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Chapter sixteen

Structures for development: getting them right

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The Thames Gateway is an enormous undertaking. In many respects it resembles some of the earlier major projects of British town planning like the Milton Keynes generation of new towns or the London's Docklands development. Like them, it may come to be regarded by some as a great achievement of public policy and by others as a great disaster. The fact that positive and negative views can be taken of the same project does not (or does not merely) reflect alternative subjective perspectives: it stems from the fact that there are real conflicts in the society and thus different criteria for judging success.

The Thames Gateway project poses daunting choices for those with the power to decide on the future development of South East England. Government and the Mayor of London both agree that much of the wider South East's growth should be concentrated in the Thames estuary (DCMS 2006; Mayor of London 2004). They share the intention that London will expand to the East, not to the West, and that the rationality of capitalist growth is the unquestionable way forward. This chapter explores aspects of this supposed rationality, arguing that the aspirations of 'sustainability' and 'community' cannot be achieved in the neo-liberal framework which is on offer. Indeed, if we try to develop the region using the prevailing orthodoxy all the signs are that Thames Gateway will be UK regeneration plc's biggest debacle so far.

It does not have to be this way. The new city/region could be a laboratory for innovation in ways of living, ways of building and transforming ecological relationships.

The reality may be somewhere in between but, to dramatise the choices, this chapter sketches out worst and best case scenarios by anticipating how the future could unfold.

But first a bit of background.

Capital Problems

London is a problem region and its eastern part has special problems.

London sucks in wealth created around the world; it staffs its banks, universities, hospitals and services with people trained everywhere (including poorer countries) and drains the skilled people from much of the rest of the UK as well (Amin, Massey and Thrift 2003; Massey 2006). Meanwhile the unqualified members of its own population (of many ethnic groups including poor whites) remain largely overlooked within the urban economy. Those who are employed are squeezed between low wages and high and escalating living costs¹; many retired people and the substantial surplus population, effectively discarded or abandoned by the economy, depend on inadequate state benefits if they are lucky or live in penury if they are disqualified – for example by being asylum-seekers or illegal residents who are not permitted to work or draw benefits.

A crucial dimension – both a cause and an effect – of this sucking in of resources, including highly educated people, is economic growth, conventionally measured by GDP and inaccurately described as ‘wealth creation’. The growth package comes with fast-expanding employment and population and even faster price increases for housing. The housing problem is very severe and the severity of the problem is beginning to be recognised after decades during which British and other European governments were in denial. Since the turn of the millennium we have seen academics and the Treasury drawing attention to the symptoms, about which there is some consensus, but there is

¹ These relationships are examined, mapped and, to some extent, analysed in Buck and others (2003 especially chapter 7) and Hamnett (2003); the tensions within Greater London are well drawn out by the Mayor of London's study of inequality (2002).

great controversy about how the situation can be theorised and dealt with. The economic accounts (Barker 2004; Hartwich and Evans 2007; Cheshire and Sheppard 2005; Cheshire and Hilber 2007) are based in a neo-classical orthodoxy in which market demand and supply are expected to resolve problems, if given the chance. Attention thus focuses on supply constraints and especially upon the planning system and planning policies which undoubtedly play a role – an overwhelmingly important role in the view of these writers. The response in the second Treasury report (Barker 2006) is to propose a relaxation of planning rather than a different kind of planning and land policy. It would amount to a de-regulation of urban development, liberalising the one major area of British life—the Green Belt and containment policy—which Margaret Thatcher never seriously tackled. This is not the place for a detailed discussion of alternative interpretations but some of the crucial points can at least be sketched here.

One missing element in the standard account of our housing problems is the link with the pensions crisis. As households lose confidence in the adequacy of state and private pension provisions, they increasingly turn to personal capital accumulation through owner-occupation and buy-to-let housing.² They are encouraged in this by a proliferation of tax incentives, by low interest rates and by freely available credit. The poor profitability of investment in productive activity in the UK further focuses investment into land and property including 'buy-to-let' housing.

A second weak element in the standard account is that it underplays the way in which property investment is simply a speculative pursuit of anticipated capital gains—the fruits of scarcity.³ Underpinning this process are complicated mechanisms sustaining scarcity throughout the urban system: the limited supply of good schools (to which nearby

² In this respect we are behaving rather like stereotypical southern Europeans. Citizens of Greece and southern Italy, for example, have for decades treated land and property holdings as part of family financial survival strategy, partly in response to weakly-developed pension and welfare systems (Arbaci 2002).

