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Faculty of the Built Environment
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Financialisation in Planning: Examining the Planning and Funding of the Vauxhall Nine Elms Battersea Opportunity Area and Northern Line Extension

Being a dissertation submitted to the faculty of The Built Environment as part of the requirements for the award of the MSc Transport and City Planning at University College London: I declare that this dissertation is entirely my own work and that ideas, data and images, as well as direct quotations, drawn from elsewhere are identified and referenced.

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List of Figures

Glossary

BPS: Battersea Power Station

BPSDC: Battersea Power Station Development Company

CIL: Community Infrastructure Levy

DIFS: Development Infrastructure Funding Study

GLA: Greater London Authority

NLE: Northern Line Extension

NPPF: National Planning Policy Framework

OA: Opportunity Area

OAPF: Opportunity Area Planning Framework

RTP: Roger Tym & Partners

TfL: Transport for London

TIF: Tax incremented financing

VNEBOA: Vauxhall Nine Elms Battersea Opportunity Area

Abstract

This thesis discusses how financialisation influenced the planning of the Vauxhall Nine Elms Battersea Opportunity Area (VNEBOA) and accompanying Northern Line Extension. The United Kingdom, and London particularly, increasingly adopt financialisation as a method to deliver development and infrastructure, in which speculative real estate investments and the infrastructure it demands are converted into financial products for shareholders of private companies. This research was carried out via desktop review of feasibility studies, promotional materials, business cases, and a number of plans relevant to the VNEBOA, plus 11 interviews with developers, consultants, academics, and public sector employees. It found that in the absence of local and central government funding, local planning authorities entrepreneurialise by providing additional services to developers and maximising land value capture. Developers shape their projects based on the most financially viable schemes but promote them under principles of "placemaking." Lastly, mega-transport projects financed by the public and funded by the private sector act as public guarantee for private project delivery. These findings support claims that financialisation subjugates the public's best interest in favour of private profits and limits regulatory autonomy of planning authorities.

I. Introduction

Since the late 1970s, the provisioning of infrastructure, including housing and transport, has shifted away from a municipal or national endeavour and increasingly into the purview of private companies. There are many reasons for this, but in the UK privatisation is largely driven by central government's neoliberal policies of austerity that restrict local authority funding. Budget cuts force local authorities to seek cash flows elsewhere, largely in the form of increasing land value via financialised development. This is particularly magnified in London, which welcomes foreign investment in its real estate market and suffers a crisis of affordable housing.

This thesis examines the urban regeneration of the Vauxhall Nine Elms Battersea Opportunity Area (VNEBOA), 227 hectares along the south bank of the Thames in the boroughs of Wandsworth and Lambeth, depicted in Figure 1. The 2008 Greater London Authority's (GLA) London Plan designated the former industrial site as one of 39 Opportunity Areas across the city, ripe for regeneration in the form of 20,000 homes and 25,000 jobs. In order to "unlock" the potential of this site and increase public transport accessibility levels commensurate to the development size, the Northern Line's Charing Cross branch will be extended from Kennington to Nine Elms, terminating at Battersea Power Station. The Northern Line Extension (NLE) is an endeavour exceeding £1 billion, financed by a loan from the European Investment Bank to the Greater London Authority and guaranteed by Treasury. It will be funded by developer contributions via tax increment financing and other relatively novel funding instruments related to land value capture. The VNEBOA is emblematic of London's financialised development and the consequently fraught relationships governing financialisation. Utilising this case study, this thesis explores how financialised development and infrastructure projects unfold in the planners' office.

