existing infrastructure and environmental upgrading. The

initiatives also attempted to utilize available central government grants (CG) to the private sector. The Grey Street project covered an area between Blackett Street and the river Tyne, bounded on the east by Pilgrim Street and Tyne Bridge and on the west by Grainger Street, Bigg Market and St Nicholas Street (figure 7.29). Grey Street and its hinterland were considered as a whole. The entire area was located within the central conservation area.

The initiative was primarily designed to:-

"stimulate private interest and investment in the area by upgrading its physical fabric, infrastructure and facilities, by promoting and marketing the area and where appropriate, by assisting to make developments a financially viable proportion"
(Grey Street Initiative, 1988, p. 2)

At the same time the aim was to enhance the architectural character and townscape value of the area. The initiative also stated that the revitalization of Grey street and its hinterland would facilitate and enhance Newcastle's role and function as a major commercial centre (figure 7.30).

In spite of large investments by major companies in Grey Street, many smaller companies were also supported with grants from the council on moving into the area and refurbishing existing built structure. The premises located in the lower part of Grey Street were still in the state of decay with underused and vacant units. There was also a need to integrate Grey Street with the surrounding area, providing support activities to secure the regeneration of the street. Emphasis was also given to the capital costs involved in refurbishment schemes in the Grey Street area. Costs were found to be higher than the normal for redevelopment projects such as those in Clayton Street and Quayside. Public sector assistance was therefore necessary to bridge the gap between the costs of redevelopment and the anticipated yields. In certain cases compulsory purchase orders were to be used to buy properties.

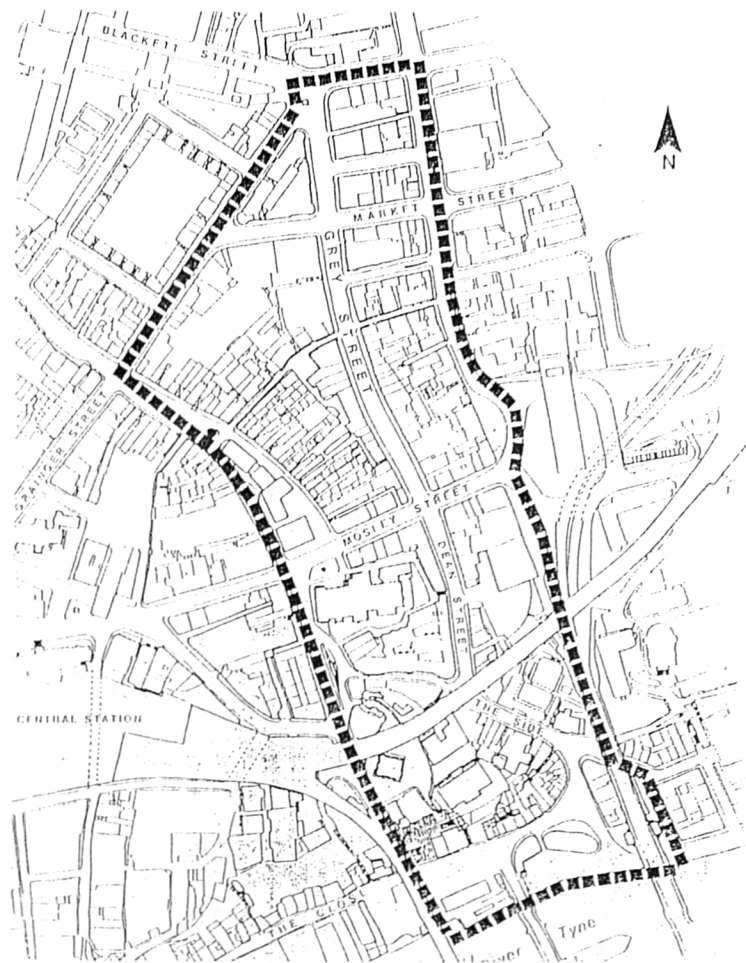


Figure 7.29 Grey Street (The Newcastle Initiatives, 1988)



Figure 7.30 Grey Street (The Newcastle Initiatives, 1988)

A balance between preservation and the need to bring the area back life was the predominant strategy in the Grey Street project. This could be achieved through retaining the facades of the building with redevelopment behind these frontages, so providing modern office accommodation behind the preserved facades. It was also mentioned in the Grey Street Initiative's report that the existing landownership pattern was fragmented, creating an obstacle to development activities. This would be overcome with the use of Compulsory Purchase powers.

Street car parking in Grey Street was considered unacceptable. It was argued by the report of Grey Street Initiative that one solution could be the provision of car parking and service facilities at the rear of the buildings fronting onto Grey Street, so protecting the streetscape and providing comfortable pedestrian circulation from Grey Street to the Quayside.

The resources available to the various public fund agencies (city council, TWDC, English Heritage, Department of the Environment, etc) were to be targeted both towards direct capital for infrastructure works and environmental improvement in order to enhance the attractiveness of the area and towards assisting with private developments where there was a financial shortfall on the materialization of the projects. Coordination between the various funding agencies was essential to ensure the utilization of the existing grant regimes. It was also suggested that block grants from the Inner City Partnership Fund could be allocated. There was an increasing tendency to use the city grant in the case of key projects.

The power of compulsory acquisition was to be used to implement strategies for the regeneration of Grey Street. A feasibility study for certain properties in Grey Street was to be produced. The result of this, would enable private developers to assess the development potential of properties without

having to incur additional costs. All these feasibility studies would be undertaken by the city council and given as information to the private sector.

The primary concern was to provide car parking and service facilities to the back areas of the Grey Street properties, to utilize the mediaeval layout of Bigg Market and connect Bigg Market with Grey Street through the several pedestrian ways equipped by the small courts and open spaces. The driving force for regeneration was seen by the council as a considerable public investment in the environment and infrastructure through reorganizing existing spatial patterns and substantial public sector subsidy for private sector investments in existing properties through restructuring the interiors to meet modern requirements. Publicity and marketing strategies would also play a major role in the attraction of private sector investment. This was also an attempt to divert public sector investments into the city centre, in particular into the Grey Street area.

Following the establishment of The Newcastle Initiative (TNI) in 1988, this project was also promoted by TNI as one of their flagship projects, as in the case of the Theatre Village and China Town project. At the same time, a number of public and private agencies with differing interests was involved in the promotion of the area. This involvement did not present any alteration in policy objectives and implementation. The only difference was the involvement of other interest in the promotion of the area.

The Regeneration Process of the Grey Street Initiatives (36)

All of the proposed schemes were implemented except the reorganization of the medieval alleys as pedestrian ways equipped with courts linking Bigg Market with Grey Street. Car parking and infil commercial premises on a city-owned site in Dean Street and the rear service ways to Grey Street from Highbridge Street were developed. Many of the properties in Highbridge Street

were refurbished. It was hoped that the ground floors of these properties would accommodate fashion shops, restaurants, coffee shops and pubs (31). These proposals were only partially implemented.

The Theatre Royal was restored and extended with a substantial subsidy from the EEC. It was a focal point for the attraction of further investments into the area. In parallel with this the Central Arcade, located at the junction of Market Street, Grainger Street and Grey Street, was restored to accommodate a range of luxury and specialist shops together with a major commercial bank (Barclays) branch and a building society (Halifax). There was also intensive public investment in infrastructure and environmental improvement.

Grey Street attracted a number of refurbishment schemes for major banks' premises, such as Barclays and Lloyds, prior to the city council's initiatives and the introduction of the City Grant under flourishing property market conditions. The city council's initiatives and the availability of City Grant funds was further accelerated to revitalize the Victorian built fabric of Grey Street. Whilst the first floors were mainly occupied by the commercial banks and building society branches, many of the refurbished offices on the upper floors were still vacant in 1993 as a result of the new office developments elsewhere in the Tyne and Wear conurbation, notably in the TWDC's Business Park and the Team Valley Enterprise Zone. There was a locational shift in the office accommodation from the traditional city centre to the peripheral areas (Chapters 7.4.3.2 & 7.6 and figure 7.33)

7.5.3 WHAT THE CENTRAL IMPROVEMENT AREA REGENERATION TELLS US

The two case study areas in this section, that of Grey Street and Clayton Street, demonstrate the existence and capacity for overlap between different elites or

alliances. Under the auspices of the city council these areas operated much the same as the Quayside area in that they utilised public resources to enable capital switches. Here however the resources were relatively limited. The Grey Street Initiative brought about an alliance of a range of both national and local concerns including the TWDC, the Newcastle Initiative, the City Council, commercial banks, national retailing chains etc.

In comparison, in the Clayton Street Project the city council tried to form alliances with local retailers and failed. By this time the Newcastle Initiative was launched which formed an alliance with the city council in order to pursue the Theatre Village and China Town Project, covering the part of Clayton Street within the boundaries of the Central Improvement Area. The Newcastle Initiative was set up by the CBI and directly brought the old regional ruling class, which was by then operating at a national level, back into the affairs of the city. This elite included financial and development interests (Figure 7.34).

In both instances public finances in the form of grants were utilised to regenerate areas in which the original capital structure had long since collapsed. Through using public money it was possible to switch capital investments into built environment although in some cases these switches were switches in geographic interests as much as productive sectors. Public sector finance was utilised to enable the exploration of a geographic switch back towards the city centre in Newcastle. In this way it is possible to gain insight into the operations of regional class alliances and the movement of their capital through space, time and capital sectors. Regardless of the example of built environmental regeneration shown above it is difficult to assert that any specific form or style has as yet predominated as a result in shifts between different capital sectors during this period.

7.6 PROPERTY DEVELOPMENT

A series of grant regimes (financial incentives) played a significant role in the process of transforming the built environment in Newcastle, as elsewhere. Changes in the nature of grants, support for development and refurbishment may be expected to have an affect on property markets in the locality. In parallel with this, in Newcastle changes had occurred at several stages during the 1980s. All however had the same common objective, in that they aimed to drive the property market through injections of public capital as a stimulant. Development activities were directed towards spatially targeted areas, in particular the Tyne Valley Enterprise Zone and the river bank, within the area of the *Tyne and Wear Development Corporation* (Davoudi, 1991). These areas were the former location of heavy industries. Large amounts of public money allowed these run down derelict sites to be put to new uses, mainly for commerce, leisure and residential proposes.

Property markets in Newcastle in the early 1980s as elsewhere in the country, were in a condition of slump following the process of economic restructuring and high interest rate policies of the central government in the mid-1970s (Nabarro & Key, 1992; figures 7.31& 7.32). The city council directly undertook a number of restoration schemes on the basis of the preservation of built heritage and sought to find new uses through consumption based initiatives, to use these as a *stimulus for further moderate, small scale private* sector investments. The city council also directly carried out environmental and infrastructure improvement projects around such restoration schemes (Chapters 7.3.3 & 7.4.3). Some of these schemes were undertaken by partnership arrangements based on the provision of finances from a variety of public agencies, notably English Estates, the English Tourist Board, the Department of Environment and Tyne and Wear County Council (Chapters 7.3 & 7.4). The council also established partnership arrangements with housing

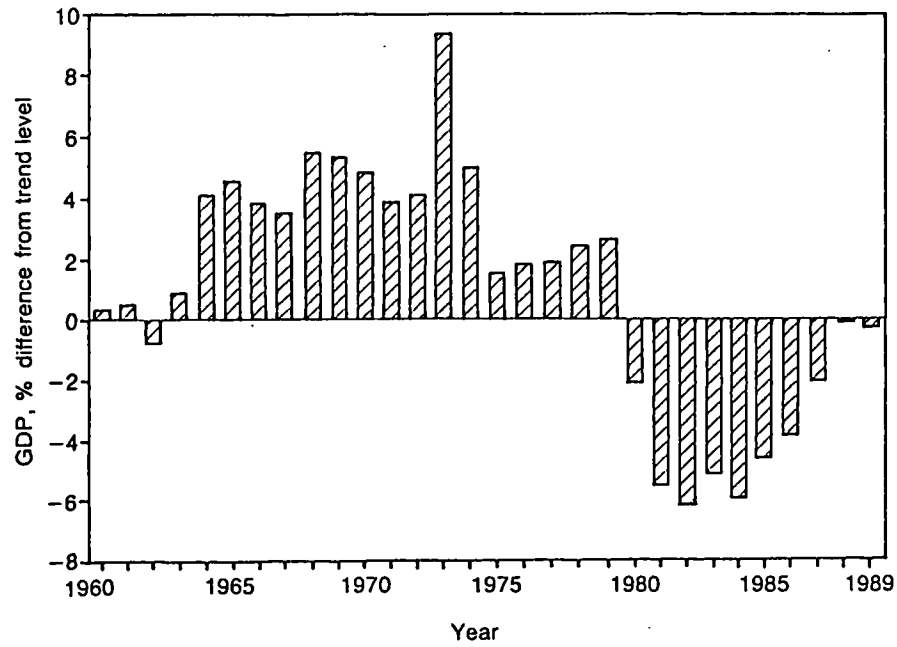


Figure 7.31 The Economic Cycle: Gross Domestic Product
(Naborro & Key, 1992, p.47)