³ Gyurko and others (2006) have argued, for the USA, that such investment surges can be self-sustaining and Fred Hirsch (1977) argued that intensifying competition for the best and scarcest environments—positional goods—drives prices up with no real winners.

housing gives access), the big differences in accessibility (to jobs, services, fast transport) between the best-connected and the worst-connected areas, the cherishing of historic environments, the high price of travel and doubtless other factors which differentiate urban space. Changing this set of relationships would call for a variety of linked measures and simply persuading people to lower their expectations of future capital appreciation and relaxing land supply at the urban edge is certainly not enough. While the convention is to blame the planning system as the source of all the scarcity which causes these problems, it would be more accurate to say that the balance of power in British society is strongly weighted in favour of property owners and ownership. All our institutions associated with the production of the built environment have adapted to this balance and help to reproduce it. The planning system (and the policies being pursued within it) are part of the story but other kinds of plans could probably help us re-balance power in the country – and the later part of this paper explores the kind of rebalancing which the Thames Gateway could pioneer.

Some major changes in the role of housing and property investment in the whole economy are thus required. In the mean time the government and the Mayor of London just welcome all this expansion and insist that London somehow has to go on growing. We are told that any restriction of this growth could kill the goose that lays the golden egg: investors would go elsewhere. Indeed they might. But that might be a better outcome, viewed from a UK or a wider European perspective, because the benefits in growth or quality of life in the places which gained at London's expense might be greater than the losses for London. If the kind of growth we have in London has negative as well as positive effects for Londoners, we might be better off ourselves with less of it.

Expansion along the radial corridors to north, south and west could be a good solution but there is a taboo on that because of the strength of resistance from the property-owning classes who defend themselves so vigorously in the green belt round

Greater London and protected 'countryside' in the adjacent regions beyond. The elite part of the county of Buckinghamshire fought off the threat of urbanisation in the 1960s by telling the government that, in return for preserving the leafy Chiltern Hills in south Bucks, regional planners could have a free hand among the sulphurous brick kilns (and Labour voters) of Bletchley in North Bucks. That's how Milton Keynes came to be designated where it is⁴. Now we get the Thames Gateway partly for the same reasons: the people east of London could do with more jobs, the region needs more housing and the NIMBY forces opposing development simply seem less powerful in an easterly direction.

London has a long history of problems to the east. This is where the most polluting industries went, outside the environmental and safety controls of the former London County Council – east of the River Lea on the north bank and east of Greenwich on the south bank. It was the backyard of London with power generation, garbage disposal as landfill in the Mucking marshes, car-breaking and the rest. It also had the Ford plant at Dagenham, oil refineries, cement, armaments, paper and cardboard manufacture among its main industries. With the destruction of manufacturing in the UK, most acute during and since the Thatcher period, this part of England has suffered catastrophic job losses which produced an abandoned working class and a fertile ground for racism (Jeffrey 1999).

A bit away from the rivers, Essex and Kent have long been dormitory areas to which east Londoners have moved when they could afford to do so, and these movements have been disproportionately of white people. London itself may (and does) celebrate its diversity but at the edges of Greater London and especially in the counties beyond its boundaries the social landscape is very white (Buck and others 2002, 43).

Employment growth has been strongest in central and western London. That trend follows the market, reinforced by successive decisions to expand Heathrow and more recently by Ken Livingstone's determination to foster finance and business services in the

⁴ This view of the government's decision was widely shared at the time and a muted version of it is reported by Bendixson and Platt (1992, 6).

centre. London cannot house its growing labour force so it has to suck more commuters in from outside – especially from the dormitory areas of the east outside Greater London which are the least self-contained parts of southern England in terms of local employment.