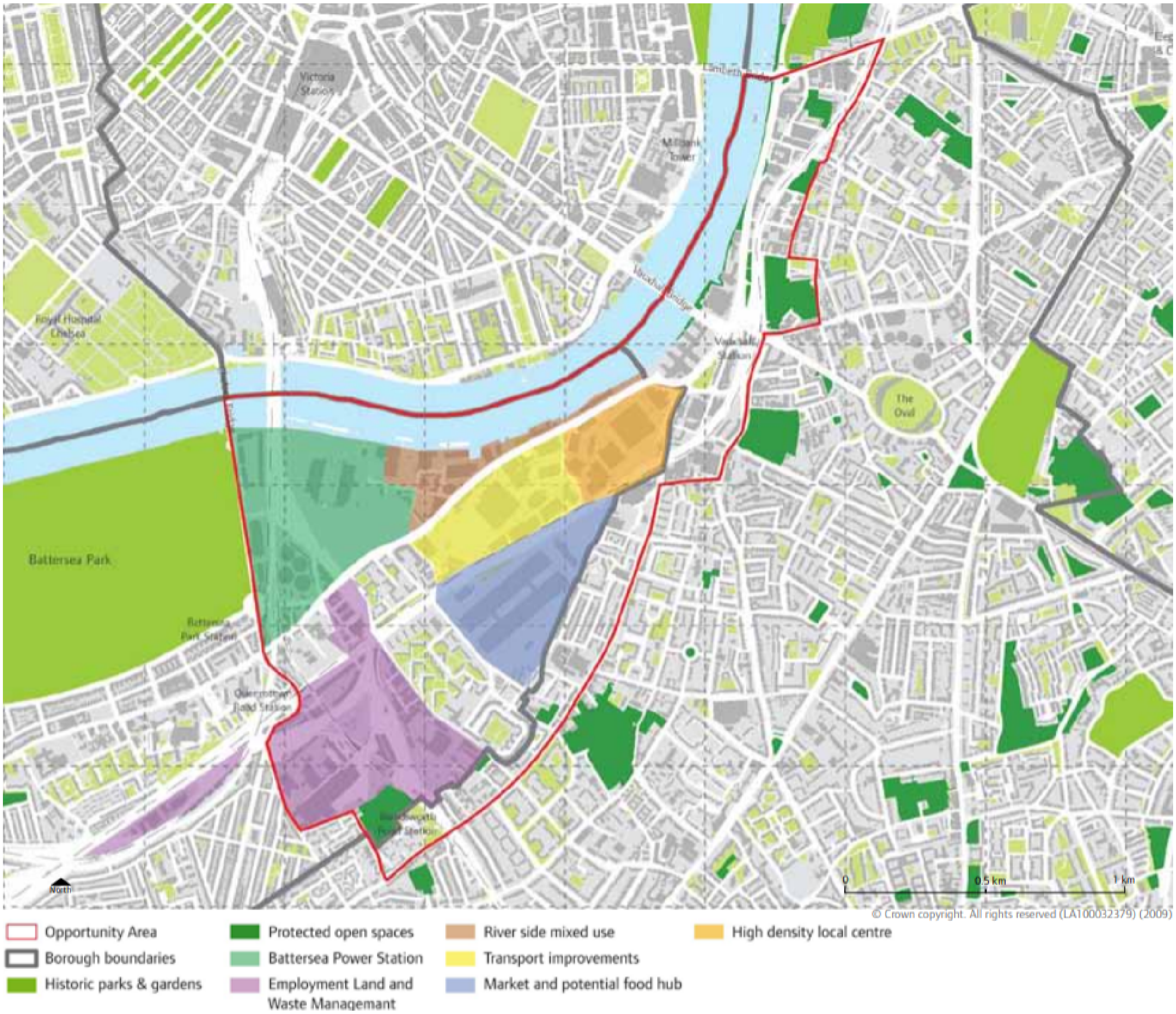

Figure 1: VNEBOA land use map (GLA 2012)

II. Research Question and Approach

Using the Vauxhall Nine Elms Battersea Opportunity Area and Northern Line Extension as a case study, how does the financialisation and privatisation of infrastructure and development influence a project's planning and appraisal?

Of the 6 major developments within the VNEBOA, I concentrate on Battersea Power Station development's planning and appraisal. It is by far the largest in both size and cost and subsequently contributes the most towards the OA's infrastructure, including £200 million up-front for the NLE alone. It is owned by a Malaysian consortium formed of Permodalan Nasional Berhad, "a fund manager with £50bn of assets" (Williams 2018) and Employees Provident Fund, a Malaysian government authority that "provides retirement benefits through management of savings, as well as invests in public equity and fixed income markets" (Bloomberg, n.d.)

The case study was researched through two qualitative methods. I analysed plans produced by local authorities, the GLA, and developers; Battersea Power Station Development Company's promotional materials; media reports from over the years of the area's previous failed developments; and the supporting reports and studies commissioned to either recommend or justify the VNEBOA's current planned developments. After identifying the dominant narratives surrounding the VNEBOA, I conducted 11 interviews, both semi-structured and open-ended, with academics, developers, consultants, and employees at the GLA and Wandsworth Council to understand the background politics, processes, and relationships resulting in the plans delivered today.

Much of the knowledge surrounding the financialisation of infrastructure and urban development focuses on the financial and legal instruments orchestrating these arrangements, the governance structures entangling the private and public sectors, and outcomes such as gentrification and displacement. This thesis illuminates how financialisation manifests in the planning process. Through collaboration, private developers and local authorities yield publicly-financed, privately-funded transport for developments of a scale large enough to guarantee speculative real estate investments, which under the guise of "placemaking" are scoped to maximise viability at the expense of the existing area's needs and affordability.

III. Literature Review

Infrastructure and Mega-Projects

Infrastructure are the physical foundations and networks upon which a city provisions basic public services, such as electricity, water, and transport. O'Neill (2010) describes 4 unique characteristics of infrastructure: universality, bundling, access, and positive externality. In order to serve a city, infrastructure must be invariably available to all users in networked channels so that access to one form of infrastructure guarantees access to others. Such access to "braided channels" (ibid) of infrastructure confers benefits beyond infrastructure's direct users; functional cities arise from infrastructural networks of transportation, utilities, and information. Additionally, infrastructure provision tends to be monopolistic: rarely does a city have, for example, more than one water provider.

The Omega Centre describes infrastructural, especially transport, mega-projects in-depth. Valued at $1 billion or above, they are "projects of a significant cost that attract a high level of public attention or political interest because of substantial direct and indirect impacts on the community, environment, and budgets" (Dimitriou et al 2013). Because of their extensive reach and years, if not decades, of planning and appraisal, decision-making, planning, and management typically involve many actors with conflicting interests (Flyvbjerg 2009). Although mega-projects should in theory be delivered within a specified planning or spatial framework, they themselves often change existing frameworks. Indeed, one mega-project often spawns additional complementary or supportive mega-projects. Their planning, appraisal, and delivery typically span multiple political cycles and thus require a constant champion throughout (Dimitriou et al 2013).

The sheer scale of mega-projects compounds their risks and impacts (ibid), but are often not subject to the comprehensive and rigorous analysis necessary to identify and allocate risk, understand the mega-project's functional requirements, or consider alternatives to the proposed mega-project (Priemus 2010). Ansar et al (2017) illustrate how "big capital investments have a disproportionate (nonlinear) exposure to uncertainties that deliver poor or negative returns above and beyond their economies of scale and scope." This investment fragility risks a mega-project becoming a stranded asset on an economy, too many of which can cause system-wide failure (ibid).

Privatisation and Financialisation of Urban Infrastructure

Privatisation and financialisation are separate yet intertwined phenomena. Privatisation is the shift of previously-public assets to the private sector either through long-term lease or outright sale. Financialisation is the conversion of an asset into an investment product, and the frequent result of privatisation. Since the 1970s, these processes have been facilitated by the deregulation of the global financial system rooted in neoliberalism politics. Lapavitsas (2013) describes the role of government in financialisation: it must "regulate the adequacy of its own capital, the management of risk and the rules of competition among financial institutions. Even more decisively, financialization has depended on the state to intervene periodically to underwrite the solvency of banks, to provide extraordinary liquidity and to guarantee the deposits of the public with banks." This is especially true in the financialisation of infrastructure, in which public and private interests overlap.