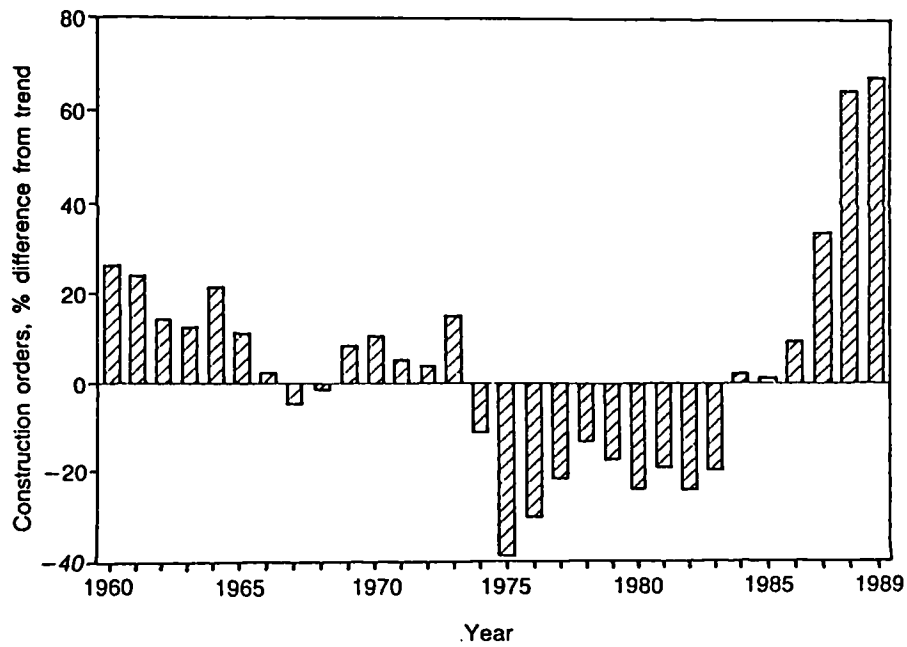


Figure 7.32 The Development Cycle: Construction Orders
(Naborro & Key, 1992, p.47)

associations for the implementation of refurbishment schemes at Leazes Park, Leazes Terrace, St. Thomas Street and Crown Hotel on West Clayton Street. Monies involved in these public sector projects were drawn from Inner City Partnership Funds. Refurbishment schemes for office accommodation were also initiated by the local developers around Leazes Terrace, whilst a few small office developments were implemented by the private sector for their own occupation in the Quayside area where the city council's environmental improvement operations were concentrated (Chapt. 7.4.3). All of these schemes were financed by the investor's own resources, often with short term loans from commercial banks. A moderate public sector investment thus attracted limited development activity by the end users as a result of their demand for such space.

The introduction of the Urban Development Grant in 1982 opened up new possibilities for property development in the Tyneside conurbation, which competed with the city centre development activity. It attracted a small number of residential developments by regionally-based housebuilding firms, such as Barratt and R. Norman Ltd (Chapt. 7.3.3). The Urban Development Grant (UDG) also attract development elsewhere in the conurbation, notably substantial residential development in Hebburn in South Tyneside by Bellway, a subsidiary of a regionally-based nationally-operational, house building company. South Tyneside Borough Council, in which Hebburn was located, had carried out a series of environmental improvement schemes, purchased the former Vicker's site and implemented the reclamation of the site prior to its development whilst Bellway received a considerable UDG to finance a part of the construction costs to make the development commercially viable (Healey, 1991b). A major retailing development scheme, the Metro Centre, the largest out of town shopping mall in Europe at the time, was constructed on the site of a former power station in the Tyne Valley Enterprise Zone. This was

undertaken by John Hall, a local developer and former mining surveyor. In this instance Enterprise Zone financial incentives doubled up with the Urban Development Grant (Barford, 1987). A large sum of public money was also invested to develop infrastructure requirements around the Metro Centre by Gateshead Borough Council. By the mid 1980s Eldon Square Shopping Centre had to compete with the Metro Centre with its easy accessibility by public and private transport, diverse facilities ranging from shopping to leisure and entertainment, and innovative interior design reflecting nostalgic forms, such as a Mediterranean village.

Major property developments were therefore undertaken outside of the city centre through the transformation of former industrial sites to consumption-based activities by regionally-based developers who utilised the opportunities created by existing urban policy instruments, in this instance the Urban Development Grant and the Enterprise Zone. In both cases, the borough councils played a crucial role in the promotion and implementation of these schemes.

By 1985, the allocation of Inner City Partnership Funds by central government was gradually superseded by new grant regimes (Appendix 3). The city centre in competition with the other targeted areas, in particular the Team Valley Enterprise Zone, did not offer favourable incentives for private sector investments, except for a few small scale refurbishment schemes implemented by end-users to meet their demand for space. No major developments took place in the city centre at this stage (Chapters 7.3.3, 7.4.3 & 7.5.2).

The city council also allocated a considerable amount of funds for the purchase and clearance of former industrial sites in run down areas at the periphery of the city centre and subsequently purchased these derelict sites

from former industrial interests and invested a vast amount of public money to make them ready for the redevelopment schemes of new incoming private interests, relieving former productive interests from the burden of non-productive fixed capital assets. The Newcastle and Gateshead Inner City Partnership Funds and Derelict Land Grant played a crucial role in this process (Appendix 3). Both grants were allocated by central government, but managed by the city council. Much of these funds went as public investments in the Tyne Valley Enterprise Zone, in particular in Gateshead. The closure of the factories, some attracted by regional policy instruments in the late 1960s and early 1970s, as a result of either parent company rationalisation policies or industrial restructuring policies, left many existing industrial sites abandoned, particularly in the Tyne Valley in Gateshead. This was in the late 1970s and early 1980s prior to its designation as the Tyne Valley EZ. Substantial public money went to the clearance and reclamation of these industrial sites in the hope of attracting new investments to the area without any land use restrictions, tax exemptions, etc (Barker, 1988a). It was public sector money that would re-create demand for the use of the area through the provision of intensive subsidies. This was not a new approach. What new was central government's control over the spatial targeting, as they set the boundaries of the UDCs and EZs in contrast to CDAs.

The city council switched its own investment programme from moderate restoration and small scale improvement programmes towards the transformation of former industrial sites in 1985. This directly reflected its policy change in Forth Banks from aiming at industrial development towards attempting to attract new art and media related activity and leisure-based consumption (Chapt. 7.4.3.1). The city council's policy shift occurred in parallel with improvements in property markets, progressing from slump conditions towards boom (Nabarro & Key, 1992). This was as a result of both economic

restructuring, which generated user demand, and the existing low interest rates, which backed the de-regulation of banking system and generated competition to lend and subsequently investor demand. This facilitated by the central state's direct intervention in land and property markets with the provision of substantial subsidy packages. Regeneration policies were intended to get rid of the legacy of heavy industry (Lawless, 1990). Heavy industry was seen an obstacle to the process of economic, political, social and cultural restructuring. In reality the changes were ideological as much as economic; the proposed changes concerned existing social relations and structures (Parkinson, 1989). The central state gradually took a more interventionist approach than ever before (Parkinson, 1987).

By 1987, property markets picked up in the North East following shortly behind a national property boom (Healey et al, 1992). The national property boom came about mainly as a result of user and investor demand as mentioned above. Seven years continuous public sector intervention in land and property markets with a variety of substantial subsidy packages assisted to fix this demand in specific localities, in particular London Dockland Development Corporation, substantial infrastructure investments in the M4 corridor (Brindley et al, 1989) and locating defence related high tech research institutes on the M4 corridor (Amin & Pywell, 1989) regardless of giving the illusion of providing public subsidies towards older industrial areas, such as the North East. Subsidies to older industrial areas were limited in comparison with those given to areas in the south (Brindley, et, al, 1989; Hausner, 1987). In any case, the central state's capital restructured the economy and space in response to the requirements of mobile capital flows and the regime of flexible accumulation (Harvey, 1989a). When these South Eastern areas reached a high degree of concentration of new activities, overaccumulation problems coupled with increasing agglomeration costs occurred. The solution was found through

geographical expansion towards peripheral locations (i.e. North East). This offered favourable conditions for such investment demand as was the case in the late 1960s and early 1970s (Chapt. 6). This can be explained through what Harvey calls a "switching crisis". It was a temporary solution, through geographic expansion (Chapt. 2). In this process, the central state further intervened in the decayed older industrial areas with further capital injections in the form of grants and a range of incentives as well as its intervention to deregulate the operations of commercial banks through lifting restrictions (Healey, 1994).

In the context given above, a series of new urban regeneration instruments were introduced both by the establishment of the Tyne and Wear Urban Development Corporation, and a complete reorganisation of the public sector grant regime with the introduction of City Grant (Boyle, 1989a). This was available to large scale private sector development projects provided directly from central government, whilst Inner City Partnership Funds were further reduced in favour of these new instruments (Parkinson, 1989), as already discussed. Inner City Partnership Funds were also absorbed by the Gateshead Garden Festival between 1987 and 1990 at the expense of city centre revitalisation schemes (37). This was another consumption-oriented, image-creating scheme, where spectacular gardens were provided, reflecting different countries and different historical periods alongside other leisure and entertainment-related activities (Robinson, 1989 & 1990).

The TWDC became a key actor in the promotion of the river bank locations as a promoter of speculative, consumption-oriented, development projects. In the 1960s and early 1970s, the city council had promoted several locations in the city centre in the same way, such as the central area development scheme's through the designation of the CDAs (Chapt. 6). The TWDC attempted to transform land ownership, derelict land and industrial heritage to

consumption-based schemes, whilst the city council had intended to transform land ownership, built fabric and indigenous, small scale business practices to consumption-oriented development.

In 1988, Grey Street started attracting the commercial banking sector investment in their own properties for their own use (Chapt. 7.5.2.2), whilst Quayside witnessed substantial changes with the development schemes undertaken (Chapt. 7.4.3.2). In both cases, the driving force was both the provision of the City Grant and the geographical expansion of demand for such developments towards peripheral areas, such as Newcastle. The construction of the Crown Court on the Quayside, further attracted development, notably the Pandon development by Tyne River Properties, a regionally-based consortia, with the provision of City Grant (Chapt. 7.4.3.2). A few refurbishment schemes for commercial use in the city centre (i.e. Pink Lane & West Clayton Street) were also undertaken by regionally-based property developers, such as High Bridge Properties (Chapt. 7.5.2.1), whilst medium size office development schemes were undertaken in the Tyne Valley EZ by developers specifically established to operate property markets in such locations by utilising intensive subsidy packages (Usher & Davoudi, 1992).

In contrast, large scale development schemes were undertaken outside of the city centre, notably in areas under the control of the TWDC, such as the Business Park where the TWDC's incentives doubled up with the Enterprise Zone status and the Science and Technology Park at Manors. All these development schemes reflected a new way of project design equipped with highly advanced telecommunication technology and consumption-oriented speculative schemes (Healey et al, 1992). These were isolated islands within run down surroundings under the protection of video cameras, and integrated security systems. This resulted a cluster of fragmented privatised spaces what the Northern Development Company (NDC) named as "urban villages" (Robins

& Cornford, 1992). All this resulted in a change in the location of office development from city centre locations to peripheral, river bank locations (figure 7.33). These developments in the TWDC's areas and the Tyne Valley Enterprise Zone led to relocations from the city centre (i.e. Collingwood Street), leaving a significant amount of even newly built and refurbished office accommodation in core areas vacant. Such areas included Grey Street. In the 1960s and early 1970s, the redevelopment of the city centre was given priority by the council as opposed to the 1980s when priority went to the peripheries of the city centre by the interventionist central government urban policy initiatives. The former attempted to restructure the city centre, the latter intended to transform abandoned industrial areas. In this case, public money went into buying these sites, reclaiming them and eventually making them ready for development. This meant that it was the public sector who promoted development with substantial subsidy packages and infrastructure investments, beside cleaning up the mess from former industrial sites. The key actor in this process was the central government-appointed TWDC rather than the city council.