From the point of view of employers in the City, West End and Docklands, continuing growth depends on even more commuters from Kent and Essex. But the trains which bring them in are jam-packed and central London employers (and commercial property owners) are pushing for investment to increase commuter capacity. New services from Kent will start running on the Channel Tunnel Rail Link tracks in 2007 and there is strong pressure for that to be followed by 'Crossrail', although the wider economic and social justifications for it are weak. Ken Livingstone now has some influence over the privatised suburban railway system of the region, but Transport for London (TfL) is struggling to find ways to enlarge the system's capacity to get the new workers in to the centre, even with massive state investment and maintaining a 2006 level of overcrowding on the trains. Furthermore, capacity improvement on the radial lines is very wasteful: every packed train coming in to the centre runs back nearly empty for the next load of Kent or Essex commuters. This is less of a problem going out of London in other directions such as north to Milton Keynes or Watford, west to Reading or south to Gatwick/Brighton. There are more jobs out there and thus more reverse commuting. Major population growth in the east thus has disadvantages from a transport energy point of view.

Another problematic feature of this eastern region is ecological. The modern parish of Mucking, for example, has long been described as one of the most derelict on the north shore of the Thames (Astor 1979): the higher land worked for sand and gravel, and the marshes along the river covered by London rubbish (Middleton 1994). The Thames Gateway needs a major investment to clean up polluted land; the huge landfilled marshes at Mucking may be damaged beyond repair and many of the areas proposed for urban development are vulnerable to flooding – either now or as a likely result of global warming

in the future.

Worst case scenario...

If the Thames Gateway project goes ahead with some of these major challenges unresolved, pessimistic foresight suggests the following outcomes.

The cost of making it happen at all—building transport and social infrastructure as well as subsidies for clean-up of land and for flood protection—is an endless drain on state investment. The 2012 Olympic and Paralympic Games helps a bit in this respect because the sheer imperative of being ready on time for the Games permits normal decision-making and consultation to be compressed and ensures that budgets will be diverted to do roadworks and other bits of infrastructure in the 'national interest'. Even that is not enough, however, and much of the infrastructure lags years behind the need.

The growth of the region's population and income in turn boosts growth of property values in the south of England, leaving some of the more peripheral parts of Britain to struggle. Government statements about regional policy, already very feeble, become even less convincing as state expenditure on the Olympics, and then on urban infrastructure and housing, further overheats the South East. As house prices (and rents) are driven up in this way, low- and middle-income people suffer worsening housing conditions, more overcrowding and greater dependence on housing benefits. The bill for housing benefits becomes astronomical.

Private house building firms are cajoled into building thousands of houses a year but each development serves just a single market segment and income group. The higher ground and fine landscapes get the 'executive' homes; the marshes and degraded areas get denser blocks of apartments, euphemistically called 'starter homes', and 'affordable' housing. The house building industry remains profitable, though this is largely because selling prices are growing year after year: housing in Britain remains poor value for money

in European terms (Evans and Hartwich, 2007) and more than half of what you pay for a dwelling is payment for the scarcity of land, not for the dwelling. Building continues much as before and a steady influx of workers from eastern Europe cushions the construction sector from the need to modernise itself through training and technical innovation.

Apart from jobs in construction, the economy of the Thames Gateway grows only slowly, so its population remains dependent on long-distance commuting, mainly to Central London. There are more trains running, but they still have cattle truck conditions. Stratford, Ebbsfleet (adjoining Bluewater) and Ashford have high speed, and expensive, services to St. Pancras but many areas are only served, at best, by ludicrous extensions of the Docklands Light Railway – in truth just a tram –with dozens of stops between home and work. Anyone who has sat for an hour on the Athens tramway to the southern suburbs (built for their 2004 Olympics) or even commuted from Beckton to Bank will understand the problem.

Some prestige architecture will decorate this messy picture, with flagship projects here and there. There are wonderful designs by the likes of Zaha Hadid, AHMM, Bernard Tschumi and Colin Fournier. But these are fragments lost in a sea of mediocrity, dominated by routine architectural firms commissioned by big development companies and by the 'Registered Social Landlords' who have already shown that they often do no better.