From the 1930s through the 1960s, the British government nationalised and standardised much of its infrastructure (O'Brien, Pike 2017). Infrastructure spending peaked at 7.4% of GDP in 1968, but has since been trending downwards. Beginning in the late 1979 under the leadership of Prime Minister Margaret Thatcher but escalating in recent years, the state has encouraged and facilitated the privatisation and financialisation of infrastructure. Less than 2% of the GDP is spent on infrastructure presently (O'Brien et al 2018). Financialised infrastructure assumes 3 characteristics. First is the commercialisation to an extent to generate returns for private investors. Second is an adaptation of the infrastructure's "regulatory environment...ownership and management" as to "match the design characteristics of a financial product" (O'Neill 2013). Last, a commercial approach to risk management is implemented that typically limits the uses of infrastructure to the confines of a contract and shifts the private sector's risk almost entirely onto the public sector (ibid).

This commercialisation, regulatory and operational structures, and risk management impinge upon public infrastructure's universality, bundling, access, and positive externalities. These transformations do not occur in a vacuum. The legal arrangements facilitating the turnover of infrastructure from private to public sector yield novel governance structures and intertwine the public and private sectors in "public-private hybridities" (Raco 2014).

Why Privatise?

National governments of developed countries long considered infrastructure a national security interest, and thus kept it in the government's domain. However, by the mid-1970s the public endeavour of infrastructure provisioning was compromised by its politicisation, or the appointing of board members and commissioners by elected officials. Political influence in the decision-making of "personnel, output, prices, quality, and location of production" were often at the expense of the best public and economic interests and rendered the vertically-integrated state monopoly obsolete (Nestor and Mahboobi 2000).

This politicisation of publicly-owned infrastructure caused several institutional failings that coincided with a strengthening of the financial industry in the 1980s and globalisation at the end of the Cold War (ibid). In the late 1970s and 1980s, neoliberalism became a dominant political ideology which preached deregulation and privatisation in the name of economic growth. Proponents of privatisation and financialisation cite the private sector's ability to deliver more streamlined, competitive services (Winston 2010), and the government's bureaucracy as a hindrance to growth. Nestor and Mahboobi (2000) find that in the long-run, privatisation reduces prices, generates jobs, and increases accountability and transparency through more stringent regulation and corporate governance than the public sector is subjected to. Holder (2000) asserts that in addition to these benefits, the public sector's revenue from privatisation increases from the sale of shares, corporate tax receipts, interest and debt repayments, and dividends from retained shares.

Particularly during times of economic austerity, privatisation is touted as a means to reduce public spending and increase revenue. In the UK, Raco (2018) describes the entrepreneurialisation of local government as a response to the billions of funding cuts from central government since 2010. Without funding for local welfare programmes from central government, "local authority planners and planning authorities are being converted into spearheads for a wider governmental programme that prioritises the delivery of growth in the UK's cities and regions." Rather than award planning permissions for schemes to benefit a local area, the "requirement to become financially self-sufficient...make[s] local authorities increasingly depending on property market uplift, whatever the wider impacts on marginalised local residents, businesses and places" (ibid).

Financialised Infrastructure's Governance: Public-Private Hybridities in a Neoliberal Regulatory State

Privatisation is not simply the lease or sale of a public company, or a more efficient procurement process. The United Kingdom began privatising its telecommunications, water, gas, electricity, ports, and airports in 1979 (Holder 2000), which necessitated new regulatory frameworks and competition management. Nestor and Mahboobi (2000) describe an "arm's-length" relationship between private providers and state regulators. However, as Raco (2014, 2017) and O'Brien et al (2018) detail, privatisation entangles the private and public sectors in unprecedented arrangements to ensure infrastructure is still provided but with the added priority of reaping profits for private shareholders. These priorities are parsed through labyrinthine contracts in what Ashton (2016) calls "governance-in-motion," a "complex process of constructing the powers and capacities necessary to produce value from urban infrastructure."

Specifically in London, infrastructure governance is "continually transformed by a distinct set of international, national and local public and private institutional relationships shaped by the UK's particular political economy and neo-liberal variegation of capitalism" (O'Brien et al 2018). Infrastructure's financialisation is actively facilitated by governments. Rather than turning over infrastructure to the private sector, deregulating it, and retreating from the market, infrastructure's privatisation instead spurs more regulation by the state whilst the "private actors take on functions traditionally associated with the (local) state" such as "provision of local services and community consultation" (Raco et al 2017). This forces the state into the role of "regulator and manager," complicates and fragments the planning system (ibid), and turns citizens into customers (Dannin 2011). Increased regulation provides opportunities for additional private actors, such as consultancies and law firms, to influence the planning system for the clients' benefit and further inflate costs (Raco 2018).

Here the thesis departs from the literature and delves into the redevelopment of the Vauxhall Nine Elms Battersea Opportunity Area as a case study of a financialised urban infrastructure mega-project. Its planning, appraisal, and delivery is representative of the entrepreneurialism of London's local authorities and financialised approach to urban regeneration. Construction is ongoing yet far from complete; the Battersea Power Station

Development Company's own Placebook (2014b) anticipates seven phases of construction to last two decades. Although the long-term impacts of this financialised, developer-led planning process cannot yet be assessed for this Opportunity Area, this thesis will detail the lack of autonomy between the GLA and Wandsworth planning offices and the developers in their purview, the disingenuous employment of the ideals of "placemaking" to legitimise the luxury office, retail, and residential spaces required for viability, and the Northern Line Extension's funding mechanisms serving as the VNEBOA's de facto insurance policy.