In the case of the retailing sector, Eldon Gardens was developed to the north of the central core. This was an extension of Eldon Square constructed on the site of the former Handyside Arcade and linked to Eldon Square via a bridge over Percy Street in 1989. Handyside Arcade, one of the few remaining sectors of small scale retailing, based on indigenous capital, was demolished for the construction of Eldon Gardens and the multi storey car-park which the scheme incorporated. Small scale retailing capital once again was wiped out by the city council in favour of the creation of new, fashion-based, specialist shopping units. Eldon Square was further expanded by the construction of Blakett Bridge and the Newgate Street entrance, making it more accessible. As a result, it overwhelmingly dominated the city centre's built fabric. However,

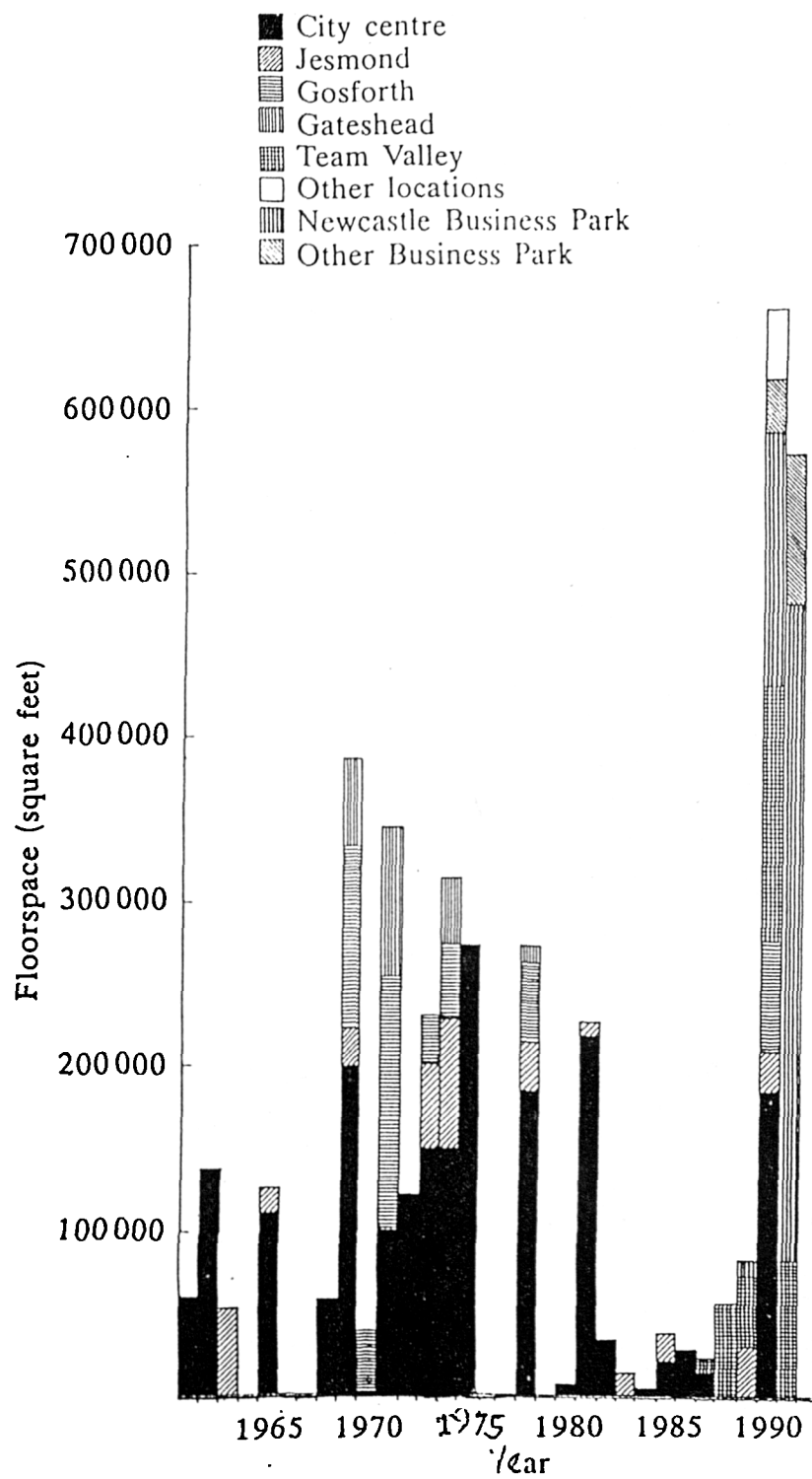


Figure 7.33 Office Development (1960-1990)
(Sanderson, Townend and Gilbert,
Newcastle upon Tyne)

the construction of the giant Metro Shopping Centre in the Tyne Valley with its improved connections with the city centre attracted shoppers from the Eldon Square Shopping Centre to the outskirts. Monument Shopping Mall at the corner of Blackett Street and Northumberland Street was also developed by St Martins Properties in 1992. This was a further extension of the shopping malls in the city centre. These developments, mainly extensions of or within close proximity to Eldon Square Shopping Centre did not have any grant aid. This was also a continuation of the city's role as a retailing centre which had been identified as far back as the 1960s. By 1993, some of the shops in both Monument Shopping Mall and to a lesser extent Eldon Garden were vacant. This was to some extent as a result of the existing Metro Shopping Centre which attracted shoppers from the city centre.

Newcastle city centre benefited relatively little from the existing incentives in comparison with the older industrial sites in the TWDC's development area and the Tyne Valley Enterprise Zone, despite a series of existing regeneration initiatives by the city council (Chapters 7.3, 7.4 & 7.5). This was to some extent as a result of a gradual decrease in the city council's financial resources and its financial allocation policies and strategies. In this case, it was the city council who allocated large sums of monies from the Inner City Partnership Funds to the reclamation in the Tyne Valley EZ area as opposed to improvement areas in the city centre.

The role of the public sector

The public sector, in the case of the TWDC, was significant in promoting and stimulating private sector investments. The public sector continued to play its traditional role of assembling the required land and providing necessary infrastructure prior to the development of sites. It also financed a part of the construction costs of development schemes in order to make schemes commercially viable, what it called "gap financing". The public sector therefore

became the risk taker, guaranteeing the developer profitable conditions. In particular marginalized localities such as Newcastle, this did not bring any advantage because of competition from other less marginalised localities which pursued similar policies. The public sector continued to pursue intensive marketing strategies as it had done, to a lesser extent, in the late 1960s and early 1970s. The public sector, and in particular the TWDC ran a series of new incentives from funds for work force training to relocation costs for enterprise. It is difficult to assess the amount of public money going into the promotion of development and the attraction of end-users as a result of the complexity and diversity of funding sources and the lack of public access to the workings of agencies such as the TWDC.

investment pattern

In the 1980s, partnerships between the public and private sectors in the development process were simply based on the provision of public money rather than equity arrangements. This was as a result of developer's short term interests in schemes as trader rather than investors. This is an important shift from the 1960s and 1970s, which saw investment-based developments to the 1980s which were characterised by short term speculative development.

institutional relation

The number of agencies promoting property markets dramatically increased during the 1980s. The establishment of new agencies, such as the Tyne and Wear Development Corporation and The Newcastle Initiative, manifested a growth of private sector influence in the formulation and implementation of urban regeneration policies at the expense of the locally-elected representatives on the city council. A close relationship developed between the city council and the TNI to promote the Theatre Village and China Town Project in the west end of the city centre. At the time of the research this scheme was still at the stage of preparation of development proposals. There are a number of similarities

between the city council's promotion of the city centre localities in the late 1960s and 1970s and the promotion of both the Tyne Wear Development Corporations flagship projects and the Theatre Village and China Town Project.

7.7 THE DEVELOPMENT INDUSTRY

The public sector was involved in the operations of property markets with the provision of substantial grant aid to partially finance the construction costs of the development schemes undertaken by private developers (Boyle, 1985). The public sector also made a considerable amount of investment in the improvement of infrastructure, the reclamation of derelict land and environmental upgrading schemes, in particular areas along the banks of the Tyne. The availability of grants was an important instrument to stimulate and attract private sector investments into the decaying areas of the region. The public sector took the risk out of private development schemes with the provision of substantial subsidy packages. The public sector also undertook the required infrastructure and environmental improvement investments around development schemes undertaken by the private developers (Chapters 7.3 & 7.4). These provisions were common to all schemes undertaken by the private sector, in that, there was no difference between the operations of the city council and the TWDC in the 1980s (Chapt. 7.4.3). The only difference was the much greater amount of financial resources available to the TWDC.

Public sector incentives in the case of Tyne Valley Enterprise Zone (EZ) attracted local entrepreneur, John Hall. He developed a large scale shopping complex outside of the city centre. Following the completion of the scheme, John Hall sold the Metro Shopping Centre to the Church Commissioners, so taking advantage of the large profit margins involved in the redevelopment

scheme (Barford, 1987). Much of the commercial redevelopment project in the Team Valley Enterprise Zone (EZ) was undertaken predominantly by newly established, medium size, private developers with short term investment interests (Healey, 1994). Most of these companies were established with the specific objective of undertaking development schemes in the EZ's. The predominant characteristic of these developers' interests was short term profit maximisation before moving on to other schemes with minimum risk (Healey, 1994). This was a shift from long term development interests in the 1960s and early 1970s (Chapt. 6) towards short term interests in the 1980s and 1990s. Urban regeneration initiatives had a considerable influence in the emergence these new actors in land and property markets.

Local and regionally-based companies were predominant in the operations of property markets in the city centre during the 1980s. National development companies interests were not attracted into the city centre in the same way as they were in the 1970s. Development activities in the city centre were rather small scale in the early and mid 1980s and mainly undertaken by local developers.

New national companies were established in the 1980s which specialised in certain kinds of development schemes such as business parks. These companies were operational in the development of the TWDC's business park on the Quayside and Central Business and Technology Park at Manors (Chapt. 7.4.3.2). Some national companies set up subsidiaries to utilise the existing incentives packages. The Tanners and Taylors project at Blackfriars was undertaken by a subsidiary of a national company (Chapt. 7.3.3). Some of the local firms diversified their own interests towards new forms of development activities through the establishment of subsidiary firms. For example the former director of Yuill Hill house builders set up another company in order to undertake schemes within the conservation areas (Chapt. 7.3.3). A partnership

between housing associations and the city council was also established. A large number of privately rented flats became available as a result of the conversion of the existing Victorian built fabric into residential use by housing associations (Chapt. 7.4.3 & 7.5.2). Regional subsidiaries of national house building companies were established (notably Bellway and Barratt) to undertake a number of large scale residential schemes, mainly at the periphery of the city centre. Property development schemes in the EZ were mainly undertaken by newly established, medium size, national developers as well as the local ones. National developers, in some cases, formed partnerships with regional developers to operate jointly in the TWDC area. Some large scale refurbishment projects were also undertaken by locally based, newly established, development companies, such as Tyne River Properties. In the case of Tyne River Properties a partnership was established between Newcastle and Scottish Breweries, Northern Rock Building Society and Tolent Construction; all old regional ruling class interests (i.e. the Ridley family's interests in the Northern Rock Building Society).

All these development and refurbishment schemes were undertaken with short term interests, in other words for sale and financed by both loans from commercial banks and developer's own resources. Developers carried out one scheme and sold it to transfer profits gained from that development directly into another scheme. Commercial bank loans allowed capital investments to switch into the transformation of the built environment. The deregulation of the finance system by the central government in 1987 to some extent accelerated this switch along with the availability of grant regimes for such transformation projects.

Developers used mainly local construction companies, whilst some had their own construction companies. National estate agencies also geographically diversified their interest during this period (Leyshon, 1990). A number of

national estate agents started their operations in Newcastle. The property markets in Newcastle were operated and regulated by a small group of people who worked in close cooperation with each other (Healey, 1994).

7.8 URBAN GOVERNANCE: REGENERATION AGENCIES AND RULING CLASS ALLIANCES

The 1980s were marked by the establishment of a series of new agencies and dramatic changes in the organisation and finance of local authorities, and a redefining of their powers and resources. This period clearly showed how the local states' initiatives and policies were redirected and reformulated through central state intervention. Most of its main policy areas were handed to the operations of newly established, central state-appointed quasi-public agencies, leaving only limited involvement to local authorities besides the privatisation of service traditionally provided by local authorities, such as council houses, deregulation of buses, etc. This weakened the powers and limited the operations of local authorities. In the case of Newcastle reasonably good relations were established between such agencies and the city council. This was as a result of the city's long standing experience of economic decline from the turn of the century onwards. As a result of this the central state appointed non-elected agencies in the region, from the 1930s onwards, in order to regenerate the local economy (Shaw, 1990a).

This period covers two different styles of urban governmental experience in the city. One, the period between 1977 and 1985, from the reorganisation of local authorities within the two tier system and the establishment of the Inner City Partnership Authorities, may be seen as managerialism (Appendix). The second period, from 1985 onwards, from the abolition of the county council in

1986 and the establishment of UDCs in 1987, may be seen as entrepreneurialism. This period might also be interpreted by a process of switching from a managerialist model of governance towards an entrepreneurist style, reflecting a process of restructuring from the stage of global crisis in the mid and late 1970s through the collapse of Fordist mode of production towards the post fordist era (Harvey 1989c). As a peripheral location, Newcastle had experienced such later than leading areas in South East.

During the mid 1970s and the early 1980s, partnership arrangements between public sector agencies were very common as a response to economic collapse and global crisis. Newcastle and Gateshead Inner City Partnership Authority (NGIPA), as a partnership between Gateshead Borough Council, Newcastle City Council, Tyne and Wear County Council and Regional officers of central state departments and institutions, was very active in financing economic development projects, housing and environmental improvement schemes and community development projects. The local government authorities initiated and carried out such schemes by themselves with the financial resources allocation by NGIPA. In some cases, the city council managed to combine a variety of financial resources and grants available from different public agencies to provide and maintain infrastructure, provide small factory units, finance the restoration of outstanding buildings and environmental improvement schemes, and so promote private sector investments. These was mainly small scale, indigenous capital investments. At the time, a lack of entrepreneurship was identified as one of the fundamental reasons for the region's long-standing economic difficulties (Amin & Tomaney, 1991). The creation of local entrepreneurs and assisting small firm development became central issues for the local authorities' economic development programmes. This followed the establishment of the Tyne and Wear Enterprise

Trust (later named ENTRUST) in 1981. The trust was to provide advice on starting up small firms, management training, entrepreneur training programmes and a counselling service for small business rather than providing financial aid (Clough, 1982). In the case of the Tyne and Wear Enterprise Trust a class alliance between the regional ruling class, local political and trades union elites was formally established. The members of the board would later become the members of the newly-established other quasi public agencies' boards (Shaw, 1994).

