

**Just Space Community/University Conference
Towards a community-led London Plan
28th April 2016**

Opening plenary: re-thinking the economy of London

Professor John Tomaney (UCL):

- What are the alternatives to London's continuing growth and dominance?
- Lack of attention to London's economic relationship to the rest of the UK in London policy and research.

2 ways of thinking about London's relationship to the rest of the UK, each with different policy implications:

1. Economic activity should be redistributed from faster-growing to slower-growing areas. "Spatial Keynesianism". Keynes suggested government should intervene in the economy to ensure all resources are utilized and that spare resources that are underutilized should be brought into use. How has this worked in practice? Government provided incentives and infrastructure in the N of England designed to attract investment (inc FDI). E.g. regional development grants. Infrastructure also provided e.g. County Durham – New Towns. Create infrastructure to attract investment and make it more efficient to provide public services. At the same time, there were constraints on development in the south. Development Certificates were required during post-war period. In the N, regional planning councils were created. These were policies that operated between 1945-79. Was this successful? A large no of jobs were created that can be attributed to operation of this policy. So at this level, could be considered a success. Policy was abandoned mostly in 1979. Why if jobs were created? Ideological shift away from Keynesian policies. Also the policy had significant weaknesses. On the one hand, attracted new factories to the N. But concerns about whether these were isolated, poorly connected to broader economy. Branch Plant Economy. Very susceptible to closure. Policies were considered less effective as capital became more mobile. If firms could move to E Europe or China, policies become less effective. So over time, this has been replaced by a new approach.
2. Focuses on advantages that rely on agglomeration of firms and people. This idea is really accompanied in the UK by the economic resurgence of London. During this period, we've seen an ever widening gap between the N and S. It is argued that there are advantages to such agglomeration. Therefore, rather than distributing growth, policy should allow London to become even bigger because it is this concentration that creates economic growth. So we have seen massive investments in infrastructure (Crossrail, Crossrail 2, N Line extension). In the N, there is lots of debate about this. Why is London getting all the investment? The other big policy proposal coming out of this approach is the removal of planning

constraints. The idea that planning is preventing the further growth of London. Therefore propositions such as building on the Green Belt and building higher. Is agglomeration the whole story of London's success? The agglomeration account is one that neglects wider questions. To what extent is London's growth attributable to it being a money-laundering centre? Neglects agglomeration diseconomies: pollution, inflation in land/labour/property prices. Assumption that disadvantages are always outweighed by the advantages. In that context it therefore seems fanciful that all of London's problems can be solved by building on the greenbelt.

These two ideas have dominated London's regional history since the post-war period. The only conclusion we can draw is that "this is pretty complicated stuff". What advice for your deliberations today and in the future? Only thing we can say is that you 'should' consider London's relationship to the rest of the UK. Extend thinking beyond the immediate hinterland of the home counties. There are no easy answers to how we manage these relationships. All I can say is "I wish you all the best".

Dee Searle (Green Party candidate): London should be big enough to think about our position in relation to the rest of the country. This economic development that is causing huge problems outside London is also causing huge problems inside London. We are now trapped in an orthodoxy about the market ruling that has been going on for 40 years. How do we challenge that without looking like a bunch of nutters? Can't say no to more house building without coming across as 'protectionist'. How do we change this embedded ethos of 'the market rules'?

Corinne Turner (Peckham Vision): One of key things is the dependency that people have on agglomeration and jobs, salaries that pay for the homes. Now homes are being built, sold for millions, on their doorstep. We are building the slums of the future. It is the dependency on the agglomeration culture that is key to being able to shift anything.

Qu from floor: one of the arguments against your thesis is that many would argue that London's key relationship is no longer with the regions, but with other world cities. Given mobility of capital you mentioned, trying to retain this local relationship is very difficult.

JT response:

- The central difficulty we have is the failure to develop a progressive alternative to the market led approach. We need to do some hard, basic, fundamental thinking about these issues. Part of the problem is that citizens no longer have faith in politicians to solve these problems.
- Implications for action arising from the analysis: not sure. But this idea that London's relationship is primarily with cities elsewhere rather than with its own nation is wrong – it has a deep and complex relationship with the rest of the UK. Either idea that London is an escalator and creates opportunities for the rest of the UK, OR that London sucks the life out of the rest of the UK.