IV. Research Methodology and Ethics

The literature discussed above provides the lens through which to consider the NLE as a mega-project within the mega-project of the VNEBOA. It also outlines how in the absence of central government funding and investment in local authorities, financialisation has become the norm in British planning at the expense of transparency, prioritisation of the public interest, and autonomy between the public and private sectors. My research seeks to elucidate how a financialised project manifests in the local levels of government during the planning and appraisal stages, where understaffed and under resourced planning offices are responsible for approving applications numbering into the thousands of pages, prepared by consultants for clients with millions, if not billions, of pounds at their disposal. The literature extensively covers the legal, financial, and governance entanglements; this thesis looks at the hybridities bred in the planning office.

Several objectives served to answer my research question of how the privatised VNEBOA and financialised NLE were planned and appraised. First was to determine which actors were considered stakeholders by decision-makers and planners. Next was an understanding of the political climate in which the VNEBOA Planning Framework and the developers' master plans were written. When the OA was established in 2008, the global economy was in crisis, and Battersea Power Station was on its third owner since its sale in 1983. Subsequently was to understand how and why the Battersea Power Station development and Northern Line Extension were designed and scoped.

To clarify these objectives, I began by reviewing relevant hierarchical planning frameworks, applications, and developer publications forming the policies and vision of the VNEBOA and NLE. I also reviewed feasibility studies, business cases, and other supporting works like the Development Infrastructure Funding Study, which recommended the adopted mechanisms for funding the Northern Line Extension. To identify dominant narratives surrounding the development, I read the Battersea Power Station Development Company's (BPSDC) Placebook and other promotional publications to understand how the development was justified and marketed to the general public.

I observed one meeting hosted by Wandsworth Borough Council for BPSDC and Peter Brett Associates discussing the 10-year update for the Development Infrastructure Funding Study, and attended an informational walking tour through the VNEBOA hosted by the Nine Elms' Head of Programme. I interviewed seven professionals from both the private and public sectors involved in the VNEBOA's and NLE's planning, appraisal, and delivery to understand how the planning frameworks were written and implemented. The interviews initially began as semi-structured and covered the VNEBOA vision, risk management, stakeholder relationships, and stakeholder priorities, but frequently evolved into broader conversations about community engagement, affordable housing, and public-private collaboration. Consultants were queried on the direction and parameters set by clients. Public servants were asked about the governing of relationships between stakeholders and shaping of projects based on local needs. I interviewed one architect who was part of the Battersea Power Station Community Group, which has opposed the proposed developments at the BPS and advocated for community or public ownership since the building's first sale in 1983. Additionally, I conducted open-ended interviews with two academics and one developer not associated with the VNEBOA to contextualise my findings into the political, economic, and planning climates of the United Kingdom and London. All 11 interviews were audio recorded and transcribed, then content analysed deductively and inductively.

The desktop analysis and interview interpretation yielded several themes answering my research question, three of which I explain in-depth in this thesis. The collaboration between the public and private sectors, including developers' paying planning teams, compromises the independence between regulator and planning applicant. This "shared fate" (Raco 2014) is reinforced by the public funding and private financing of the Northern Line Extension, which shifts risk for the transport mega-project, and therefore the VNEBOA developments, onto the British taxpayer. The role of so-called "placemaking" is superficially used to justify the development's form, which in fact rooted in financial viability and not the local area's needs.

Ethics

This research carried little ethical risk. The documents for desktop review are either publicly available, or were provided upon request by the interviewees. Interviewees consented to being interviewed and recorded, and all requests on their part to keep specific comments anonymous or off the record were respected. They were notified they could stop participating at any time. Research was conducted either at UCL or on-site in the VNEBOA.

V. Case Study: The Vauxhall Nine Elms Battersea Opportunity Area and Battersea Power Station

Battersea Power Station is an art deco, 6-acre brick mammoth once considered one of the three most important buildings in the UK. It is in fact two separate power stations constructed incrementally between 1929 and 1955 off the design of architect Sir Giles Gilbert Scott. In the early 1920s, when the power station was first proposed, the public largely opposed it (Watts 2018, p. 73), but over the course of its life and decommissioning became a London icon and fixture in pop culture. The first station closed in 1975, and the second in 1983 (ibid, pp. 96 and 109). In 1980, with half the power station operating, English Heritage designated it a Grade II listed building, which acknowledged the national interest in the building and prohibited its demolishment when decommissioned (ibid, p. 100). After its closure its municipal owner, the Central Electricity Board, sold it to the Roche and Company consortium in 1984 for £1.5 million (ibid, p. 128). This sale from public to private ownership commenced a three-decade struggle by four successive owners to develop the site.

Wandsworth Council was eager for Battersea Power Station to be developed since 1984, but as a "non-interventionist" council (Watts 2015, p. 229) would not have done so itself. A long-standing Tory borough, it welcomes investment and development, has one of the lowest council tax rates in the United Kingdom, and privatises or outsources many of its services (personal interviews, 2 and 14 August 2019). BPSDC CEO Rob Tincknell described Wandsworth Council as "very commercial" and a "development borough" which maintained a relatively laissez-faire attitude, but initially eschewed residential developments in favour of leisure and attractions (Watts 2015, p. 190).

The power station's first two owners, British architect John Broome of the Roche and Company consortium and Hong Kong developers Parkview International, failed to realise any plans (Battersea Power Station: Selling an Icon 2015). Broome's ambitions for a theme park drove him deep into debt and cost him millions in assets. In 1993, he sold the site to Parkview International, who purchased both the power station and his £50 million in debt for £9.5 million from Bank of America (Watts 2015, p. 160). Parkview bought adjacent land plots over the ensuing 18 months and commissioned a string of architects to design various masterplans, which included hotels and attractions like cinemas and a permanent Cirque du Soleil arena (ibid). To increase transport accessibility, Parkview agreed to pay for refurbishments to Network Rail's Battersea Park station alongside any development (ibid, p. 167). However, Parkview hemorrhaged money dithering over which plan to execute. While the site sat inactive, potential investors dropped out and Network Rail vetoed the transport links for lack of space (ibid, p. 169; Henke and Evans 2002). As the site went up for sale again, one prospective buyer told Wandsworth Council, which opposed residential-led development for the power station, that the size of the site and maintenance of the building demanded a doubling of the project's density and significant increase in residential space (Watts 2015, p. 189).