A lot of money is made, even in a low-grade development of Thames Gateway. Pressure of demand for space in London is so strong that everything sells sooner or later and property values grow through speculative investment in pursuit of the never-ending boom, through the agglomeration of activity and because of the new infrastructure. But the profits from this are all private because successive governments have not had the nerve to hold any long-term land ownerships or equity shares. Governments insist on getting 'planning gain' contributions out of private developers for social housing, infrastructure and

so on, although the yield from this source is reduced because the Treasury has also imposed a blanket 'Planning Gain Supplement'. These charges are all levied when a development takes place, just when the developers can least afford to pay, long before the trees have grown and before the serious land values have build up. With continuing real growth in property prices, an even higher proportion of the potentially available revenue is foregone for this reason. In this worst case scenario it is always the state and public bodies that come to the rescue, firefighting on service provision and patching the infrastructure. There may be some exemplary water-management and local energy generation schemes; these were being promoted hard in 2007 by the Deputy Mayor and Mayor and figured strongly in the London Plans of the following decade. But such schemes need continuing management to work and if most of the profits have been given away—some to initial developers and the rest to individual owner-occupiers—these costs are hard to cover.

The British appear to have forgotten the positive aspects of the 20th century new towns programme. One of the great strengths of that programme was that it was financially sustainable in the medium and long term. Large-scale urban development involves heavy initial costs while the benefits are reflected only very slowly in rents and property values as each neighbourhood and city matures. In the new towns of Britain the government agencies which built them retained ownership of a lot of the land and buildings and could thus recoup the investment and pay off the loans. This is just what we are failing to do in the Thames Gateway: as with Mrs Thatcher's Docklands project in the '80s, all the valuable assets are in private hands and there is no continuing flow of public or collective funds to pay for maintenance or services or to repay the debts incurred in the initial infrastructure.

And the best case...

Instead of wallowing in amnesia, Britain's professions and politicians do a bit of remembering what their predecessors were good at, a bit of learning from foreigners and a lot of innovation. This is a more optimistic view of what might have been achieved by about 2025.

Thames Gateway develops, but more slowly than in government plans of 2006. This is partly because major elements of government and cultural institutions have been spread to other regions, partly because other development corridors are evolving: through Watford, Berkhamstead and Tring to Luton, Milton Keynes and Northampton; through Surrey and Sussex to Gatwick and through east Hertfordshire to Stansted and Cambridge. London's old 'green belt' plan is being replaced with something more like the 'finger' plans of Copenhagen and Stockholm. Almost all those living in the new areas can leave home and walk one way to a good shopping centre and railway station, the other way to green space and allotments, stables or a golf course. The choice between urban and rural situations is over: most people can enjoy both, not just residents of Hampstead, Richmond or Stanmore. Within these new 'fingers' and in the Gateway all the land has been taken in to the ownership of Land Development Trusts. They are very diverse but what they have in common is that they retain all the freeholds and grant building leases subject to ground rents which are annually revised in line with market conditions. This means that these collectivities gather about half of the growth in property values while the owner-occupiers, co-op tenants or other users of land get the other half. It's a fair exchange because this revenue covers all the costs of infrastructure and services, maintenance of ecological systems and community services.

It is a good long-term investment and much of it is financed with 'English Urban Bonds' which have proved very successful in an increasingly volatile world financial system. These have been investments in real things (infrastructure and service spaces)

which actual people use and pay for, so they are rather more robust than the highly speculative investments which the geographer David Harvey (1982) called 'fictitious capital'—investments made in the hope of capturing some imagined future profit.

From about the year 2000, many countries, following the earlier example of the USA, created a new kind of tax-exempt investment company for holding real estate, called 'Real Estate Investment Trusts' (REITs) in North America and with other names elsewhere. These brought a lot of new money into property investment, mainly in shopping centres, offices and so on. But from about 2005, these funds began moving into the large-scale ownership of rental housing on the assumption that money could be made by speculative selling of vacant units or by jacking up the rents being paid by tenants. In Germany many hard-pressed municipalities and social housing organisations sold thousands of (occupied, tenanted) dwellings to these investors, causing severe alarm and, in some cases, evictions. Following the rent strike against Real Estate Investment Trusts across the whole of Germany in 2008, international investors have switched from asset-stripping social housing to safer investments like the English Urban Bonds explained above. The bond-financed equity-sharing system used in the London region from 2007 is a modified and more socialised version of the site leasehold system which gave us Central London's Bloomsbury in the 18th and 19th centuries and many other high-quality urban areas in Britain and abroad. In those early cases it was private owners—normally aristocratic families—who held the freeholds and thus got the long-term benefits. But the system works even better when the long-term owner of the long-term rights is a public or collective body with no outside shareholders. It is similar to the Hong Kong system which produced half the income needed by the colonial administration, enabling tax to be kept very low⁵. It draws on the lessons from Britain's post-war new towns (which Margaret Thatcher

⁵ Robert Home (2006) has pointed out how another land policy innovation, Land Readjustment, was applied by the British in the colonies but never used at home.

privatised just when the profits were really rolling in) and on experience from the Netherlands, France, Switzerland and Vienna.

