

ISIS Waterside Regeneration

13/03/2003

A quiet revolution has been taking place along Britain's inland waterways in the last decade. From being synonymous with urban dereliction, canals and rivers have now become bywords for urban chic and trendy city living. Waterside property now commands a premium of up to 20% and canalside developments fill the pages of the property press and estate agents' windows.

British Waterways, the public corporation responsible for the UK's 2,000-mile network of canals and rivers, has been at the centre of this revolution, which has seen the waterways reinvented for leisure, regeneration and tourism as well as telecoms and water supply. With its newly established property public private partnership – ISIS Waterside Regeneration – it is set to play an even greater role in the future.

Things have not always looked so rosy however.

The decline in traditional waterside industry during the 20th century left British Waterways with a legacy of vacant and derelict brownfield land. During the 1960s and 1970s it was the received wisdom that canals were an historic relic with little relevance to a modern Britain, and many were filled in, abandoned, or lined with low-cost and low-value developments.

Since the 1980s British Waterways has worked closely with local authorities and private developers to transform these neglected, and often forgotten, waterfronts into living, vibrant communities. Early successes – such as Brindleyplace in Birmingham – illustrated the enormous potential waterside developments have as catalysts for wider regeneration and sparked off similar developments across the UK.

As a public body, however, constrained against borrowing investment capital, British Waterways was often unable to maximise the development potential of these waterside opportunities. Time and again income which could have been reinvested in the waterway network was lost to the private sector. In recent years, however, all this has begun to change, with British Waterways entering into a series of partnerships with private sector developers in order to unlock the potential of its waterside sites. Joint ventures in London, Birmingham, Edinburgh and Nottingham, to name but a few, have given British Waterways greater say over the style and quality of waterside developments, and ensured that income is earned for reinvestment in a whole range of waterway projects.

This new dynamic approach has been welcomed by Government, which was attracted to the concept of a public sector organisation earning a fair income for public assets and, in 1999, Deputy Prime Minister, John Prescott, formerly launched a new Framework Document for British Waterways, setting out the organisation's changed role for the 21st century. Among other things, the new remit charged British Waterways with using its assets, and in particular, its property, as catalysts for the regeneration of the waterways and their surrounding area.

With a property estate valued at £400million, British Waterways owns canals, rivers, reservoirs, docks and waterside land-holdings covering more than 6,000 acres (including 2,000 acres of waterspace) in England, Wales and Scotland. In many cases this property has been in almost constant use for more than 200 years – with locks, embankments, sluices and maintenance yards still working to their original purpose. Much of it, however, comprises derelict and disused brownfield land in prime urban and rural locations.

The concept of a new property public private partnership, as set out in the Framework Document, was to use the model of British Waterways' successful local partnerships, but at a national, multi-site level. The idea attracted great interest from the private sector, with 24 major developers expressing an interest and, in July 2002, British Waterways selected a partnership between AMEC and Igloo Regeneration Fund.

The new joint venture, named ISIS Waterside Regeneration, combines private sector expertise and finance, with public sector ethos and assets to unlock the potential of canal and riverside land across the UK. The company will engage in land acquisition, seek planning permissions and create waterfront development opportunities. Initially, it will have options on ten British Waterways sites and these will be supplemented by more British Waterways and third party land as opportunities arise.

British Waterways will hold a 50% stake and will reinvest any income generated into the maintenance and improvement of its 2,000-mile waterway network.

"This is not a traditional development vehicle," explains Robin Evans, British Waterways' commercial director. "ISIS projects will place a strong emphasis on sustainable regeneration, focusing on high quality architecture which enhances its waterway setting, and delivers environmental and social benefits for local communities and visitors to the waterways. We are confident that between British Waterways, AMEC and Igloo, we have a winning team which will generate significant funds for reinvestment in the waterways."

"We have a real opportunity to create something unique here," adds ISIS chief executive, Mark Ryder, formerly a director of London & Amsterdam Developments. "ISIS Waterside Regeneration is a true partnership between British Waterways, AMEC and Igloo and I have been impressed by the strength of their shared vision. We have been tasked with turning ISIS into the UK's leading regenerator of waterside land within the next 10 years. With the team and assets at our disposal, I am confident that we will succeed."

Deputy Prime Minister John Prescott added his support for the venture, saying:

"The property PPP is an exciting opportunity which enables British Waterways to build on the success it has achieved so far, and to get even greater value from public assets working with respected private sector partners. This venture is an important boost for waterside regeneration which will bring benefits to all concerned."

ISIS Waterside Regeneration was launched in Autumn 2002.IJ

Further Information

British Waterways is the public corporation, responsible to the Department for Environment, Food & Rural Affairs, which cares for the UK's 2,000-mile network of canals and rivers. It holds a property portfolio valued at £400million and works in a variety of joint ventures to unlock the potential of its assets. By balancing the conservation of waterway heritage and environment with developing commercial opportunities, British Waterways generates new income to reinvest in the waterways for further sustainable regeneration

AMEC is a leading international provider of services and engineering solutions to the world's infrastructure, manufacturing and process industries. The company creates value for clients through the application of its knowledge, innovative alliances, partnerships and technologies. AMEC owns 46% of SPIE S.A., the international electrical engineering, infrastructure and construction services company based in France, and has an option to buy the balance of SPIE in 2002. Together, AMEC and SPIE employ 50,000 people in more than 40 countries and have annualised revenue of approximately US\$7billion.

The Igloo Regeneration Fund is a £200million limited partnership fund with all the initial equity provided by Morley Fund Management on behalf of a number of in-house managed life and pension funds. Igloo invests in the development of mixed-use, environmentally sustainable, well-designed, urban renaissance projects on the edge of the top twenty city centres in the UK.

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