The city council's role was prominently managerial during this period. Its partnership with other public agencies was based on the financial matters along with the incorporation of the investment programmes of each institution with its own. Under the conditions of dramatic economic decline, the city council took the managerial approach to promote indigenous capital investments with moderate subsidy packages as well as the provision of counselling and training services. There was also an informally established class alliance between the city council and small scale local developers. It also aimed to clear the industrial mess resulting from the closure of branch plants and old traditional heavy industrial establishments by stabilising the local economy and providing ready redevelopment sites for incoming investors.

By the mid 1980s, the city council started to take a more entrepreneurial strategy to attract large scale private sector investment to the region with changes in its land use policies, such as at Forth Banks on Quayside (7.4.3.1). Its agenda changed from the promotion of small scale indigenous capital investments towards large scale, speculative, leisure based, consumeristic projects, such as negotiations with a developer to transform the former's Vickers site into a shopping centre. In this the slow but gradual improvement in national economy along with new grant regimes played an important role.

By the end of the 1980s, there existed several agencies to promote and market different parts of the region. Some of them could provided substantial subsidy packages. Others only had promotional strategies. All contributed to weakening the city council's active role in the process of regeneration by taking over its initiatives. These agencies, usually run by a small group of local notables, cut out the involvement of representatives of organised labour and the city council (Shaw, 1990b). These agencies are all local economic development agencies with a variety of interests as listed in the figures 7.20, 7.34, 7.36 & 7.37. They have a specific interest with the promotion of urban regeneration through consumption-based, highly speculative, large scale flagship projects, and so achieving local economic development and restructuring. This strategy is very similar to what the city council was doing in 1960s and 1970s. NDC has a specific interest with the promotion of the region's economic regeneration through the attraction of global capital, in particular Japanese, investments. All these agencies and the city council launched on intensive city marketing programme operated with the appointment of advertisement agents (Wilkinson, 1992).

The board members of these agencies were mainly drawn from the brewing and engineering sector. For example the chairman of Scottish and Newcastle Breweries sits on the boards of TNI, the Tyneside TEC and ENTRUST; that of the Vaux Breweries Group is involved in TWDC, NDC, TWO and Wearside TEC; that of Cookson Group sits on the boards of TWDC, NDC, TEC and ENTRUST.

The representation of the developer interests in these agencies was limited: a local developer, John Hall, sat on the boards of TWDC (till 1990) and TNI (till 1991); the regional director of Barclays sits on the boards of TWDC, TNI and ENTRUST; a managing director of Northern Rock Building Society sits in TNI and the Tyneside TEC; a managing director of the Newcastle Chronicle sits in

Figure 7.34 The Board Members of The Newcastle Initiatives

Director, Greame Anderson
Deputy Chairman, NEI PLC.

Board Members:

Laing Barden
Director, Newcastle Polytechnic.

Gavin Reed
Chairman, Newcastle Breweries
Chairman, CBI Northern Region

Prof. John Goddard
Director, CURDS, University of Newcastle

John Hall
Chairman and Managing Director , Cameron Hall Developments Limited.

Nigel Sherlock
Director, Wise Speke Limited.
Member, National Association of Pension Funds

John Ward
Regional Director, Barclays Bank.
Member, Tyne Wear Chamber of Commerce
Member, The Theatre Royal Trust Limited
Director, Northern Investors Company
Deputy Chairman, TWDC.
Director, Tyne Wear Enterprise Limited.

Chris Sharp
Chairman and Managing Director, Northern Rock Building Society
Director, Northern Rock Housing Trust Limited
Director, Northern Road Property Services Limited
Director, Rock Asset Management Limited
Chairman, Northern Association of Building Societies
Governor, Durham University Business School

Joe Logan
Managing Director, Newcastle Chronicle and Journal limited
Member, Thomas Regional News Limited
Member, Business in Community
a Trustee, University of Newcastle

Ron Scott
Finance and Administrative Executive, Storey Son & Parkers and Black Horse

Public Sector Representatives:

Alastair Balls
TWDC (Chief Executive)

Dr. John Bridge
NDC (Chief Executive)

Peter Carr
City Action Team (Chief Executive)

Geoff Cook
Newcastle City Council (Chief Executive)

Bill Hay
British Telecom

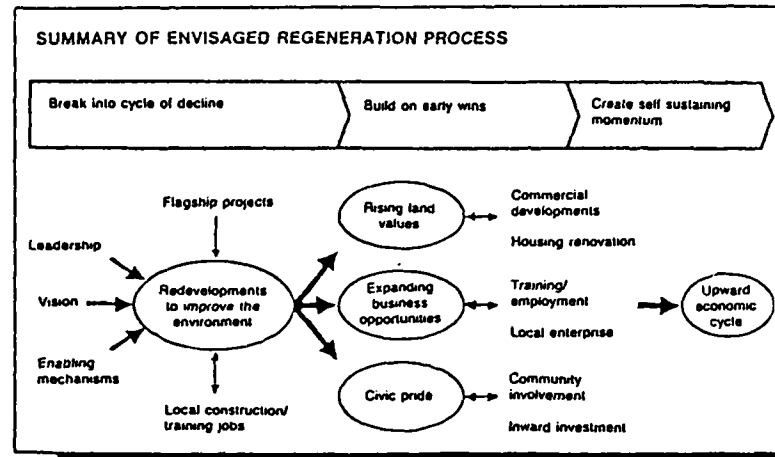
SPONSORS

British Telecom PLC
Cameron Hall Developments Limited
National Westminster Bank PLC
Newcastle Breweries Limited
Northern Rock Building Societies
Newcastle Chronicle and Journal Limited

Professional Advisors

Dickinson Dees, Solicitor
Price Waterhouse, Auditors
National Westminster Bank, Bankers

Figure 7.35 The Newcastle Initiatives and The Process of Regeneration



(The Journal 12.7.1988)

Figure 7.36 Non Elected Economic Development Agencies in Tyne and Wear

Type	Local example
Urban Development Corporation (UDC)	Tyne and Wear Development Corporation (TWDC)
Training and Enterprise Council (TEC)	Tyneside TEC Wearside TEC
Business Leadership Teams (BLTs)	The Newcastle Initiative (TNI) The Wearside Opportunity (TWO)
Regional Development Agency	The Northern Development Company (NDC)
Local Enterprise Agency	ENTRUST (formerly Tyne and Wear Enterprise Trust)
Local Economic Development Company	Tyne and Wear Economic Development Company (TWEDCO)
Port authorities	Port of Tyne Authority

(Shaw, 1992, p.253)

Figure 7.37 The Board Members of the Northern Development Corporation

Chairman, W. R. Atkinson

Directors Class A (Local Authorities)

J. Beecham
Leader, Newcastle City Council
Vice Chairman NRCA

H. Little
Cumbria County Council
Chairman, NRCA

A. G. Lunn
Castle Morpeth Borough Council
Leader, Alliance Group

I. Gordon
North Tyneside Metropolitan Council
Leader, Conservative Party

K. Robinson
Leader, Northumberland County Council

J. M. Scott
Stockton on Tees Borough Council
Vice Chairman, NRCA

Directors Class B

T. Burlinson
Chairman, Northern TUC

M.J. Morrison
Vice Chairman, Northern TUC

J. Creaby
Chairman, APEX

J.L. Mill
Chairman, TGWU

Directors Class C

Dr. R. Iley
Cookson Group Plc

L. R. Mann
Victor Product Plc

P. D. Nicholson
Vaux Group Plc

J. C. Tholen
Tees and Hartlepool Port Authorities

TNI; a director of Wise Speke Ltd., a stockbroker, sits in TNI; two university professors as directors of the regional development research units sit on the boards of the TNI and one university professor as a director of the urban development based research unit sits on the board of the TWDC (Shaw, 1994).

A limited number of councillors are also involved as board members in various non-elected regeneration agencies, such as the TWDC and the NDC, whilst the regional secretary of the Trade Union Council sits on the boards of both the NDC and Tyneside TEC, and the recently retired regional secretary of TGWU sits on the TWDC and the Port of Tyne Authority.

A well organised and homogeneous business community has inserted their interest through their membership on the boards of partnership agencies. This was not very different from the 1960s and 1970s when NEDC was established. However, their formal involvement was extended with inter-organisational coalitions through their direct involvement in a variety of agencies. Another important change can be seen in their agenda setting, from the promotion of productive large scale investment to post-industrial, large scale, consumption based development (Healey, 1993; Shaw, 1990b). What is interesting, except for the TNI and TWO, is that all of these agencies were set up by the central state with special consideration for locally-established businesses.

Their strategies to attract inward investment by marketing the region as a suitable place, aimed to create a suitable environment to attract high status corporatist activities through the promotion and initiation of highly speculative, consumption-oriented, technologically-advanced, high quality flagship projects and so supplying a favourable environment for the demand of such activities as in the case of the TWDC's Business Park. This helped to create a new middle class, changing the pattern of consumption with the requirements of new regime of flexible accumulation. All of these agencies'

marketing strategies were based on how to attract such mobile capital investments to restructure the social, economic, political, cultural and spatial environment.

7.9 CONCLUSION

The starting point of this chapter, the late 1970s, marked "a general transition in the dynamics of capitalism from a Fordist-Keynesian regime of capital accumulation to a more general one of "flexible accumulation" (Harvey, 1989 p.9). This period therefore represents a series of profound adaptations and changes in "institutional arrangements, legal forms, political and administrative systems, hierarchies of power" (Harvey, 1989c, p.10) and "a built form produced as spaces and resource systems of particular qualities organised into a distinctive spatial configuration" (Harvey, 1989c, p.9), in short changes in the process of urbanisation. This restructuring process was as a result of, what Harvey calls, the global crisis of the mid 1970s. Overaccumulated capital in the sphere of the fordist mode of production and consumption was to switch to the creation of new forms; post-fordist modes of fixed capital and consumption funds. In order to achieve this, the state and the financial institutions had a crucial role to play, transferring over accumulated money from the fordist mode of production and consumption (Harvey 1985a). This was done by devaluing built environmental assets of the fordist mode, to encourage investment in new forms of built environmental suitable to the needs of post fordist production. In this process the state, as a regulatory body, played an important role in changing institutional arrangements and the operations of the property markets.

Global crisis dramatically affected Newcastle which was already suffering from long term economic decline and its position as a peripheral location to the nation's economic affairs. Structural weakness in its economy, such as its dependency on an externally-controlled productive and commercial base, further accelerated Newcastle's economic decline. Externally controlled productive corporate bodies ceased operations in peripheral locations. As a result, Newcastle experienced the adverse effects of the global crisis earlier than most localities in Britain, whilst it was probably the last locality to attract branch plants operating the fordist mode of production through large sums of public money and regional policy instruments (Massey, 1989). Branch plants and long standing, heavy industries collapsed as a result of global crisis, leaving large tracks of industrial land derelict, in particular, along the river banks. This also led to high levels of unemployment. Reductions in public spending led to a further deprivation in the life standards and living conditions of the unemployed.

The global crisis of the mid-1970s resulted in a series of profound changes in the state's regulation of land. These changes were all dictated by gradually increased state interventions in land and property markets, weakening the power of existing instruments (planning machinery) and institutions (local government). The central state created a number of new agencies to which local government powers were handed. This established new form of regulation with the introduction of a series of profound, some time conflictual, some time competitive, instruments (UDG, CG, EZs, SPZs), and new non democratic agencies (UDC). All these instruments are in operation throughout the country, bringing cities into competition within the regime of flexible accumulation.

These agencies and instruments played a crucial role in the production of built structures by attracting mobile capital investments to the city. The state and national clearance banks switched overaccumulated surpluses and the

revenues from the previous predominantly fordist mode of production to new spheres. These new spheres included the production of built structures (in the forms of fixed capital and consumption funds) which were required by the incoming post fordist mode of production and the system of the flexible circulation of capital. These spheres are what Harvey calls secondary circuit capital investments.

The flagship projects promoted along the banks of Tyne and Wear by the TWDC provided new investment outlets and opportunities for overaccumulated capital in line with the requirements of the new regime of flexible accumulation. In this, the central government appointed TWDC with its substantial financial resources. In other words, public sector finance in the form of fictitious capital had a crucial role in the process of switching capital from one sphere to another. In this way the existing built environment was transformed as a source for the creation of new profitable outlets for capitalist development. As presented in the previous sections of this chapter, this represented the central state's attempt to intervene in all spheres of life in line with the flexible accumulation of capital. This required action could only be achieved through the production of built environment.