In 2006, Ireland-based developer Treasury Holdings took over BPS for £400 million. "The plan the Irish conceived was a dense, 8.25 million square foot residential-led scheme dominated by a huge tower that reared over the power station" (Watts 2015, p. 186). The masterplan, designed by architect Raphael Viñoly, went through two iterations: one in 2008, which first mentioned the Northern Line Extension, and the next in 2010, worth £5.5 billion, that scrapped the tower that would have compromised views of Westminster Palace and was likened to two stacked toilet paper tubes by critics (ibid, pp. 190, 196-7). By this point, Parkview's additional land purchases left the power station occupying one-seventh of the site (ibid, p. 193).

The 2008 London Plan designated Vauxhall, Nine Elms, and Battersea an Opportunity Area, a "major source of brownfield land which [has] significant capacity for development – such as housing or commercial use - and existing or potentially improved public transport access" (Mayor of London 2008). It is one of 39 Opportunity Areas in London, and its specific planning framework was drafted in 2009 and adopted in 2012. The site straddles the boroughs of Lambeth and Wandsworth, but is predominantly in Wandsworth.

The VNEBOA's designation in 2008 ushered in Greater London Authority involvement and a host of activity. In October of the same year, the United States relocated its embassy to Nine Elms. "Suddenly, the post-industrial triangle of near-wasteland between river, railway, and Wandsworth Road became an unlikely development hotspot." Boris Johnson, the newly-elected Mayor, declared the Opportunity Area "possibly the most important regeneration story in London for the next 20 years" (ibid, p. 194-5). Besides Treasury Holdings' scheme, five other major developments began taking shape in the VNEBOA. By 2011, Treasury Holdings had accrued £2.7 billion in debt but secured the Malaysian developer SP Setia as a financing partner for a "joint-venture stake in the power station scheme" (ibid, p. 200). However, Ireland's National Asset Management Agency put Treasury Holdings into administration later that year.

In mid-2012, a Malaysian consortium consisting of SP Setia, Sime Darby, and the Employees Provident Fund purchased the site from Lloyd's and the National Asset Management Agency for £400 million. Sime Darby is Malaysia's largest conglomerate and the world's biggest palm-oil producer, and the Employees Provident Fund is Malaysia's biggest pension fund (ibid, p. 209). This consortium in turn founded Battersea Power Station Development Company (BPSDC) to carry out the project (BPSDC 2014d). SP Setia and Sime Darby were bought out by Permodalan Nasional Berhad in 2018 in a sale that valued Battersea Power Station at £1.6 billion (Williams 2018).

Rob Tincknell, employed first at Treasury Holdings and later as BPSDC's CEO, openly recognised and credited the importance of the Malaysian government's role as majority shareholder to the project's success (Watts 2015, p. 209), seemingly without irony given local, city, or central government's refusal to invest in it. With the 7-phase project construction well underway, BPS development is expected to contribute "commercial floorspace to support 17,000 permanent jobs, including 150,000 [square metres] of Grade A offices, 75,000 [square metres] of retail and cafes/restaurants, hotels and leisure space and a major new entertainment venue, as well as more than 4,000 new homes" (DP9 Ltd 2018). In 2018, however, the newly-elected Prime Minister of Malaysia, Anwar Ibrahim, announced the purchase of the power station would be investigated under suspicion of being part of an embezzlement scheme of a state fund (Ramesh 2018). As of summer 2019, no further news has emerged, but any findings of wrongdoing could jeopardise the project's funding and force renegotiation.

Figures 2 and 3: Construction on the BPS and in the greater VNEBOA (author's own)

Development Infrastructure Funding Study

In 2010, Roger Tym & Partners (RTP), Peter Brett Associates, and GVA Grimley wrote a Development Infrastructure Funding Study (DIFS) delineating the amount and trajectories of office (260,000 square metres), retail (84,000 square metres), and residential space (16,000 apartments) for the VNEBOA masterplan. It proposed how "local authorities can capture possible developer contributions resulting from this growth in order to ensure that the necessary infrastructure is put in place" (RTP 2010). Of several options, the DIFS recommended a Section 106 tariff, or a "fixed charge on a number of developments which all create a range of common infrastructure needs" to pay for "site-by-site requirements, some revenue items and affordable housing." Community Infrastructure Levy (CIL) was introduced that year as a more transparent and direct alternative to Section 106, and the DIFS recommended adopting CIL in 2014 once policy was more certain (ibid). Residential tariffs vary depending upon a building's location within one of the four value zones within the VNEBOA, but tariffs for commercial buildings are uniform across the OA (see Figure 4). The total cost of infrastructure was initially estimated at an unfeasible £2 billion, but was revised to £1.06 billion after further scrutiny (personal interview, 1 August 2019). The DIFS found that depending on the amount of affordable housing developers provisioned, which would reduce their contribution obligations, the proposed infrastructure funding mechanism would leave a deficit between £58-80 million. Figure 5 is an example of one of the models from the DIFS. Transport alone was 81% of the costs, with the NLE estimated to cost £563 million (RTP 2010). However, "in the end...the Malaysian developers of the Battersea Power Station came along and said they would build these biggest pieces of infrastructure, which was the Northern Line Extension, which effectively wiped out the deficit" (personal interview, 1 August 2019).