Another great innovation in the Thames Gateway has been in the configuration of street systems and shopping/service centres. No longer do we have hierarchies of main and 'distributor' roads, with shops and services in isolated islands away from passing trade. Instead the frontages to main urban roads are often lined with shops, schools, offices and other services, with parallel service roads for cycles, buses, trams and cars. Passers-by can (and do) stop for services and everyone has shops within 10 minutes walk and a B+Q within 10 minutes drive. There is so much of this commercial space that rents for it are rather low and the new development areas have become a breeding ground for new business: only in these conditions can shopkeepers combine local customers, online customers and the regional customers who come and hunt them out if they are specialised or distinctive. There are few double red or yellow lines here to prevent loading and unloading of goods.

The London Plan 2010 put a lid on further office development in and around the centre of London, just as Paris did to ensure that its suburban employment centres took off at La Défense and at Marne-la-Vallée. Although those two huge developments were not much use to the impoverished residents of the working-class suburbs of Paris who had been widely excluded from the general economy, they had shown what could be done to make a region more poly-centric. The British real estate fraternity were initially furious when London's central growth was capped, but now find there are plenty of good investments in these prospering London suburban nodes, and they are much less volatile than central London, which was all the big investors were interested in until about 2010. Communities living round King's Cross, the Elephant and Castle and London Bridge breathed a sigh of relief and got on with life, the threat of displacement and gentrification much reduced.

Partly because employment growth in Central London has been slowed down, more jobs are being created in the suburban centres. There is thus some growth in reverse (outwards) commuting so the trains are beginning to be well used in both directions. The massive investment in Crossrail was not needed and the money has been re-directed into a better network mesh of routes linking suburbs, using a mix of trains, trams and buses.

But probably the biggest transformation has been in housing. Barratt, Persimmon and their like, whose main skill was managing their land banks and timing their developments, have re-directed most of their work abroad. In their place we have a whole new industry based on relatively cheap and plentiful land supply in the UK. Users of land pay over the long run to Land Development Trusts through their ground rents (see above) instead of up-front. A consortium of Stuart Lipton, Ikea and John Lewis dominates the production of modular building components so that building enterprises get economies of mass production whether they are big or small and the streamlined land-supply system ensures that sites are available. It is the modernist dream come true but with a thoroughly post-modern outcome: every dwelling can be different. Whereas new housing used mainly to be aimed at first-time buyers and new households, current output is aimed at a huge range of market segments, often in the same development. So thousands of elderly Londoners have moved out of their big houses and flats where they could afford neither the maintenance nor the Council Tax and now live in the Thames Gateway⁶. The key attraction for many of them was dwellings with few but spacious rooms, bookable guest rooms for visiting friends and families nearby, plenty of children and younger people around and an easy transition to more supported forms of living as they get more decrepit. The housing associations, co-ops and developers who understood this, and the architects who helped them, have become immensely successful.

Part of the buzz in the Thames Gateway comes from this shift away from totally

⁶ Demographic aspects of migration are discussed by Buck and others (2002 143-5)

individually-owned housing, towards a diversified mix of tenure forms, highly popular with people in all age groups including young workers. The growth of co-housing and of various forms of cooperatives has produced both a revived sociability and a major reduction in the environmental impact of falling household size (Williams 2006). Another distinctive feature of development in the Gateway is the wide range of densities of building, ranging from 20 to over 1000 habitable rooms per hectare. All the developments have to meet a zero carbon emissions standard and all the low density developments have to make big net energy contributions to the local or national grid to compensate for the fact that their residents are bound to drive more. A good example of the results is at Mucking in Essex where the high river terraces (with long views across and down the estuary) were intensely settled by Romans and Anglo Saxons in the first millennium. They were then removed by gravel quarrying in the 1970s and are now re-settled as a busy town, many of its dwellings partly below-ground, but with balconies, terraces and gardens looking down and across the estuary.