Central state intervention dramatically changed the power relations which existed in the regulation of land and property markets in Newcastle. In the 1960s and 1970s the city council was the only public sector institution to regulate the city centre's property markets. By the 1990s, TWDC was a predominant agent intervening in and regulating land and property markets and influencing the locational choices of investments. The Tyne Valley EZ with unrestricted property development rights and intensive subsidy packages was able to give considerable freedom to the schemes of entrepreneurs. All this weakened the power of the city council and its previously powerful planning machinery. Relations between agencies and developers remained unchanged.

Regardless, both the city council and the TWDC continued to attempt to create a new image and identity for the region. A similarity of purpose therefore existed between many different agencies.

In the development process, key actors and institutions changed but the operational mechanisms remained the same. This can clearly be seen in the case study materials in comparing developments in which the city council was instrumental in the 1960s and 70s with those undertaken under the auspices of the TWDC. Under both the city council and the TWDC the same processes persisted. Public money was handed to private capital investors in order to, on the surface, create the conditions for local economic regeneration. Modernisation strategies forced the city to take an entrepreneurial approach to restructuring its economic base.

In the 1960s the city council provided such funds to attempt to attract Fordist production in order to replace the region's heavy industrial base. In the context of the city this meant financial and commercial investments. In the 1990s the TWDC distributed public resources with the aim of replacing the leftover effects of Fordist production (in the wider conurbation) with post fordist forms. Both of these manoeuvres were overseen by clear class alliances. During the mid-1970s and early 1980s, this alliance was constituted by an elite within the city council and its professional officers. In the 1990s the alliance was constituted by an elite drawn from large scale regional, national and global capital concerns. At the same time a further operational elite reentered the scene from the traditional regional capital owning families, who had long since moved operations from productive concerns to financial and developmental interests on a national plain. This grouping was able to mobilize as a result of its continuing land holdings in the city and found a voice through the Newcastle Initiative in cooperation with the city council in this instance.

In the early 1960s and again in the mid 1970s until the mid 1980s managerialism was the main guiding principle of city council relations with private capital. During these periods property markets were in conditions of slump. From the late 1960s until the mid 1970s and again from the mid 1980s onwards the city council and agencies played an entrepreneurial role in promoting and selling the city to potential investors. These periods coincided with property boom conditions and the geographic expansion of national and international capital.

Public money created value in property in order to facilitate the restructure of the local economy. The creation of new or regenerated built environment was the main focus by which the geographic expansion of capital could be encouraged and regulated. It was therefore public money which played a major part in allowing easy capital circulation. This also required a close working relationship between capital and the various agencies at work in the locality.

NOTES

- 1) City of Newcastle Upon Tyne. 1978 & 1977.
- 2) City of Newcastle Upon Tyne. 1985. pp. 8, 14-16, 27.
- 3) City of Newcastle Upon Tyne. 1985 & 1980.
- 4) City of Newcastle Upon Tyne. 1985. pp. 10-13.
- 5) Northern Region Strategy Team. 1977.
- 6) City of Newcastle Upon Tyne. 1985. p. 10.
- 7) City of Newcastle Upon Tyne. 1977.
- 8) City of Newcastle Upon Tyne 1985 City Centre Local Plan, p. 10-12.
- 9) *ibid.* p. 13
- 10) *ibid.* pp. 14-16.
- 11) *ibid.* pp. 17-21.
- 12) *ibid.*
- 13) *ibid.* pp. 8, 27, 46, 58.

- 14) *ibid.* p. 27
- 15) *ibid.* p.32
- 16) *ibid.*
- 17) This section's materials are based on the Blackfriars Area files in the planning Department, Newcastle and the interviews were conducted with the planning officers and the representatives of the Regional office of the Department of Environment and English Heritage.
- 18) Newcastle City Planning Department, Blackfriars Archeological Excavations (1965), leaflet.
- 19) Newcastle/Gateshead Inner City Partnership Annual, Review and Action Programme Reports listed in the Bibliography documented how, where and to whom the inner city partnership grants are allocated. The relevant local authorities' investments in infrastructure and environmental improvement can be easily traced out from these reports.
- 20) This section's materials are based on the Quayside Area files in the planning Department, Newcastle, newspaper cuttings deposited in the City Library, Newcastle and Newcastle and Gateshead Inner City Partnership Authority's Annual, Review and Action Programme Reports listed in the Bibliography. The interviews conducted with the planning officers from Newcastle City Council and the representatives of the Regional Office of the Department of Environment, English Heritage and Newcastle and Gateshead Inner City Partnership Authorities.
- 21) City of Newcastle Upon Tyne 1981
- 22) *ibid.*
- 23) *ibid.* (20).
- 24) City of Newcastle Upon Tyne. 1985c.
- 25) *ibid.* (19).
- 26) Tyne Wear Development Corporation's Reports. (1988a, 1988b, 1988c, 1989a, 1989b, 1990a, 1990b, 1991 & 1992).
- 27) This section's materials are based on the TWDC's reports, the interviews conducted with the officers of the property management section in the TWDC and newspaper cuttings filed in the city library.
- 28) The Newcastle Upon Tyne. 1982 & 1983a.
- 29) The Newcastle Upon Tyne.1983b
- 30) *ibid.* (19).
- 31) The Newcastle upon Tyne. 1985b. & The Clayton Street Files in the planning department, Newcastle.
- 32) This section's materials are based on the Clayton Street files in the planning Department, Newcastle, newspaper cuttings deposited in the City Library, Newcastle and Newcastle and Gateshead Inner City Partnership Authority's Annual, Review and Action Programme Reports listed in the Bibliography. The interviews were conducted with the planning officers and the representatives of English Heritage, the Regional Office of the Department of Environment and Newcastle and Gateshead Inner City Partnership Authorities.
- 33) The Newcastle Initiatives. 1988a; Northumbrian Branch of the Royal Institute of British Architects. 1986 & 1988 and the Theatre Village and China Town Project files deposited in the planning department, Newcastle.
- 34) *ibid.* (31), (32) & (33).

- 35) City of Newcastle Upon Tyne. 1988. & The Newcastle Initiatives. 1988b.
- 36) This section's materials are based on the Grey Street files in the planning Department, Newcastle, newspaper cuttings deposited in the City Library, Newcastle and Newcastle and Gateshead Inner City Partnership Authority's Annual, Review and Action Programme Reports listed in the Bibliography. The interviews were conducted with the planning officers and the representatives of English Heritage, the Regional Office of the Department of Environment, Newcastle and Gateshead Inner City Partnership Authorities and The Newcastle Initiative.
- 37) *ibid.* (19)

8

CONCLUSION

The preceding chapters have demonstrated a close relationship between state and capital in facilitating the circulation of capital investments. This has not only involved functional changes in the built environment, but actually using the production of built environment as a tool in order to permit the easy circulation of capital and so restructure local economies..

The system of capitalist production is constantly subject to crisis through over production and over accumulation. This effects different sectors at different times and consequently forces shifts in the mode of production. The development of capital therefore on one hand holds the dynamic of it own development whilst on the other this is a very broken development pattern based on crisis and collapse as well as growth. Distinct cycles of capital growth and collapse not only effect changes in the sector of production but also effect the geographic locality into which capital is channelled. Uneven development is an inherent feature of this system. Some areas become more attractive to capital investments than others and indeed to regeneration by different sectors of capital. These changes have far reaching effects on everything from work place organisational regime to changes in the whole social order. This of course does not mean that aspects of old regimes will not survive amongst reconstituted contemporary forms of organisation, but rather that they are no longer at the forefront of the capital order. In this sense overlapping forms may be clearly perceivable in the contemporary order.

From the case study material it is evident that the capital base of the North East region passed through several distinctive periods, or what David Harvey terms circuits of production, each reflecting differently upon the built environment of the city. Present trends started with the development of a new set of relations between capital and state in the post war world, a context from which contemporary relations have directly emerged.

Regional capital in the nineteenth century was based and accumulated through coal production and trade with London. At this stage regional capitalists formed into a strong alliance based on their mutual support for each others' interests. This period also saw overaccumulated capital switched to coal related investment outlets such as shipbuilding and new technological innovations, such as railways, steam power and electricity. By the turn of the century, the North East served as a centre for capitalist production of international significance, both by producing large scale goods for overseas consumers i.e. ships for Japan, Turkey etc. and through direct overseas investments. For example Armstrong invested in Italy and Latin America. However surpluses were not reinvested in technological innovations. Subsequently regional productive capital was to lose its competitiveness, and so profit margins started to dramatically decline (McCord, 1980). At this stage, the ruling class alliance went on to integrate with the national and international economic system. Indigenous large productive capital had a crucial role in the process of transformation from a relatively independent regional economy towards a regional dependency on national and international economic structures.

By the mid 1930s, the ruling class (coal combines) and allied economic and political interests began to establish a new set of political relations. These relations saw the development of regional policy as a political goal and brought the regional ruling class into direct involvement in the policy making process.

Change in the post war period was stimulated by the nationalization of selected (coal and public utilities) industries. The regional ruling class was well compensated by the state for giving up what were generally industries undermined by large accumulations of fixed capital, and consequently of little profitable value. This process freed large amounts of capital for reinvestment. The state in this process played a crucial role in freeing regional production capital for reinvestment. This did not necessarily lead to a regeneration of the region's productive base however, as capital was reinvested in three new areas. First it was invested at a national and international level, secondly it was reinvested in the financial sector including property investments and thirdly into the rationalization of already existing fixed capital investments in the region for the operations of national and international capital, with the globalization of its own regional capital (Benwell CP, 1978). Its economic development was in many respects dependent on capital which although originally regional based operated from outside as multinationals, national financial institutions, and national based investors.

Productive indigenous capital actively involved itself in the state machinery, encouraging this transformation process (Hudson, 1989a). Productive capital directly made partnership arrangements with companies which became major multinational corporations or a significant part of them (Benwell CP, 1978). Moreover, there was also a clear pattern discernible amongst later generations of capital owners, in that they became increasingly closely integrated with the financial institutions, which had long integrated with the national financial institutions and operated under the control of them. This pattern had a regional and national manifestation. The main regional financial institutions were controlled by the members of this "ruling class", based on productive capital. Local financial centres had a key role in this nineteenth century accumulation and circulation of capital. With the changes

which were to take place they could now operate incorporated within a framework determined by a highly sophisticated central banking and financial system (Hudson, 1989; Hudson, 1990; Benwell CP, 1978).

In the 1960s, modernization strategies for industry begun to be formulated through intensive regional subsidies, provided by the state through the "Regional Development Council", an establishment based on cooperative structures between local authorities, trade unions and eminent regional industrialists. This acted to both develop the region's infrastructure and attract branch plants to the region. Subsidies at this stage tended to be allocated to the industrial sector, including heavy traditional industries. This was an attempt to restructure the existing traditional productive base through the attraction of the subsidiaries of fordist mass consumption/production based plants. This was in parallel with the decentralisation strategies implemented by the fordist production companies.

By the end of the 1970s with the collapse of much of the region's manufacturing base, in the main through the closure of branch plants, and the collapse of heavy industry, the regions base could be arguably seen to be totally undermined (Hudson, 1988; Robinson, 1988). This intensified the regions' dependency on external capital investments, whilst the region's economic structure totally collapsed. It became a locality which was desperate for external capital investments.

As the twentieth century progressed the region became increasingly characterised as a peripheral location, with marginal land and property markets and a declining local economy. The region must now be seen as a part of the global economic system, but as a peripheral location within it. For purposes of the original theoretical propositions of the thesis it remains to be asked how Harvey's approach helps to explain the property development

which took place in the core of the urban region, Newcastle city centre, and to the interpretation of central and local government actions concerning the built environment.

8.1 PROPERTY MARKETS

David Harvey following the work of Henri Lefebvre argues that one of capitalism's means of survival is through a process of continually restructuring the built environment in times of economic crisis. This is seen to first occur in Harvey's secondary circuit of capital (Chapt. 2). As a consequence when changes occur in the mode of production these are reflected in the built environment. This set of capital relations within the built structure emanating from capital crisis produces what may be seen as a property cycle, effectively one of the supportive mechanisms which capital is able to utilise at regular periods to alleviate economic collapse. Harvey's third circuit of capital, the switch to new technological innovations, led the way through the development of information technologies to the full integration of the city into national property markets. The effects of technological change have also been noted by numerous other writers i.e. Castells 1989.

Marginal land and property markets in weak economies, such as Newcastle or the North East region, became directly affected by fluctuations in national land and property markets and wider economic circumstances. As a result of this level of integration, in some periods of the property cycle, the movement from boom conditions to slumps or the reverse, became less significant at a regional level (Chapter 6 & 7). The actions of the state in the built environment helped to smooth out property cycles. Saturation of primary land and property markets resulted in the extension of their operations to marginal localities,

utilizing favourable conditions in those area. Thus development activities moved to marginal areas afterwards rather than at the forefront of boom conditions. This could be explained by Harvey's theorization of crisis, in which it is argued that when overproduction takes places in one sector or one geographical area, capital moves to other sectors or locations to utilize existing conditions for the production of excessive surplus value. Booms in property values help to concentrate and generate this surplus value and subsequently lead to overaccumulation in marginal localities, as result crisis occurred, manifesting itself through total collapse. This was actually the result of a double over accumulation of capital. Over accumulation was in both production capital and investment/consumption capital.