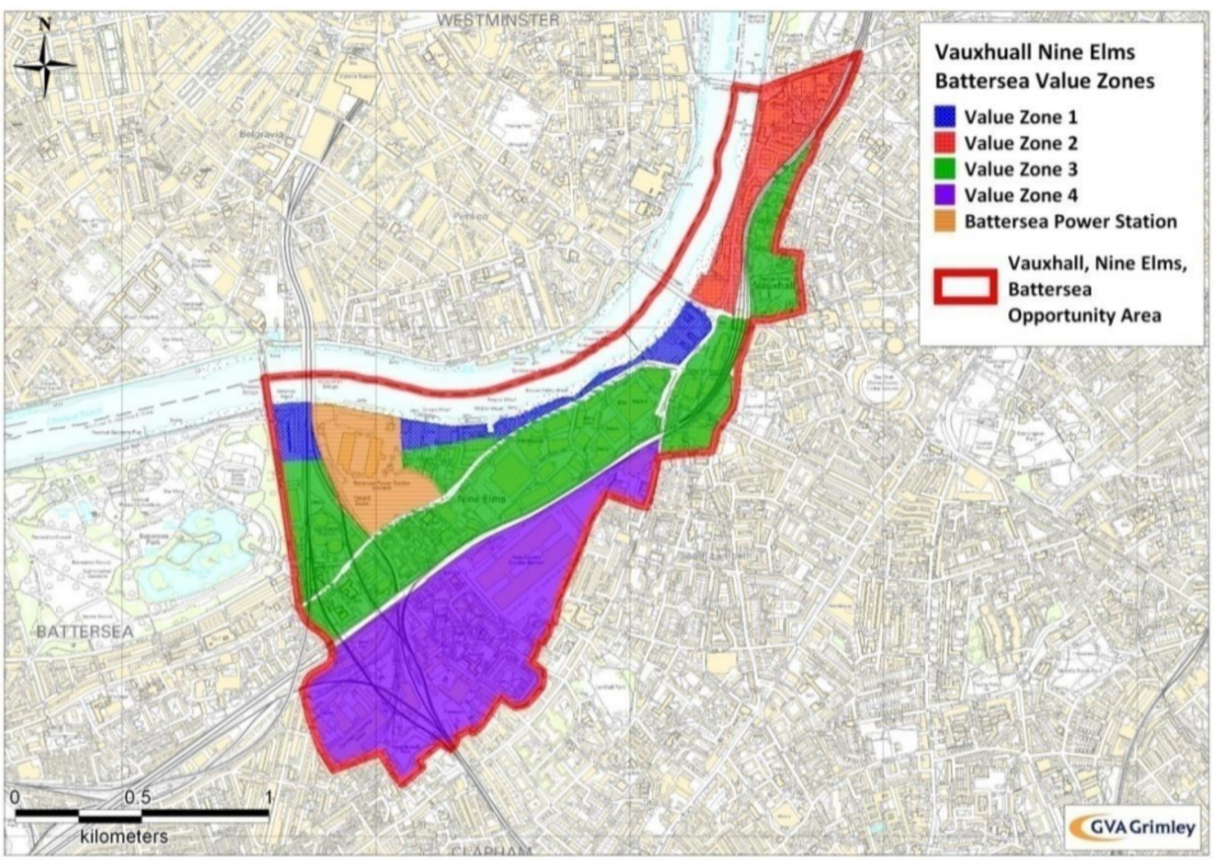

Figure 4: Four value zones, spatial determinants of tariffs (RTP 2010)

Table 1 Scheme 1 Residual Land Values (Medium Residential) 40% Affordable Housing, No Grant

Contribution Per Unit	£15,000	£17,500	£20,000	£25,000	£30,000	£35,000	£40,000	Benchmark Land Value
Value Area 1	£4,200,000	£4,100,000	£4,000,000	£3,800,000	£3,600,000	£3,400,000	£3,100,000	£3,300,000
Value Area 2	£3,300,000	£3,200,000	£3,000,000	£2,800,000	£2,600,000	£2,400,000	£2,200,000	£3,300,000
Value Area 3	£2,500,000	£2,400,000	£2,300,000	£2,100,000	£1,900,000	£1,600,000	£1,400,000	£2,500,000
Value Area 4	£0	-£200,000	-£400,000	-£500,000	-£700,000	-£900,000	-£1,200,000	£1,000,000

Figure 5: Modelling land values and affordable housing in the DIFS (RTP 2010).

The infrastructure funding scheme employed is complex and frequently re-negotiated depending on how development is progressing (personal interview, 18 July 2019). The Northern Line Extension, the largest infrastructure cost, is funded through novel arrangements never employed before in the UK (Gannon 2013). In 2013, the GLA took out a £1 billion loan from the Public Works Loan Board, guaranteed by Her Majesty's Treasury (TfL 2013). This loan will be repaid via developer contributions and increased business rates from an Enterprise Zone created in the OA. The Enterprise Zone is a designated local area wherein tax incremented financing (TIF) is enacted for 25 years, as depicted in Figure 6. "A base tax value rate is evaluated prior to the start of TIF providing a base against which to collect incremental taxes on residential or commercial property. The local authority uses TIF (above the base) to capture future increases in tax revenue that result from an increase in property values the identified area over a defined period of time" (Gannon 2013). Rather than these tax increases going to the local borough, they go towards servicing the loan (personal interview, 10 June 2019). Successful TIFs can bring in more revenue to a local government's entire annual budget whilst "reinforcing the disparity between gentrified and disinvested neighborhoods" (Stein 2019, p. 58). Property values that do not increase render TIFs failures and leave the tax-collecting authority responsible for the loan balance.