Conclusions

Thames Gateway is neither bound to succeed nor bound to fail. But it will be hard to make into a great success. It is not the kind of development which the property market, left to itself, would undertake. But in 2007 it looks as though government is determined to impose the project on a reluctant market, aided by its success in securing the Olympic and Paralympic Games for 2012: the Games helps to keep the speculative housing bubble inflated and provides patriotic legitimation for state expenditure and for by-passing hard-won democratic processes. The gainers under that scenario would be those who have been benefiting during recent decades: speculative developers nimble enough to follow the market and withdraw before each downturn, and established owner-occupiers with low levels of debt. The losers are the rest of us: the users of a decidedly second-best urban environment, the tenants of housing and business space, the employers trying to remain

viable in a competitive market and the more indebted owner-occupiers who come to grief when property values take a downward turn or interest rates increase.

The alternative requires a composite of policy changes, above all in land policy as outlined here, but also in wider housing, pensions and regional policy. Summarising, the necessary changes include the following.

Existing development mechanisms are highly fragmented and seem unlikely to deliver new urbanisation on the scale and with the environmental and social quality we need. Specifically...

The existing house-building industry continues to fail because booming demand does not result in booming supply. The industry is fairly well adapted to profitable production in scarcity conditions, with firms preferring to build for luxury and niche markets rather than to innovate in mass supply for the middle- and low-income demand. Our configuration of regulations, finance, firms and relationships precludes the emergence of an "Easy-Jet" or "IKEA" response to the housing problem. The firms are too busy managing their land-development profits to be interested.

With so much of its employment growth in the Centre, London has tended to draw its labour force from ever-further afield (from the more remote places where people can afford to live, and to which many Londoners move at the stage of family-formation). This kind of growth conflicts with the environmental imperative of reducing the need to travel and Thames Gateway will need to be very different from the East London/Kent/Essex of the past: people will need to work there as well as live there if we are to avoid further growth of car-dependence and irresistible demands for yet more long-haul infrastructure like Crossrail: expensive to build and largely used for inefficient tidal flows. The capacity of our current assortment of local authorities, regional development agencies and urban development corporations (UDCs) to create conditions for enough employment growth is probably not strong enough. The area needs to maximise the contribution of existing

enterprises and also attract high level employers who demand golf courses and the scope for social mobility as well as the indigenous labour pool if employment is to be truly sustainable, otherwise such employers will prefer to locate their business in West London or beyond the Green Belt.

Another problem with the current governance mechanisms is that the UDCs have 'only strategic' powers: they cannot make plans or directly control design and implementation. This is a mistake, because reducing the need to travel, securing and maintaining green buildings and minimising social segregation all require a rather close attention to detail in the design and implementation of schemes.

Most important of the problems posed by the current institutional structure is the challenge of securing resources in the long run for infrastructure, community development and local environmental management. All three of these elements need sustainable flows of resources, without which there will be nothing exemplary about the Gateway. At present we rely on two inadequate mechanisms: the UDCs' revolving funds and the over-burdened 'planning gain' agreements under section 106 of the Planning Acts. Both of these instruments make funds available, but do so only at the start of development. The same is true of the Planning Gain Supplement which the government is proposing to add. Planning gain deals are made just when the risks are greatest and developers can least afford to be generous. The UDC revolving funds must, by definition, be repaid quickly in order to be available again. We know, however, that urban development produces major surpluses in the long run and the aim must be to secure some of that long-run uplift in value. Even quite a small share in the growth of development value would be much more use than what we can now secure through planning gain. We used to do this well in Britain in the private leasehold development of London estates (Bloomsbury, Belgravia etc) and we did it again with the New Towns. We need to do it again in Thames Gateway, using the bond-financing instrument described above to raise initial investment funds.

It is too late of course to capture all of the growth because speculation has driven land prices up already. But it is never too late to start. The aim should be to secure some collective equity share in the growth of value across the entire Thames Gateway to service and manage the project.