Eileen Conn (Peckham Vision): The London global economy is as far from London's local residents and communities as it is for residents in the rest of the UK. Not for ordinary people, as divorced from the local economy as everything else in the UK. We need to find a way of educating local people in London.

JT: the general public is probably more aware of the failure of the current system than we give them credit for. They are aware of the problems, but they don't have faith in the proposed alternatives. We need to work hard on plausible alternatives. We are a long way from being able to present a radical, plausible alternative.

David Fell: "Greening the Economy"

Example of business website facilitating re-use of office equipment (desks/computers etc). Turnover of £0.5m a year. Green entrepreneur. Large businesses save money because they don't need to dispose of their waste. Her company produces a short report on the environmental/economic/social benefits of their actions. Can feed into their CSR reports. Many small businesses/charities/RAs benefit.

The Green Economy is rather intangible or difficult to 'plan for'. Better to think of 'greening the economy' and think about all the various small things businesses can do to be more green. This is the Green Economy. Don't aim too big too soon.

London Sustainable Development Commission. Working on the Circular Economy. Close cousin to 'the green economy'. Looking at how to foster

Pat Turnbull: Ok, but this crystallises the problem we have: Why should charities etc be reliant on the cast-offs from big companies?

Elena Besussi: If we look at consumption alone, then the smallest ecological footprints come from the poorest households because they consume less, not because they consume green. So there is an issue of inequality here. We all need to think about how to consume less. The problem we have is that the economy is relying on consumption. How do we create an economy that provides jobs but drives down consumption?

Qu: In some respects, the green economy relies on the trickle down effect where socially disadvantaged rely on cast-offs. I wonder why, when there is any discussion of green jobs, why do we hear less about caring and teaching jobs (traditional female domains)? Creating jobs in childcare and social care must be the epitome of green job creation. It's disappointing that we don't hear more about job creation that relates more to occupations that are traditionally held by women.

Qu: Your explanation of re-use is compelling and not complicated. But actually greening the economy and re-use should be applied everywhere. Why not tie this to housing? We need to link things together, join the dots. When Michael

mentioned that London should not be seen in isolation, that is part of joining the dots.

DF: Feel encouraged by the spread of comments. Highlights the spread of what's in play. Completely agree that underpinning problem is with consumption. UK advertising industry spent £12bn pounds (last year?). But if you lead with that argument, you will bounce off the hegemony. Big risk if you put all your eggs in that one basket. Keep it in mind, but don't necessarily lead with it. On the issue of Care, I did some work a while ago to look at London 50 years ahead. UCL organized a series of events around this. I explored the question of 'what might a feminized city be like'? This became an essay, which then turned into my first book. Care is central to this. Figuring out how to provide care for each other is key and receives woefully little attention. (we could add refs)

ME: This connects up with another strand of work on poverty and low pay. So many of these occupations are very low-paid work. One of the things we have been saying to the GLA is 'if you want to raise the total income of London you don't have to raise the pay or increase the numbers of bankers and lawyers, you can focus on raising productivity and pay of low-paid work & caring professions'.

Tom Chance (Researcher, London Assembly Greens): How might these ideas even fit into the London Plan? When it comes to re-use, for example, the London Plan team would respond and say that their job is just to facilitate space for a range of activities, not pick and choose. Are there things we should be looking at in the Economy section of the London Plan that could create more opportunities for Green businesses or restrict activities of businesses that are not so green? Or should we be looking outside the London Plan?

Jenny Bates (Friends of the Earth): Because it's supposed to be sustainable development, we need to look at solutions that are win-win-win. When London Plan comes up with solutions that work against the environment or social, we need to challenge that. For example, if you tackle air pollution, you get health & productivity gains, less congestion (good for business), make London more attractive to live, work and for tourism. It's those sort of things that people (businesses, GLAE) don't get.

DF: Yes, I probably do have rather romantic views of the London Plan. It's supposed to be a spatial plan, not just a land use plan. So it should provide the context for all other strategies, such as the Economic Development Strategy. There should at least be **'hooks' in there, detail** can be explored elsewhere.