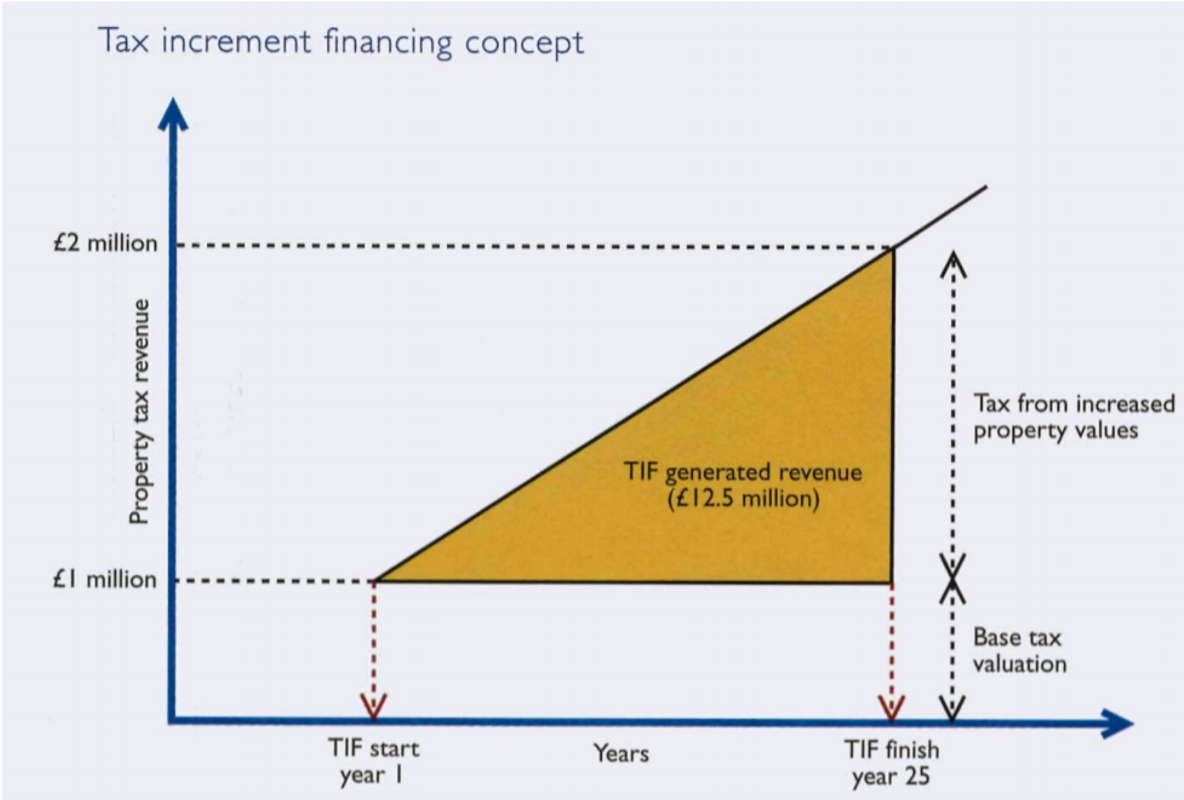

Figure 6: Diagramme illustrating TIF (Gannon 2013)

Additionally, the developers contribute towards the cost of infrastructure through the CIL. The local authority charges the developer per dwelling. Payments are tied to construction phases: "The...loan was split into a number of tickets. For example, in Phase 1, before we broke ground, we paid £10 million. Before we occupied, we paid another £10 million. All those triggers are spelled out on one page, very straightforward. However, in 2011 whilst Treasury Holdings was in administration, Wandsworth brought in a charging schedule for the CIL which is a system to replace Section 106. It's a combination now and it's very complicated" (personal interview, 10 June 2019).

"Everybody Had a Role to Play": The Opportunity Area's Plans and Collaborators

(personal interview, 11 July 2019)

The opportunity area planning framework (OAPF) was written by a team of GLA planners outlining strategies for land use, housing and social infrastructure, transport, the public realm, tall buildings, and the environment. The OAPF complements national planning guidance, the London Plan, 2011 Lambeth Core Strategy, and 2010 Wandsworth Core Strategy (GLA 2012). It proposed 16,000 new homes (which has since increased to 20,000) and 20-25,000 jobs (ibid). The GLA and Treasury Holdings each had 2 iterations of their respective masterplans. The GLA produced the draft and final OAPF in 2009 and 2012. Treasury Holdings received planning permissions from Wandsworth in 2008 and 2011. This begs the question of how the OAPF was able to influence the site's progression and overall vision, with the biggest Opportunity Area development already approved (see Figure 7). BPSDC's Head of Planning and Public Affairs' description of the collaboration between public and private stakeholders echoed other interviewees' comments:

> "Treasury Holdings launched their application in 2009. The London Plan which was leading us, and helping us, and in between you had the OAPF which came quite late. We launched in 2009, went to planning committee in 2010, and got our permission in 2011, but...the OAPF wasn't adopted until 2012. It came after us. Some policies we did follow, some policies followed us. I think it was complementary. We adapted. We worked with each other, which worked very much in line with the collaboration ethos which was very prevalent on our end and theirs...The OAPF that was being done in the backdrop of the strategy board was co-chaired by the leaders of Wandsworth and Lambeth, with representatives from the landowners, TfL, et cetera. You're all in it together" (personal interview, 10 June 2019).

Figure 7: Planning permissions already awarded in the VNEBOA masterplan (GLA 2012)

The National Planning Policy Framework compels developers to approach local authorities as early as possible to form development briefs for sites (personal interview, 5 August 2019), but the planning permission predating the OAPF's publication casts doubt on whether the OAPF was written to tacitly endorse the existing planning permissions, or to define how to best meet the existing local needs and greater needs of London. Developer-submitted plans were amended to retroactively align with the OAPF on matters such as building heights and inclusion of a linear park through the Opportunity Area (personal interviews, 10 June, 2 and 8 August 2019), but otherwise maintained the essence of the developer's plans for massive glass buildings filled with office, high-end retail, and luxury residences enveloping the power station.

This collaboration was more than informal, congenial working relationships. Interviewees from Wandsworth Council and GLA described two instances in which funding for their teams' work came from the private sector. The developers paid £400,000 for a team of planners from the GLA to write the master plan.