Large scale redevelopment occurred during boom property market conditions followed by property rehabilitation, refurbishment and restoration at the time of the property market slump, which in turn would lead on again to redevelopment activities. When redevelopment activities intensified, large scale private capital schemes were promoted by the state. At this stage the state played an entrepreneurial role in selling the case for development in the locality to private capital. In 1987-8 property boom conditions brought the TWDC, with its flagship projects as large scale redevelopment schemes, into operation in Newcastle. This coincided with the effective end of heavy industrial production in the region, following the closure or imminent closure of the remaining coal mines and ship yards, in effect a change in the regional mode of production. Once again in times of economic crisis the state had intervened to mobilise property development potentials.

8.2 PROPERTY DEVELOPMENT, DEVELOPMENT INDUSTRY AND THE PUBLIC SECTOR

The property development industry in its widest sense involves land and property owners, developers, estate agencies, construction firms, financial institutions etc. It is effectively all of the components which may be necessary to mobilize development projects. The role played by this sector will again be subject to historical changes in the economic context as demonstrated by Harvey (Chapters . 6 & 7).

In Newcastle, property development has passed through four phases since 1945. From the 1940s, redevelopment was directly under the control of the public sector through subcontracting construction. This period saw a rapid expansion in the construction of council housing and industrial estates in peripheral locations, whilst property markets slowly moved from slump to boom conditions in parallel with national economic growth. In the early 1960s, public sector investments shifted towards the city centre with the construction of public sector office buildings as a result of decentralization policies in parallel with the provision of cultural amenities. All these schemes were undertaken by the public sector as investor-developer, landowner and property manager. The public sector subcontracted these schemes to locally based private constructors. The 1960s also saw the development of overflow new towns for the Tyneside conurbation and further suburban residential development which had started in the 1950s. Through both public sector initiatives this residential expansion allowed several regional builders to move on to become national level operators during this period. These developers were also able to build alliances with the old regional ruling elite, particularly through the building societies with whom they were forced to work in order to market and sell the homes which they built.

The period between the late 1960s and early 1970s saw changes. Five main sources of influence may be seen to have affected this period. Central government demanded and directed the restructuring and modernisation of city centres with a system of Office Development Permits (ODP), and by restricting office development in London and the South East. In parallel with this, retailing and finance capital centralised and concentrated in the hands of national companies through geographical expansion to provincial cities (Chapter, 5), whilst developers reorganised themselves through takeovers and amalgamations and geographically expanded their operations from the south to other provincial cities. At the same time planners and architects desired to experiment with modernist ideas and strategies. This was in parallel with the personal ambitions of local authority elites in the case of Newcastle to develop a new city image from an old working class, dirty, worn out conurbation to a modern imaginative city. This period was characterized therefore by large scale, local authority promoted redevelopment projects in partnership with private sector developers and linked to boom conditions in national property markets. The public and private sector were both investors, whilst the public sector's role remained as landowners and providers of required services including the assembly of land, while the private sector's role was a property and development managers.

Between the late 1970s and the early 1980s national and global economic recession brought changes in the operations of property markets, along with an oversupply of office accommodation. Central government increasingly asserted control over local government spending and finance. High interest rates, national government policy and oversupply in property markets all contributed to slowing down development activity. Local authorities found themselves ostensibly limited to the promotion of small scale projects. The public sector undertook intensive infrastructure and environmental improvement projects,

whilst they were also directly involved in the development process. At the same time they promoted the private sector's initiatives through subsidy packages.

Public sector investments were very important in the availability of land and property markets. At different times different groups were targeted. Two basic strategies may be discerned, land provision and infrastructure investment as core functions in this process. Large scale schemes in all cases took up a great deal of time prior to actual development. All large schemes were justified through the desire to draw national capital into the area. In effect, policy initiatives between the 1960s and the late 1980s changed little, even if institutionally the appearance of democratically elected control over the process was abandoned. In essence, the Tyne and Wear Development Corporation was not doing anything else beyond what the city council had been doing in the 1960s. The only real difference was that the development corporation used private contractors in the production of its plans, where as the council had used its own employees. The same overall commitment to attracting capital to area remained.

By the late 1980s, local government's role in development had largely been relocated to a series of undemocratic quasi governmental quangos, principally the urban development corporations, with direct subsidies available to developers, as a means of channelling ties directly from the central state, giving the impression of capital buoyancy regardless of demand. This period was characterised by large scale, imaginative redevelopment projects on former heavy industrial sites. Development schemes were undertaken by the regional based national house builders, such as Bellway and Barratt, and newly established national and local developers specialising in the utilisation of different forms of subsidies. The public sector's role in the development process

changed over time, from being an investor in the 1960s and 1970s to simply providing infrastructure, land and finance in the 1980s and 1990s.

The case study materials (Chapters . 6 & 7) have demonstrated how the public sector has continually acted to fulfil the requirements of the development industry, providing favourable conditions for its operation, through planning and urban policy initiatives. This finding is in keeping with Harvey's theorization whereby public sector planners are seen as engaged in the provision of necessary infrastructure for the private sector. Public sector financing in Harvey is seen to act as an enabler for the mobilization of fictitious capital and so easing the path for capital switches between sectors. In the case study materials (Chpts. 6 & 7), the evidence would suggest that public sector actions on Tyneside over the last forty years have certainly acted to enable rapid private sector capital accumulation through property development, regardless of whether the public sector was acting as an investor or providing infrastructure for private sector developments. In accordance with Harvey's theory the capital gains of the development industry may be seen as providing a source of fluid capital resources to substitute fixed capital lost in the long term decline of the regions manufacturing and productive base.

8.3 THE FORMATION OF CLASS ALLIANCES

In Harvey's analysis, the class alliance is a broad body comprising people with a direct interest in furthering the cause of capital accumulation (Chpt. 3). During the nineteenth century, in the North East, ruling class alliances developed strongly around the coal combines and related heavy industry from where they diversified their economic activities to all spheres of economic activity in the region. At the turn of the twentieth century, these elites slowly

withdrew capital surplus reinvestments from the locality and integrated their resources into national and international systems. Capital remaining in the region was tied up in increasingly ageing fixed resources.

Regionally-based class alliances continued to insert their interest into the formation of regional policies and resource allocation mainly to protect continuing fixed capital investments in industrial production. In the 1960s and early 1970s, the old regional ruling elite tended very much to locate both on the peripheries of the city with land and property interests (for example Riddleys concerns were with the development of the owner occupied housing market in new suburbs, in conjunction with the Northern Rock Building Society). However the old regional ruling elite still kept their productive interest with their involvement in regional development policy formation and grant allocation. City elites were drawn from the ranks of local politicians and senior local government officials. It was this group in the city who successfully built up ties with national retailing and development interests. Class alliances were informally developed between national retailing and commercial capital and local politicians and planners. In this way elite structures existed at both a city and a regional level. At the regional level parts of the old ruling elite maintained their interests because of continuing fixed capital investments and land holdings. However, the old ruling elite withdrew its interest in the city centre before the Second World War.

In the late 1970s, city elites continued to be drawn from the local state. They were however, to be joined by central state concerns, who increasingly introduced the direct involvement of the Department of the Environment into the city as an influence on policy and capital resource allocations through the Inner City Partnership Authorities. A number of voluntary organization also obtained a level of influence, such as those concern with built heritage (Tyne and Wear Preservation Trust). The main characteristic of this period however

was local government acting through informal relations with private sector organizations (Chamber of Commerce) and local estate agencies. At this period, class alliances were formed by a combination of locally-based public and private interest along with the involvement of central government representatives in the locality.

Through the 1980s, the private sector gradually grew to predominate, culminating in the establishment of the TWDC in 1987 by central government and the Newcastle Initiatives in 1988 which was backed by the Confederation of British Industry. The TWDC included representatives of a cross-section of the region's finance industry, Breweries, construction firms, and the engineering industry with minimal representation from local politicians, trade unions and academia. The Newcastle Initiative drew together the financial sector and development interests, some representing the companies of the old 19th century ruling elite. In some cases, this continued the tradition of the old ruling elites' involvement in the area (for example The Northern Rock Building Society's involvement is represented so bringing the Ridley family again to prominence in the city). The Newcastle Initiative was extensively based on financial and development interests, whilst the TWDC is tilted marginally more towards industrial interests. It is amongst these groups that the ruling elite within the city can be located today at the expense of local political elites.

It is notable that the ruling class only show their existence in organizations when central government establishes quasi-quangos with financial power, hence it is not until the 1980s that they publicly appear again in the region. The elites discussed locate well within Harvey's theorisation. These elites and the alliances which they form have persisted throughout the twentieth century only changing form in accordance with changes in the nature of the mode of production. Holding to the principle of regional rather than city interest, all but the Newcastle Initiative operate outside of the city centre.

8.4 THE PATTERN OF INVESTMENT

When capital becomes flexible, Harvey argues, cities start to compete by the provision of favourable conditions and subsidy packages to attract investments. This has a direct effect on property investments. Whereas once investment would be in effect an investment in the region from which rent or utility value could be derived, the provision of subsidies encouraged capital to move in, take advantage of the fast profits to be made, in part via the subsidies available, before moving on elsewhere. This pattern of investment in property markets during the 1980s was based on speculative, short term profit gains as opposed to the 1960s which was based on longer term investment horizons. The property companies sought to capture quick profit out of their own investments, in particular in areas where the local economy was weak, property markets marginal and rent levels low. Public sector involvement into the development process was as a provider of land, services, infrastructure and finance at the demand of the private sector, for its development projects. In doing this the public sector gained only limited ground rent and did not acquire any income from redevelopment schemes. This directly reflected on the short term investment perspectives and interests of developers. The local public sector benefited very little as it was unable to invest in property development unlike in the 1960s when it had invested in large scale redevelopment projects.

Consecutive Conservative governments in the 1980s argued that previous public sector involvement, particularly by Labour regimes at both local and national level, had stifled private sector growth. This could not be said to be the case in Newcastle. Even when the local authority had taken on board the task of large scale redevelopment in the 1960s this had still acted to enhance the position of large capital concerns through contracting and partnership agreements. Rather than stifle the private sector, the local authority had acted as an agent passing on finance directly to large scale capital under the auspices

of such partnership agreements. These partnerships between the public and private sectors were never equal. One partner, the public sector was constantly to fulfil the demands of the private sector by collecting local surpluses in terms of taxation, and channelling those surplus's along with monies derived from national government directly into the pockets of large scale capital. In this sense the local authority structure worked as a principle actor in the upward redistribution of wealth, from the inhabitants of the city to large scale national and international capital concerns. Private developers interests lay in risk free investments guaranteed by ready flows of public subsidy and support, making short term gain inevitable. This situation may be seen to have been enhanced by the increasing development of globally mobile capital as demonstrated by Harvey (Chapt. 2).

8.5 SPATIAL ORGANISATION

The spatial development of the city, as Harvey describes it, is based on three basic aspects of the capitalist system; capital production, consumption and the reproduction of labour. The spatial form of the city is as a resource system of the social, cultural, economic and political forms of the existing social order at any historical point. As such the urban is constantly subject to change and adjustment to fit in with the requirements of the system of capital circulation and the specific mode of production.

The spatial organisation of Newcastle city centre changed dramatically with the construction of motorways (east-central motorways), multi-storey car parking, modern office blocks and a giant shopping centre, at the time the largest in Europe in the mid 1970s. These changes may be seen to be tied to the development of a Fordist mode of production which appeared in the region

through modernisation strategies in the 1960s. This was of course very late compared to the emergence of Fordism in other parts of the country. This was however tied to the peripheral nature of the region and the continued persistence of heavy and extractive industries as core sectors within the regional economy, the later which presents difficulty in fordist workplace organisational strategies. This was to be the first large scale attempt by the regional ruling elite and the local political elite to effect wide scale change through economic restructuring in the area.

The northern sector of the city centre was restructured by the construction of Eldon Square Shopping centre through the demolition of old built fabric including one of the oldest Victorian Squares in the country. This represented more than the simple location of retailing units. It symbolised national retailing power. However the Eldon Square complex demanded absolute domination over its spatiality. What it amounted to was the privatisation of a large area of the city centre with public access limited to shop opening times, comprehensive security and surveillance of those using the complex and private policing.

The ruling elite decided the city centre was to be a place for middle class, white collar employment and consumption spatially defended from the city beyond the core by an ever evolving barrage of highways, under the *auspices* of ring and bypass road construction. This was paralleled by an extensive programme of multi storey car park constructions at the heart of the city to enable consumers from the affluent rural hinterlands of the city to gain direct access, by their own private transport, to the shopping centre without ever having to come into contact with the run down and impoverished peripheral sectors of the city. Davies and Howard (1986) explain how the car parks along with the Eldon Square bus concourse and metro station allowed people to enter directly into Eldon Square at the expense of other sectors of the retailing core.

Indeed people arriving by bus or private car are compelled to pass through Eldon Square before passing on to other parts of the city.