Patria Roman (Latin Elephant/University of Loughborough, London):

Reflect on collaborative work between academia and practical work with Latin Elephant in E&C. 3 areas of focus for LE:

1. Research & policy
2. Business readiness
3. Increased participation in the transformation of E&C

London Plan does not acknowledge Minority and Ethnic Economies (MEEs). Not there – cultural industries and technology businesses have a separate chapter. This argument was noted by the Inspector and was adopted as a small change in the FALP. Not a big triumph, but has encouraged us to keep pushing and arguing for this.

Why MEEs in London Plan?

- Regeneration schemes in London – high % of diverse ethnic populations
- ME groups and businesses are disproportionately affected by regeneration schemes in London
- Linked to OAs

Definitions:

- EMBs. Ethnic background of owner and staff. Cater to or have an ethnic clientele.
- Migrant entrepreneurship – shared common national background often attached to the experience of migration

EMBs & London's Economy:

- contribute b/w £25-35 bn to the UK economy (2010 data)
- represent 6-9% total SMEs in the UK – high % in London
- Employ 1.16 m people in the UK
- MEBs are an important feature of multicultural urban life
- Contribution to the UK economy, urban spaces, social cohesion.

So lots of positive data is there in terms of their contribution to the economy. But dominant discourse is that 'migrants are taking our jobs'. We need to get away from that kind of discourse in the London Plan.

Current areas of work:

- Data gathering with students
- Southwark report on MEBs
- Policy recommendations based on work with MEBs in Seven Sisters
- Survey data gathering in Brent.

Policy areas:

- strategic level: Mayor and boroughs
- planning decision level
- local plan preparation

Pat Turnbull: Broader problem that small businesses serving working class communities are not valued in London. Includes markets. MEBs fall under this banner. It seems to me that if we could emphasise the links between different working class communities, it might help to combat this view of the 'other'.

PR: Yes, this is what we are trying to do. Argue for the broader issue of other, alternative economies and interdependencies.

Economy workshop:

Michael Edwards
Sian Williams
Jenny Robinson & UCL students
Tom Chance, London Assembly
David Farnsworth
Roger Manser
Tom Keane, Resident Cressingham Gardens, PhD Goldsmiths
Eleanor East London Unite Community, part of Trade Union Unite
Dan Wilsencraw, Generation Rent
Corinne Turner, Peckham Vision
Eileen Conn, Peckham Vision
Patria Roman

Student presentation on Harlesden local economy

- What effect will the OPDC development have on Harlesden local businesses?
- Seven students – chose busiest streets in Harlesden. Door to door survey. 278 businesses. 15% of those, we were able to do a short interview.
- 25 case studies – more in depth conversations
- Data broken down into categories
- 70% of businesses were micro-businesses (0-4 employees), but most of detailed data comes from small businesses
- 1000 employees in area roughly
- 96% independent businesses. 60% leased spaces. 86% established after 1980. 64% said that their customers come from the three local boroughs. 30% businesses anticipated employment growth (but methodological issues here – not always business owners spoken to).
- Asked ‘what makes Harlesden special’? Public transportation came top. 60% wanted improved parking facilities though. Lots of traffic, little parking. With the development, this could get worse.
- Qu: Are these businesses looking to trade in Europe? Corinne. No, not many. How does it fit with this development? Will these businesses provide services to this development area?
- Qu: What’s the longevity of these businesses? Once OA starts, will these businesses be forced out?
- Producing “The Harlesden Atlas”.
- Jenny: An example of studies that are looking to map what is there before big change happens. Reproduce their methodology, could be used in other areas.
- GLA focus generically on ‘homes’ and ‘jobs’ but don’t consider what is lost.
- PR: in E&C it was only the big businesses that secured space in the new redevelopment.

JF presentation on EEB analysis – see document attached at the end of these notes.

Eileen: Suzy Hall's work on Ordinary Streets Peckham showing that Peckham town centre contributes more to London's economy than Westfield. Shouldn't we be using that type of evidence? London as a safe investment at the global level is totally rooted in the domestic world. Why is the money fleeing to London.

Patria: There is a whole chapter on that - London's attractiveness to people and businesses. But only presents one side of the story.