Innovation needs to be facilitated and governed at a variety of scales and the logic of this argument does not point to a giant Morrisonian nationalised industry. Indeed, provided there is an over-arching authority, there would be much to be said for a wide variety of large and small, public and voluntary entities to design and carry out the work, provided that the principles outlined here were followed. Registered Social Landlords like Peabody have given us some of our best residential and mixed-use schemes like BedZed – often with big environmental gains. Community Development Trusts like Coin Street have also been very distinctive innovators, as have some private innovators like Urban Splash. Allocating elements of the Gateway to small and innovative organisations would harness those energies – and also help small and medium firms (in professional services and construction) to get some of the action. These could work alongside large scale, "IKEA-type", development initiatives which would become feasible once the land-supply and demand-stabilisation problems are cracked. There is a great deal of British and other European experience to draw upon and private investors could work well within such a framework.

Post-script

As this work goes to press the government has published its white paper Planning for a Sustainable Future and consultation about its proposals are now under way. The main proposals in the white paper which could have an impact on Thames Gateway appear to be three: taking major infrastructure decisions out of the hands of local authorities and resolving them through an Infrastructure Planning Commission, new criteria for deciding whether new developments should be within, alongside or apart from established centres

and some weakening of public consultation requirements in various planning processes.

The proposals for the Infrastructure Planning Commission are highly controversial in so far as local objectors and local authorities would have much reduced power to prevent affected developments where these formed the local implementation of policies agreed at national and regional levels. The change is presented by government as a way of ensuring that facilities which are needed nationally (and which would benefit large numbers) cannot be vetoed or delayed by vociferous local minorities (typically few in number but bearing negative local effects like aircraft noise). The primary aim is to prevent events like the Heathrow Terminal 5 decision which took seven years, including an inquiry so expensive that Hillingdon council had to pull out on cost grounds. The proposals also include a plan to unify the very different approval regimes for different sorts of infrastructure (energy, railways, ports, airports and so on) and that will probably be widely welcomed, not least in the Thames Gateway. However, the reduction of local powers to resist unpopular installations or to propose root-and-branch critiques and alternatives is meeting with strong opposition from local authorities, NGOs and environmental campaigns and there is great scepticism about how public debate can be more than tokenism at a national or regional scale. The present chapter has not been concerned with the complex challenges of decision-making and 'governance' of the Gateway but this author's provisional view is that the white paper's Commission proposal could simply add yet another non-democratic element to the existing maze and thus make it even more difficult for plans and policies to gain effective scrutiny and support in this sprawling region.

Proposals to reconsider the criteria governing the location of services (especially retailing) are a rather fluid part of the white paper and likely to be much debated in the coming months. Essentially the dilemma is whether to follow the neo-liberal line (coming from Kate Barker's review (2006) of the planning system) that the market broadly responds to consumers and consumers know their needs best or to retain some variant of current

practice in which planning authorities can shape the retail system in other ways in pursuit of environmental objectives or to protect services to immobile groups, support SMEs and so on. These issues are going to be very complex indeed in the Gateway, given the mix of established and (presumably) new retail and service centres, the extreme disparities of income and of needs to be served. We have Bluewater creaming off the luxury trade across a wide region at a high environmental cost in car travel, and at the other extreme we have small town centres like Grays, no longer hosting many multiple shops because of the success of Bluewater and Lakeside but able instead to make a low price retail offer to a relatively poor clientele. Making wise decisions about centres and services in this context will be very difficult, as argued earlier in this chapter, and it is hard to see how generic national policy rules will affect the problem.

The white paper's proposed changes to the public participation regime are tricky to evaluate since they are expressed in 'apple pie and motherhood' language which is hard to penetrate. The proposal to replace the very specific new – and still un-tested – requirement for Statements of Community Involvement in town and country planning with a more generic obligation on public authorities to consult across all policy areas could be a fine reform if applied in a democratic way but sceptics will fear that it is just another weakening of public participation. The other main proposal is to place the primary responsibility for public consultation about developments on the developer. This we know to be open to manipulation and bias and likely to undermine local authorities' fundamental need to be in close communication with their citizens, businesses and organisations. And with so much of the territory subject to development proposals, the Gateway could be badly hit if this provision is enacted.

The final comment to be made on the white paper is that it does not contain any innovations on the financing land policy issues which have been the main focus of this chapter. The main thrust of policy is a further fine tuning of the neo-liberal development

agenda which this chapter has criticised. We are heading towards my pessimistic vision.

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