The 1980s saw a further intensification of the privatisation of space through the extension of the Eldon Square complex towards Blackett Street, Eldon Gardens and the Newgate Street entrance. A new shopping mall at Monument linked to the Monument metro station and Eldon Square. This was further extension of the privatisation of space. It was followed up with the installation of video cameras in the streets of the city centre, a further surveillance over shoppers and visitors to the city centre, whilst the shops outside of the shopping malls were excessively protected by shutters. A large sector of the city centre consequently became dead during shop closing time, leaving no access and use possible.

The 1980s also saw the issue of privatised space moving out of the city centre towards peripheral areas, in more easily defensible localities. This on the one hand offered the transformation of former heavy industrial areas into new consumption-based, imaginative redevelopment schemes, on the other hand the production of more defensible, controllable and isolated spatial structures within the whole, bringing about stark contrasts with the inner city areas by which they were surrounded. The Gateshead Metro Centre is the most significant example in this category; away from the existing built up areas, with controlled and regulated public access through public and private transportation. Other examples may be taken as Newcastle Business Park and the St. Peters Basin housing development. This fragmentation of built structure located outside of the core areas of the city may be seen to be characteristic of post Fordist developments in the economic structure. This new spatial configuration offers the potential for rigidly segregated space with defensible communications channels into which mobile, or in Harvey's term's flexible

capital can easily locate itself at relatively short notice with minimal expenditure and maximum security.

8.6 CONCLUSION

Regional capital accumulation and circulation was responsible for the creation of the regions built environment until the end of the nineteenth century. After this the creation of built environment was left to external forces, because of capital's new location outside of the region, and the inter-relations between these external forces and local political elites. These external forces included national and international capital as well as central state bodies. Different phases in these manoeuvres between the local and central state and capital enterprise threw up different built forms. During most of the twentieth century the central and the local state have acted as a facilitator for national and international economic interests to smooth economic crisis for circulating capital from one locality to another (Chapters 6 & 7) or from one sector to another (Chapter 5). In this process, the local state applied ideas of attracting capital investments to the region to restructure economic, social and cultural structure in the locality through direct intervention in the built environment.

The value of this research lies in its explanation of social relations to the built environment in peripheral locations and space specific relations within its historical geographic context. Harvey's theorisation is of considerable value in enabling this understanding in that whilst offering the possibility of long term historical geographical understanding, it also provides a vibrant dynamic enabling an analysis of contemporary circumstances and the potential of predicting future trends in planning and built environmental developments. This approach offers a feasible means of understanding urban policy and urban

regeneration processes. It has far reaching implications for studies tied into the framework of assessing urban policy on a basis of successful economic regeneration. It may be clearly predicted from the above research that the objective of economic regeneration will continue on policy agendas for the foreseeable future. The specific approach of the state to this will be determined by changes in the economic system. This may be seen in the changing approach by the local state between managerialism and entrepreneurialism according to the level of boom or crisis in the economy at any specific point in time (Chapter 7.9). This is a vital consideration for any attempt at economic regeneration. The thesis has introduced a series of ideas with which planners must develop a consciousness; how mechanisms of the capitalist system generally operate which remains same; in contrast, the nature of crisis inherent in this system constantly restructures the economy, political, social and cultural structures through restructuring the built fabric; these processes take place first at the core areas of the economic structures and subsequently expands towards the peripheries. A consciousness of this would provide invaluable power to planners to predict possible changes in the economic system, and subsequent changes in other spheres of life, and in turn set up policy agendas to regulate and utilise these circumstances.

APPENDIX

PLANNING, URBAN POLICY AND LOCAL GOVERNMENT

The machinery of local government had not undergone any major changes in its capacity to regulate built environment through Town and Country Planning provisions since legislation in 1947. As early as the mid 1960s the planning regime was highly criticised by professionals, politicians, pressure groups and the private sector on the basis of being out of date and not reflecting contemporary changes. It simply failed to maintain pace with rapidly changing economic circumstances and the effects which these changes were to impose on the production of built environment. This was also in parallel with debates over the organization of local government and its administrative boundaries (Alexander, 1982).

1. FROM BLUE PRINT TO RATIONAL DECISION MODEL

A committee, Planning Advisory Group (PAG), comprising representatives of eminent professionals and government officials was set up to reform the land use planning system and produce proposals for a new planning system. Their report, "The Future of Development Plans" (1965) was highly critical of the existing planning policy content, exclusively based on the physical ordering of land use, they were seen to be rigid and detailed not flexible to meet the

requirement of contemporary conditions, so causing a large number of detailed private sector objections to plans. This resulted in delays in the preparation of development plans through lengthy public inquiries by central government and the reluctance of central government to approve the 1960s review development plans on the basis that priority was given to regional plans, consequently forcing local authorities to produce their own interims and a number of non-statutory plans not subject to public discussion, outside of central government control. Planning exercises, it was argued, became arbitrary. The report proposed a two tier planning system in order to overcome the difficulties and weakness encountered in the previous planing practice.

Structure plans were to produce a set of broad strategic planning policy and objectives within the framework of national and regional policies. The functions of a structure plan were to provide a framework for the preparation of local plans, interpret national and regional policies in relation to local economic, social and environmental conditions and give justification for its policy objectives and strategies. The report also stressed both the importance of technical work, of survey and analysis and the need for extensive public discussion about proposals through the exercise of public consultation and participation. During the process of the production of a structure plan, a large scale intensive technical survey was to be undertaken with economic, social and psychical concerns, a series of alternatives were to be produced through integrating land use patterns with Knowledge of population trends, employment and transportation on the basis of different urban growth models (Cullingworth, 1988; Hall, 1975)

Local plans were to be produced within the framework of structure plans, providing a detail basis for development control and coordinated development activities by the same authority which would prepare the structure plans. Local

plans could take a variety of forms, a written statement and a site specific proposal map (Bruton & Nicholson, 1988).

A two tier system separated policy formation from implementation and development control. Structure plans were subject to central government approval, so central government power was in controlling policy directions and leaving the implementation to local discretion (Healey, 1983).

The 1968 Town and County Planning Act was passed without any political controversy. The act was powerfully influenced by the Planing Advisory Group and by debate amongst professionals over the shortcoming of state policy with respect to urban development. Professional groups were to exert their influence in the process of policy formation and should therefore be seen as central political actors (Rees & Lambert, 1985). The importance of technical work was stressed in the production of more rational patterns of urban and regional development. The general trust was that more sophisticated, technically expert methods of planning would effectively and efficiently shape urban change (Cullingworth, 1988).

2. LOCAL GOVERNMENT REORGANISATION

Concepts played a key role in the reorganization of the local state: modernisation, rationalization and scientific management, modelled on private enterprise, imported from the USA in parallel to the changes in the planning system (Hall, 1975). The Labour party's ambition was to modernise the local state and the planning system through making them efficient and effective with the introduction of "technocratic style politics" (Rees & Lambert, 1985)

Local government organization was also seen as problematic in terms of size, service provision, personnel quality and management and administrative inefficiency. There was also growing pressure from commercial and industrial interests on the basis of the absence of their presence in local authorities as a result of the existing local authority boundaries (Rees & Lambert, 1985). The Redcliffe Maud Report (1969) proposed two types of local government structure, one already being implemented in London, for the major metropolitan areas and a unitary one for the remainder of the counties, whose boundaries would cover fairly wide city regions. The rationale behind the establishment of metropolitan counties was seen to be the need for a large size local governance unit to produce policies and deal with massive housing and transportation problems (Cullingworth, 1988). However the conservative party introduced a two tier local government organization, counties and districts through the 1972 Local Government Reorganization Act. There was no difference between metropolitan and non-metropolitan counties as far as planning was concerned. No clear functional division between counties and districts, this created a great deal of confusion and conflict between them (Alexander, 1982). The act divided planning functions between two levels of government as opposed to the 1968 planning act's assumption that strategic power and detailed local plan and development control would be consolidated in a single planning authority (Healey, 1983). Some of the responsibilities were taken from the local authorities and given to relevant public agencies whilst the distribution of local government functions were not clearly defined, varied between shire and metropolitan counties and districts (Alexander, 1982).

These arrangements produced political conflict between the two tiers of government in addition to already existing conflict between centre and local authorities (Healey, 1983). District councils were responsible for the production of local plans in accordance with structure plans prepared by each county

council. The preparation of structure and local plans could proceed at the same time. However, the act required that county councils to consult over their policy strategies and objectives with district councils. Whilst county councils should grant a certificate for local plans confirming their adherence with existing structure plans. Despite the desire of central government to engage in and develop in harmonious relations over land use policy, the constant conflict between district and county councils continued following reorganization (Cullingworth, 1988). The power of district councils was further strengthened by the 1978 Inner Urban Area Act which allowed local plan adaptation prior to structure plan approval in designated inner city areas (Healey, 1983) and the 1980 Local Government and Planning Act which extends this to all areas, this act also introduced with several minor adjustment (Cullingworth, 1988). As a result district councils had more power and control over the content of planing policy as expressed in plans and development control decisions (Healey, 1983). The distribution of financial resources and functions between district and county councils was another source of conflict, giving district councils further fiscal means whilst providing little in new powers to enhance the effectiveness of the county councils (Cullingworth, 1988).

At the same time, the relation between central and local government became increasingly conflictual. The power of central government to modify structure plans, object to local plans, call plans in review, arbitrate on objections to planing policies or proposals were sources of potential conflict with local government (Healey et al, 1988). This power given to central government in order to impose conformity between national and regional policies was the justification of the centralised governance system. Central government always held a strategic interest in land development, and so exercised its power over critical land issues such as land availability for housing, treatment of green

belts and the provision of land for industry, all potentially creating conflict with local government (Healey et al, 1988).

The discretionary power remained the same. The public sectors role in the development process continued and diversified. At the same time, central government used its well established power to direct and limit local discretion in the management of land use change with the introduction of new material considerations in development control mechanisms (Bruton & Nicholson, 1988). The role of plans was to regulate private sectors development activities. Planning functions aimed at the coordination of public sector development activities (Healey et al, 1988).

3. URBAN POLICY

Whilst the processes of the reorganization of local government and the formulation of a new planning system was evolving, the central state suddenly discovered poverty and "the problems of urban malaise" (Lawless, 1981 p.3-4), which was defined by the loss of inner city population and jobs, leaving to a concentration of unemployed, disadvantaged and marginalized population along with the deterioration of inner city housing and environment. These areas had a large number of dwellings lacking physical amenities alongside residential overcrowding. Some of these, especially the decline of inner city population and the loss of inner city jobs were as a result of government through national, regional and planning policies. Since the 1945, regional and new town policies had promoted the dispersal of population and economic activity away from the large, congested cities. These decentralisation policies encouraged migration from urban areas in the 1950s and 1960s. The main concern in this process for government was economic, it was "dictated by

economic necessity" (Eversley, 1980, p. 461) rather than social need, providing new, favourable locations for productive capital with improved communication and transformation network and to a lesser extent disintegrating working class communities through the encouragement of migration/replacement, and so breaking down their resistance to productive capital. However, this planned dispersal of population and industry had a modest effect on the replacement of people and jobs (Barnekov et al, 1989). Another attempt by local government was to decentralise population from the inner areas through slum clearance programmes associated with public sector housing provision in the urban periphery (Lawless, 1986). However, this also had a moderate effect on the displacement of population from the congested areas despite the deteriorating impact on community structure.

The displacement of jobs and to lesser extent migration, caused by high level of unemployment (three times higher in inner city areas than the national level), psychical dereliction and social and economic deprivation (Barnekov et al, 1989). Impoverish racial minorities and immigrants also concentrated in inner city neighbourhoods where the housing stock was old and deteriorating.

The initiation of urban policies in the form of a number of projects and experiments by central government was a response to the general social and economic decline of urban areas and a reaction to the concentration of ethnic minorities in the inner city areas between 1968 and 1974 (Lawless, 1988). Prior to the mid 1960s, there was no policy specifically targeted at inner areas. Policies were considered to be necessary as a result of the failure of welfare state, in particular failings in the provision of municipal housing (Barnekov et al, 1989; Ree & Lambert, 1985). During this period, three main projects were set up, Educational Priority Areas (1967), The Urban Programme (1968) and Community Development Projects (1969), these were area-based initiatives dealing with the social deprivation. In parallel with this, Area based initiatives

were also introduced in older housing districts to address their state of continuous physical and social decay (Gibson & Langstaff, 1982). General Improvement Areas (GIAs, 1969), subsequently Housing Action Areas (HAAs, 1974) and Priority Neighbourhoods (PNs, 1974) provided the legislative base for the introduction for these area based initiatives. Improvement areas meant that the allocation of a certain amount of public money and investment could be channelled into relatively small, older housing areas to achieve the objectives of the established policies. Housing Associations were heavily involved in publicly funded housing rehabilitation and renovation schemes. Moreover, the national state continuously allocated special funds to housing associations, this accelerated their involvement at the expense of local authorities involvement in housing provision (Short, 1982). Following this, area based initiatives increasingly became a powerful instrument to improve and upgrade existing built structures and their surrounding environment through the concentration of resources (grants and loans) to designated sites, whilst the central state control gradually increased its powers over local state activities, grants to such initiatives were at the expense of the allocation of direct funds to the local state (Parkinson, 1989; Stoker, 1988).