Eleanor: IT is time to let writers of the London Plan know how grossly inadequate their approach is. All councils are undergoing massive cuts and are expected to be self-funding and rely on business rates of the marginal owners we've been looking at. Scheduled for 2018-2020. LA budgets will be 20% of what they were. The wave of social cleansing we are seeing will be accelerated. We're talking about the economy in a very disembodied way. It echoes the democratic structure we have already. The City of London represents the business rather than resident votes. What JS should be doing is trying to embed the economic analysis into an overview that takes in to account democratic structures. Most members of mine would not have the money to get here to give evidence.

Tom: The point you make on the value-ladenness of the EEB makes me think you need to be making this as a political argument to the Mayor rather than to GLAE. There are opportunities, depending on who is Mayor. If Sadiq is Mayor, there might be an opportunity to challenge the orthodoxy.

David F: It strikes me that the root of all this is the mindset that the establishment has got themselves into (and the rest of us too). This idea that the economy is some kind of independent force that we have to follow or else we will be in trouble. It is not independent, it is political. They need to be doing a real cost-benefit analysis, and risk analysis. These risks need to be spelled out in order for a choice to be made. This choice should then be made democratically, not by an elite team of economists sitting in City Hall. Worry about getting into this discussion ideologically. I don't think the answer is a counter-ideology. The answer is to argue for democratic choice. Open this all out to democracy. Get at the politicians. This is a 'loaded' report. There is no such thing as 'the best economy'.

Qu from Cressingham Gardens: also concerned about reclassification of housing estates as brownfield land (same as industrial land). At Cressingham Gardens, we would have liked to see a real cost-benefit analysis of the redevelopment. Yet democratic processes have been undermined. An illustration of the real effect this has.

- council finance comment. We've been cut so we can't support small businesses or council estates. This is political. "Foreign buyers" is a distraction. We need to be careful of this discourse too. What about the 'high street is dying' mantra. If you look at the working class high street, they are still doing business, even in a recession. Do the GLA buy into this?

- How do we penetrate the problem? There is a 'good' and a 'bad' argument. Why bad? Not sustainable. But if this has to do with possible impacts in the future, this is considered 'not provable'. But because it's not sustainable, it will collapse. Eventually agglomeration becomes unsustainable, becomes unstable. MEBs considered such a miniscule part of the picture by decision makers. The question becomes, when will they realize that this agglomeration is becoming treacherous?
- Teresa Hoskyns: Want to add to democracy point . Not just about politicians. It's a spatial question too. In Sheffield city centre, private developers of redevelopment scheme have pulled out. Civil society orgs, NGOs, charities, small groups have moved into city centre because the council evicted everybody before developers pulled out. What does this mean in terms of spatial democracy?
- Broader issue that spaces are not being protected, they are being privatized. Southwark Association of Street Traders recently reported a drop of 200 traders in recent past. Looking further back, 60 years ago it was 'heaving' with traders. Road building and closure of industries had a major role in the decline. Now MEBs have thrived in the area, but they need to be protected.

Tom: you should push for new Mayor to extend timescale for production of EEB and consider the broader range of evidence, use evidence to present a cost-benefit analysis and offer real choices.

Sabino Miranda (Sustainability 4 youth): we need to talk about the limits of growth (on environmental and social resources). No one is talking about this. Need to hold them accountable to carbon emissions. Who's accountable?

Final Plenary

Robin Brown reflections on joint Just Space/UCL module with BSP/Geog. Primary output will be a mapping exercise of community groups actively campaigning on planning issues across London. Calling this JustPlace. Mapping communities that are either conducting, participating or resisting planning. Also mapping community activities and assets. Email: justplace@mail.com

Eileen Conn on how collaboration with academics and other community/business groups through JSEP has benefited Peckham Vision.

Discussion: how can the community groups within JS extend our reach in terms of our collaboration with universities?

INSS conference on social sustainability – sign up
Notes by Jessica Ferm UCL

Appended (28 April presentation to workshop)

Just Space Economy and Planning Review of GLA Economics' draft Economic Evidence Base (February, 2016)

This document has been prepared by Jessica Ferm (Bartlett School of Planning, UCL) with particular thanks to other members of JSEP who have either directly contributed text and analysis, or taken an active part in this process, in particular Patria Roman (Latin Elephant), Michael Edwards (UCL), Myfanwy Taylor (UCL), Rachel Laurence (NEF), Mark Brearley (CASS Cities), Roy Tindle (Charlton Riverside), Richard Lee (Just Space), Ilinca Diocenesescu (London Gypsies & Travellers), Lucinda Rogers and Krissie Nicholson (East End Trades Guild).

