

Locum Forum

Locum in London

On the evening of Tuesday 10 October 2000, Locum Destination Consulting in association with London First staged a seminar titled 'Bridging the Gap: Investing for the Future' at Ashurst Morris Crisp, in the City of London. James Alexander, Locum's Managing Director, chaired the proceedings: 'This seminar gives us the opportunity to look at some of the new thinking that is going into urban regeneration and how it will shape urban regeneration activity over the next ten years. At Locum we have discovered that, increasingly, leisure and tourism activity is being used as a key lever to unlock some of the more tricky, more difficult, log-jam situations that arise in urban regeneration contexts. We are working at creating what we call 'the destination effect', which can occur at a micro level, or on a much much larger scale, sometimes unlocking significant funding potential.'

The Thames Gateway: regeneration priority

Dr Tim Williams, Director of the Thames Gateway London Partnership, explored several key issues facing development of the east side of London, which has been prioritised for major regeneration by Ken Livingstone and John Prescott: 'The forthcoming development will effectively create a new city, shifting the historic emphasis of London from the West to the 'new East'. The policy aspiration is to use the Thames Gateway's major brown-field sites for urban regeneration that will create housing, transport and education. Now we need to think about the benefits offered by innovative mechanisms such as bond-funding to meet the challenges of financing the new developments we are about to witness in this region.' A complete version of Tim's speech appears in his article, 'A river runs through it', on pages 15 to 17 of this issue.

KUD International: rethinking regeneration

Picking up on the funding issue, Marvin Suomi, CEO and President of KUD International LLC, spoke of how his own company had financed major urban developments in the US by taking a lead role: 'Whereas major UK development and regeneration projects currently begin with approaches to public sector funding bodies, KUD International LLC has succeeded by taking the initiative and using its own



Marvin Suomi

balance sheet to guarantee the completion of development projects that have focused on regeneration based around, for example, aquariums, stadiums, museums and schools. Not only does KUD International LLC guarantee the risk for each of its projects (with a total exposure currently of around US\$1.5 billion), it also covers the costs of development through innovative measures such as issuing bonds against downstream revenues and selling them to institutional investors. In our experience, the projects that are most successful are those which involve a cluster of component parts, adding to the strength of regeneration as a whole and ensuring better prospects for long-term sustainability.'



James Stewart

Partnerships UK: a new force for change

James Stewart, Chief Executive of Partnerships UK, outlined the role of the newly created organisation he leads: 'The mission of Partnerships UK is to support the public sector in the development and implementation of better, faster and stronger public-private partnerships. Partnerships UK was launched in June 2000 and is currently 100% owned by the Treasury. At the end of 2000, 51% of shares in Partnerships UK will be sold to the private sector. Partnerships UK will still be working only with the public sector, but will function as a company, enabling us, for example, to avoid having a fixed budget, and to source good employees from the private sector.

Partnerships UK will also be able to charge Government departments and local authorities for its services, and with its new balance sheet it will be able to put funds, whether equity or debt, into projects, and that will make a hell of a difference: we will be acting as a catalyst in the public sector to make things happen.'

Playing by the new rules

Dr Alan James, a Director of Locum Destination Consulting, gave an overview of why regeneration projects all too often fail, and how radical strategic thinking can be applied to rectify this: 'Regeneration projects too frequently founder when the three key players in the 'regeneration equation' – the Regenerator, the Developer and the eventual Operator – 'overload the agenda' by demanding too large a slice of the cake. The solution, in Locum's experience, is often to use the disciplines of consumer and end-user marketing to shape regeneration developments from the outset. By applying the discipline of consumer branding and creating a 'destination effect', premium visitors, customers and/or residents can be attracted to spend time and money in the destination. Premium consumers, of course, attract premium operators who, in turn, exercise 'upwards pressure' on the developer to deliver premium space and a quality environment. The 'all-round uplift' ensures that better regeneration outcomes are achieved. A sustainably competitive destination is one where consumer thinking drives the planning: the brand deal is as important as the land deal.'

Locum at the TMI conference

Seán Young, David Geddes and Anna Brown represented Locum at the Tourism Management Institute conference in Northampton between 11 and 13 October, and made a well-received presentation about the ongoing work Locum is leading on the benchmarking of towns and cities. Two of the case studies included in the presentation, on retail and public toilets, can be found in David Geddes' article, 'Share and enjoy', on pages 38 to 40 of this issue.

Forthcoming seminars

Two events are planned for April and July 2001. Please see Locum's website at www.locum-destination.com for the announcement of exact venues and dates. The website also contains full information on all previous seminars.