Designated area based initiatives were given their own institutional structure, administering policy objectives in the locality. These area based initiatives caused a fragmentation in the land use planning system and brought complexity to institutional relations in the management of land (Healey et al, 1988). In terms of central and local power relation, the central state progressively penetrated the affairs of local government through interference with urban policy and resource allocation (Boyle, 1988).

3.1 FROM REGIONAL GROWTH STRATEGIES TOWARDS URBAN REGENERATION

In the mid 1970s local authorities became very critical about regional growth strategies when their adverse impacts became apparent on the declining older industrial conurbations. In this sense, decentralisation meant not only population decline but also continuous economic decay through the closure or replacement of existing firms. Much of the public infrastructure investment went into motorways and high speed rail networks and was absorbed by the major growth areas and city centre redevelopment schemes rather than the provision and maintenance of infrastructure in the inner areas of the conurbations (Healey et al, 1988). It became obvious that the problem was the withdrawal of investment from these areas along with an overspill of growth. These circumstances in the inner urban areas were further accelerated by national and global economic crisis. As a result spatial policies shifted from decentralisation and redevelopment strategies to the regeneration of the inner areas of the older industrial conurbations through "firm green belt and related restraint policies", so limiting urban expansion in favour of regenerating inner urban areas, what Healey terms "urban containment through peripheral restraint" (Healey et al, 1988, p.25).

Inner areas suffered from both withdrawal and lack of investment by the public and private sector. Poverty was associated with economic decline as a result of lack of investment (Lawless, 1988). Economic decline, urban deprivation, derelict and decaying built fabric and environment were found to be interconnected and should be comprehensively targeted. This new perception of the problems and causes shifted local and central government concern from narrowly defined issues towards comprehensively defined objectives, mainly strengthening the economy, improving the physical fabric and alleviating social deprivation (Turok, 1987), administered and coordinated

by a new institutional structure, as a partnership between the local and central state. This rethinking reflected issues arising from the 1977 White Paper, "Policy for the Inner Cities", this advocated a comprehensive strategy of urban regeneration, emphasising economic issues, and the necessity of extra public resources through redirecting mainstream local government spending programmes to inner city areas rather than allocating additional resources. However funds for the Urban Programme were expanded and new organizational arrangement introduced. The aim was to bring business and local communities into partnership with central government and local authorities, emphasising on coordination between the agencies involved.

Following the 1977 White Paper, Inner City Partnership Authorities (ICPA), a partnership between central and local government was formed in seven older conurbation to administer nationally defined objectives in accordance with local conditions and to draw agreed programmes of action within the designated areas, the Inner City Partnership Areas (ICPAs). Inner City Partnership Fund (ICPF), derived from the central government "Urban Programme" for each year. They were empowered to administer this fund through the formation of action programmes based on individual economic, social and environmental projects in both the public and private sector. The coordination of investment action programmes and their administration were the main objectives of the Inner City Partnership Authorities. These authorities were consequently expected to be rational, effectively and efficiently coordinated, resource management agencies (Hambleton, 1981).

Local authorities attempted to attract the private sector, mainly small business, investments into the designated areas with a variety of subsidy packages in the form of grants and loans from ICPFs. The grants and loans could be given for the development, refurbishment and improvement of built structures and business itself. A wide range of initiatives was therefore

generated by local authorities at both county and district levels to stimulate private sector developments through public action (Robson, 1988). At the same time, local government capital expenditures was diverted towards these areas at the expense to other areas.

The Inner City Area Act 1978 empowered local authorities to designate Industrial and Commercial Improvement Areas within the designated ICPAs, subject to the approval of the Secretary of State for Environment (Barker, 1988a). The aim was to regenerate such areas with a concentration of public money and action. The circulation of public money in the form of both grants and loans to private enterprise and public action in reclamation, provision of infrastructure, environmental improvements, and in some cases the construction of premises was assumed to be a driving force for the regeneration of such areas.

A variety of different departments were involved in the implementation of the Improvement Area Policy. Planning departments were to be responsible for the identification and designation of locations for improvement area status and the programming and undertaking of environmental improvement schemes in these areas. Programme Coordinating Units within planning departments were responsible for the preparation of investment programmes to be undertaken by the public and private sector in order to submit bids for resource allocation from ICPFs. The administration of grants was also undertaken by either the Estates Department or by the Economic Development Unit (Barker, 1988a). Planning departments eventually used Improvement area status to implement their local planing policy objectives and strategies with substantial resource allocation. Planning departments empowered with "spending budgets, their scale linked to their role in Urban Programme and economic development initiatives" (Healey et al, 1988, p.80). Planning departments therefore became the most committed generators of initiatives in the inner areas. They also

sought to coordinate the spatial dimension of the expenditure programmes of other departments.

Funded, spatially targeted initiatives brought fragmentation both in the field of land use management regardless of being administered by planning departments. Coordination became very difficult and complicated with the involvement of a variety of agencies and departments. Local government formulated policies and initiated projects, however all these were carefully directed by central government policies through resource allocation, and so reflecting the policy objectives of central government. Planning department's regulatory role shifted to a promotional one. They became key actors in promoting and encouraging private sectors investments as they were in the 1960s through their city centre redevelopment programmes.

The system of development plans and development control was complimented by a wide range of additional regulative and financial designations, emphasising conservation measures for sectors of cities and countryside and the promotion of economic, social and environmental regeneration in the inner and older parts of conurbations. In spite of the attempts to organize functionally efficient and rational local government, the whole system with the introduction of the new bodies has become more fragmented (Healey et al, 1988; Bruton & Nicholson, 1988).

3.2 STRENGTHENING PRIVATE SECTOR ROLE

In 1979, the new incoming Conservative Government under the leadership of Mrs Thatcher introduced a wide range of new urban policy initiatives in order to redirect the management of land use and environmental change. Planning machinery was weakened along with local state power at the expense of private

enterprise. These changes were in parallel by the further concentration and centralisation of capital at an international level, a new regime of flexible accumulation and circulation of capital, and intensified national economic recession, in short an escalation of the process of economic restructuring (Parkinson, 1989).

The Local Government Planning and Land Act 1980 introduced a range of new instruments to regenerate the economy and older urban areas with special emphasis on property development and the leading role of the private sector (Healey et al, 1992). All these initiatives have weakened the local states power whilst enhancing that of central government. The introduction of the registration of public land ownership was an attempt to change the land tenure pattern. A number of financial incentives became operational alongside powerful area based initiatives.

3.2.1 Enterprise Zones

Enterprise Zones were introduced as powerful instruments to regenerate large tracks of derelict inner area land for certain types of development, namely commercial, business and industrial via private sector initiatives backed by substantial subsidy packages, removing various tax burdens from firms and relaxing or speeding up certain statutory or administrative controls. The aim of the specific designations and the management of such zones was generally given to respective local authorities, unless such localities fell into areas under the control of the Urban Development Corporations. In the land management process, the most important task was to make land ready for development. The management of the zone has to undertake complex land assembly work, then provide all necessary infrastructure work. This includes the provision of access roads, gas, electricity, water supply networks, environmental improvement work and land reclamation. The management also plays an important role in promoting areas through publicity, provided by central government in the

media or publicity agencies appointed by local government. Local authorities played a key role in the Enterprise Zones through the above activities (Barke, 1988a). Simplified Planning Zones (SPZs) were introduced under the same principle in 1986 to be used as an instrument to influence the location of private sector projects.

3.2.2 Urban Development Corporations

The Local Government, Planning and Land Act 1980 also provided power to the Secretary of State to designate "Urban Development Areas" where this was "expedient in the national interest" and to establish Urban Development Corporations with responsibility for the regeneration of such areas. Respective local authority power was taken over by these central government appointed organizations. Urban Development Corporations (UDCs) were modelled on the "New Town Development Corporations, effectively local planning authorities in their own right. UDCs have a wide range of powers, including the ability to acquire, hold, manage, reclaim, and dispose of land and other property, carry out building and run a business. They can purchase land by agreement, or take over land held by public authorities (vesting, with compensation) or acquire land through their compulsory purchase powers. They are also providers of necessary infrastructure.

Urban Development Corporations also have development control powers, taking responsibility for building control functions, to provide mortgages, loans and grants (Stoker, 1989). UDCs take over many functions from local authorities in their areas. However, UDCs are obliged to prepare a 'code of practice' for consultation with local authorities along with planning applications (Barker, 1988a). UDCs are administered by a board and appoint a limited number of professional staff. The board members are appointed by central government. They are not democratically elected and not politically accountable to local people. The composition of the board members mainly

compromises representative of the private sector, and to a lesser extent local councillors, not as representatives of the local state but as individuals, and eminent academics. Board meetings mainly deal with straight forward matters outside of public scrutiny, minutes and papers are not available to the public or even the respective local authority. They are not subject to the 1985 Local Government Access to Information Act. Their planned expenditures are subject to Treasury scrutiny and approval. As a result, UDCs are isolated and remote from local politics. Their financial resources are directly allocated by the Treasury (Stoker, 1989; Lawless, 1988). UDCs are another example of the central governments attempt to weaken local government power and maintain market oriented criteria. Central government ideology was reflected into the formation of UDCs, it is not therefore surprising that the first two UDCs were established in arguably left labour local authority areas, in London and Liverpool (Parkinson, 1988 & 1989).

3.2.3 Financial Incentives

Following the urban riots in Liverpool, the Secretary of State, Micheal Heseltine organised the "Financial Institution Group", a team of managers from leading banks, insurance companies, pension funds and building societies, to develop new approaches and ideas on securing regeneration and increasing private sector involvement (Barnekov at al, 1989; Rees & Lambert, 1985). This group introduced the Urban Development Grant (UDG) modelled on the US Urban Development Action Grant program. UDGs were provided from the UP from 1983 to 1988. UDGs were made available in the form of grants and loans to private sectors projects where there was a gap between the cost of private sector development and its value when completed. UDGs were administered through local authorities and made available to private sectors projects undertaken within the designated ICPAs. In 1986 Urban Regeneration Grant (URG) was introduced for large scale private sector development projects under the same

principles of the UDG, however directly administered by central government and so by-passing local authorities. In 1988, both grant regimes were replaced by the City Grant and directly administered by central government (Boyle, 1988). This was another attempt to weaken local authorities power in the land development process. All these financial incentives suggest that any capital risk involved in development projects undertaken by the private sector was removed at the expense of the public sector (Healey et al, 1992). The circulation of public money had therefore been expected to regulate and change the mechanisms operating land and property markets. Despite of all these incentives to attract capital to urban areas, development pressures on green belt areas continued (Healey et al, 1988).

All these initiatives weakened the regulatory power of the land use planning system. Central government has used its discretionary power to change the nature of the land use regulation system through modifications to structure plans and decisions on appeal alongside urban regenerative initiatives. Well established development control mechanism in the planning system weakened the basis of free market ideology. The planning system has continuously been criticised as inefficient and irrelevant to contemporary conditions by central government, the development industry and to a lesser extent by planners themselves. The role and relevance of development plans became questionable under a whole range of urban regenerative policies and initiatives (Brindley et al, 1989). A new planning system was not introduced until the metropolitan county councils were abolished along with the structure plan powers which they held. This was arguably a political and ideological move by the Conservative Government as all of the metropolitan counties were labour controlled (Parkinson, 1989; Stoker, 1988). So district councils within the metropolitan areas became planning authorities. Strategic guide-lines were to be provided by central government for a new planning regime (unitary plans).

Progress on the new planning system has been very slow in part as a result of the government's engagement with the privatisation of public sector services and urban regeneration initiatives (Cullingworth, 1988).

Central government intervention in local affairs through urban regenerative policy initiatives and resource allocation measures became dominant practice in the 1980s and onwards (Parkinson, 1989). The policy making process has also progressively been taken over from the local state and determined directly by the central state through the creation of Enterprise Zones and UDCs.

3.2.4 Privatisation of Public Services

Central government attempted to reduced public sector expenditure and their involvement in land and property markets, however urban regenerative policies resulted in highly interventionist public sector involvement. Central government attempted to further reduce local government spending through the control of local government capital spending on housing, schools and road maintenance. Some minor changes in the pattern of local authority capital expenditure occurred with respect to central government priorities in the early 1980s. Central government attempted to reorganize local government finance through the abolition of domestic rates and introduction of community charge in the second half of the 1980s (Stoker, 1988). They also intended to privatise some of its important functions through the mechanisms of "sell offs", "competitive tendering", "deregulation" and the encouragement of a increasing role for private sector investment projects and service delivery. Council house sales produced a new group of home owners as potential group of Conservative supporters as well as a substantial financial receipt for the public exchequer (Stoker, 1988). Contracting out or deregulation led to competition in service delivery undermining the power and strength of the public sector unions. The encouragement of private sector involvement in investment

projects helped to break long standing public trust that these were public sectors responsibility. The process of privatisation therefore was determined by "a combination of ideological commitment and more pragmatic considerations" (Stoker, 1988, p. 191).

All these new initiatives and institutional changes affected each locality differently in accordance with regional variations in economic and political circumstances.

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* Specific dates where applicable are provided in the text.