<http://www.london.gov.uk/business-and-economy-publications/draft-economic-evidence-base-2016>

In August 2015, GLA Economics (GLAE) invited the Just Space Economy and Planning (JSEP) group for a consultation meeting as they worked on a draft of a new Economic Evidence Base which would inform the next London Plan and other Mayoral plans after the election. JSEP held meetings with GLAE on 15th September 2015, 19th November 2015, where JSEP responded to the initial scope of the EEB presented by GLAE. The Draft was issued in February 2016 and a further meeting was held on 18th April 2016 to discuss JSEP's initial comments. The draft will be revised by GLAE after the election in the light of informal consultation comments and steers from the new Mayor.

The aims of JSEP in this work have been, and are

1. to contribute evidence and interpretations to the GLAE team reflecting the knowledge and experience of community and business groups in London including those of small and social enterprises;
2. to question and in some cases to challenge the framing and formulation of 'economic' objectives and processes which are considered to be unduly influenced by the interests of corporate big business, especially financial and property interests and to pay inadequate attention to the needs of Londoners —especially low- and middle-income Londoners— and the potentialities of parts of economic and social activity which contribute strongly to the welfare and wellbeing of citizens and the robustness and environmental sustainability of our economy;

JSEP is currently putting together a written representation on the draft EEB, pulling together issues raised at all three meetings. Below is a summary of the five key topic areas where we are focusing our critique.

1. The nature and purpose of the document

The Economic Evidence Base has been prepared as part of a process of "evidence-based" analysis, which can then be used to inform other policy documents, most importantly the next London Plan. The implied assertion is that such work is 'objective', 'neutral', 'factual' - in contrast to 'policy' positions, 'values' and 'distributional considerations' which are the proper sphere for politicians (or perhaps planners), not economists.

Our challenge to this is that the EEB is fundamentally value-laden in two respects:

- (i) through its selection of topics, sectors, variables to focus upon
- (ii) through the framing of the narrative in an implicit theorisation which accords merit to market processes and outcomes.

Under (i), there is:

- Still a strong focus on export-oriented and high value-added sectors; very little attention to complementary and other parts of the economy. Nothing on ethnic or other specialised economies
- An emphasis on specialization as the driver for London's global city status, with no acknowledgement of the importance of diversity or the interdependence of sectors.
- A strong spatial focus on central London, in particular the CAZ, with little attention paid to the rest of London and its economies
- A focus on clustering and the geography of some sectors – though nothing at the neighbourhood scale
- No research or discussion of what happens to the wealth generated through London's economy. For example how much of the profits generated by businesses based in London are a) paid in tax; b) re-invested into business (as opposed to paid out into shares); c) spent on wages (and whether this is rising over time, as growth goes up, or not); and d) distributed across socio-economic 'classes' within the population. + paid as rent
- Lots on startups but nothing on sustaining the jobs we have. No broader analysis of the contribution and characteristics of SMEs, social enterprises, self-employment or the ethnic and migrant economies of the city

On (ii) occasionally the implicit theorisation shows, as in the following phrase on losses of employment land:

The loss of employment land in London's industrial estates is seen as a risk by *some commentators*, as they can be valuable sources of employment in sectors such as distribution, manufacturing, construction, catering and other light industrial uses. The alternative perspective is that the market should determine the optimal use of industrial land through price signals and these industrial premises may be better located elsewhere in terms of economic efficiency.
(p.170)

Some commentators in this context are defined in the endnotes as JSEP, not acknowledging that the same critique has been made by organisations such as the British Property Foundation, Barton Wilmore.

2. The lack of connectivity between different chapters and themes in the EEB

The draft EEB is made up of seven chapters, as follows:

1. State of London's economy, trade and London's specialization
2. The spatial characteristics of London
3. London's attractiveness as a location for business and people

4. The outlook for London's economy and risks
5. London's environment
6. London's people
7. Socio-economic issues

The chapters have different authors and currently few connections have been made between the chapters and different themes. The most glaring is that little connection seems to be made between the acknowledgement that London in fact performs pretty badly on most socio-economic indicators (apart from education attainment levels) and the assertion that its economy is extremely successful in terms of productivity. These two messages in the report appear unlinked and unexplained; and certainly, there is no indication that the economic performance and structure of the economy might be responsible for the problematic socio-economic indicators. For example, in listing the future risks of agglomeration effects, whilst high costs of housing and competition over space use is mentioned, this is only in the context of it ultimately slowing growth down – not making the connection also that this increased trend is likely to further worsen the socio-economic indicators.

3. The nature of the economy

The first chapter that describes the nature of London's economy and frames the report focuses almost exclusively on specialization as a driver of London's growth and competitive advantage. It does not acknowledge the body of theoretical and empirical work, which looks at economic diversity as a driver of urban growth (e.g. Jacobs, Duranton & Puga, Glaeser, Buck et al). Nor does it acknowledge that London's growth has historically been driven by its diverse economy. Although increasing specialization in certain sectors has been a feature of its growth in more recent years, this specialization co-exists alongside diverse economic sectors. The EEB should acknowledge the range of evidence and explore in more detail diversity as a source of long-term success for London. The loss of diversity in London's economy could be a real threat in itself, but this is not explored.

By focusing on sectors in London that are specialised, on the 'globally significant' parts of the economy, and on agglomeration in central London, the EEB ignores the majority of the rest of the economy. If more than half of the economy is outside the centre, what does this economy look like, what is the nature of these jobs?

4. The spatiality/geography of the economy

The EEB is mostly de-coupled from the geography of London, there is a skewed focus on notable agglomerations and specialisations in the CAZ and Isle of Dogs, and an under-emphasis on the geography of the more generic majority of the economy. In particular there is no mention of the accommodation challenges we face.

There is some sector-based analysis and mapping, but there is no spatial illustration of London's economy as a whole, showing where the jobs outside the CAZ are located, the importance of High Streets and industrial areas, revealing the dispersal of employment across the capital. There is no mention anywhere of the changing

geography of London, which has seen the suburbanisation of London's poverty and lower-value jobs, which has been driven by accommodation challenges, particularly affordability.

While there is some mention of the potential negative consequences of agglomeration and emerging accommodation shortages in Chapter 4, this does not come across as a major matter. Through the presentation of Alonso's bid rent model, there is an inference that the matter is somehow self-correcting. There is no real acknowledgement that the provision of accommodation for various activities in cities is slow to respond to market changes and that, in London, the market for accommodation is distorted, intervened in, differentially subsidised, and partially managed by layers of government.

Most of the second chapter of the EEB is on spatial patterns and clusters, and on transport. This is informative but does not grapple with the important issue of the implications of the economic geography of London's projected growth for worker travel patterns, including emissions and access to work for low-paid/part-time workers, those with caring responsibilities, and for local supply chains, including emissions and road congestion. It entirely avoids the distributional, gender and environmental effects of this emerging geography.

5. London's people and socio-economic issues

The two chapters on London's people (Chapter 6) and Socio-economic issues (Chapter 7) need to be more effectively integrated into the rest of the report, rather than appearing as an add-on. The discussion needs to be framed in the context of the rest of the EEB and connections made between the success of London as a global city and the poor performance across many of these socio-economic indicators. The sections on affordability need to be discussed in spatial terms (see earlier commentary).

The analysis on inequality focuses only on income distribution, all sections are generally missing detail and breakdown by ethnicity, gender, disability. There is nothing on the quality of jobs or in-work poverty. The Index of Multiple Deprivation 2015 maps are provided, but there is not much analysis beyond listing the boroughs with high deprivation.

Mention of migrants/migration tends to be in the context of the negative impact of migration, for example the impact on UK workers - falling earnings coinciding with migration increase and the displacement of UK workers by migrants. There needs to be more emphasis on the positive impact of migration; the importance of migrant and ethnic owned businesses to the capital, the relatively high-skill levels of migrant workers and the positive influence on businesses. Again, the discussion comes across as value-laden.

Later Note: a written submission sent to GLA Economics in late May 2016 embodies the progress made in this note and the related April 28 discussion. It can be found at

<https://justspacelondon.files.wordpress.com/2016/05/160523b-jsep-comments-on-eeb-final.pdf>