> "...About halfway through 2008, I was approached by one of the developers, Ballymore, who had bought one of the sites there, which obviously wasn't built out. We were discussing how you might bring forward a more comprehensive plan for Vauxhall Nine Elms...I said to them, if they would pay the GLA and my team to do that work, I would set up a team to do that plan...The deal was they had no editorial control...but they would be involved in the process. We agreed they'd pay us £200,000 to set up a team of planners and urban designers to start producing actual spatial plans. They'd pay £200,000 to enable TfL to do a transport study...TfL colleagues commissioned a transport study to Peter Brett took look at alternatives for the Northern Line, a tram, all the cost benefit analysis. At the same time,

> one of the GLA team's main tasks was to come up with a structure of developments and development capacity testing to see how many homes and jobs you could get off the site, and off the back of that conversation with Ballymore, Treasury Holdings and other developers said, 'we would like to be a part of that as well, and we would like to contribute financially to it'...Come November 2009, we had our consultation and launch of the draft plan. By then we had spent a year talking to all the developers about what the development capacity might be..." (personal interview, 2 August 2019).

Similarly, Wandsworth's planning officer described Planning Performance Agreements:

> "I convinced managers here I'd be the right person to form a team. They said [I could] do that, but there's no council budget for it, you have to make your own money for it. Planning Performance Agreements were just starting at that time, and I...got a couple early Planning Performance Agreements to get more people and fund that team. Now I work through solely Planning Performance Agreement contributions from developers. They are government agreements whereby you get money from developers to pay additional sums on top of their planning application fees if you sign an agreement you're going to deliver a project by a certain time. However, it doesn't guarantee you're going to get planning permissions, it just guarantees my credibility in delivering large scale, mixed-used, redevelopment complex infrastructure...Developers want to pay for the best staff that they know can manage these things and balance what the issues are, and resolve them up-front in terms of pre-application submissions" (personal interview, 18 July 2019).

These arrangements superficially address conflicts of interest by barring developers from editorial control and not guaranteeing planning permissions. However, the teams' existence depending upon money from private developers call into question how willing planners would be to defy the wishes of the developers behind their paychecks. These two arrangements are illustrative of both entrepreneurialism in the public sector and the hybridities emerging from financialisation. Without resources from their own employers, these interviewees found ways to ensure they could continue their work as planners, albeit without an independent relationship from planning applicants in their jurisdiction.

The close, if not overlapping, working relationships and simultaneous planning timelines perhaps compromised public involvement. When asked to list VNEBOA's stakeholders, not a single interviewee mentioned the general public or existing community within the VNEBOA's boundaries. The consensus was Wandsworth Council, TfL, Lambeth Council, the GLA, and the 6 major landowners/developers. One interviewee included Historic England. When asked to elaborate on the working relationships amongst these stakeholders, interviewees spoke volubly of harmony and political streamlining. They emphasised the collaborative nature of the OAPF writing and decision-making process (personal interviews, 10 June, 11 & 18 July, 2 August 2019).

Whilst researching this thesis, a recurring statistic boasted eight public consultations attracted over 15,000 visitors (BPSDC 2014b) to see what the site had in store and voice their opinions. That number swelled to 40 events and 100,000 consultees two years later (BPSDC 2016). Treasury Holdings established a community forum for local organisations and businesses under the management of a public relations company and only open by invitation of the developer (Freire Trigo 2019). Both this forum and other outreach events' main objective was to inform and "bring the community along" to quell opposition (personal interview, 10 June 2019). Consultants for the developers routinely met with opponents such as the Battersea Power Station Community Group (personal interviews, 2 and 5 August 2019), and the local boroughs facilitated meetings with organisations like the Battersea Society and Kennington Vauxhall Residents Association (personal interview, 2

August 2019). Nearly all interviewees described minimal objections from the public, either because the land itself was largely vacant or they supported regeneration. The timeline and executors of planning permissions provide extra insulation from community criticism: Treasury Holdings applied for and received the approval for the masterplans, but BPSDC is carrying them out. BPSDC's Head of Planning and Public Affairs, when asked about community consultation, described events in wealthy areas of London that sounded more like sales and marketing campaigns (personal interview, 10 June 2019). Freire Trigo (2019) reports that local residents and organisations felt disempowered and excluded from participating, or that they were merely tokens. She further elaborated (personal interview, 5 August 2019) they felt grants BPSDC administered for charitable projects were disingenuous placations, and BPSDC ignored their pressing request for sports pitches for children.

Whatever public feedback received did not appear to influence any plan's course. An interviewee from the GLA conceded nothing from the borough-hosted community meetings influenced the final OAPF (personal interview, 2 August 2019). The Placebook (2014b) was shaped by a series of eight "Thinking Battersea" workshops for selected contributors. "Some were academics chosen to help explore theoretical issues, while others were consultants involved in trendspotting and speculation about the future. Many had invaluable practical experience of setting up successful urban ventures from first principles such as markets, arts cinemas and collaborative workspaces, or in activating public space through pop-up ventures, meanwhile uses, and festivals" (ibid). The roll call includes directors of marketing, branding, and concierge lifestyle companies and consultants from community engagement and placemaking firms. Apparently no one from the community was involved in writing BPSDC's 90-page Community Charter (2014a).

The 2008 global financial crisis rocked the property market. However, in London, "there was a period where the economy picked up a little faster than most people predicted. There was a period of openness in Britain to investment and to people and capital flows around the world were very relaxed. You had Chinese, Far East, and other economies picking up. People were looking for places to put money and London was seen as an expanding, welcoming city" (personal interviews 14 August 2019). Indeed, the OAPF says in its opening paragraphs that the site will be "a prestigious destination for international investment" (GLA 2012).

Viability and Placemaking

The 2018 Planning Guidance accompanying the National Planning Policy Framework (NPPF) states viability assessments determine "whether the value generated by a development is more than the cost of developing it," and that this should be conducted during the plan-making stage. Viability assessments not only ensure private developers turn profits off proposed schemes, but also determine the amount of planning gain, "the uplift in land value that takes place as a result of planning permission being granted" (Canelas 2018). Factored into viability assessments are the costs of construction and infrastructure the developer will contribute towards.

The cost of infrastructure, negotiated between developer/landowner and local authority, is an inherent point of tension in the planning application process, particularly given the government's increased emphasis on viability and deliverability in the wake of the 2008 financial crisis (Ferm 2018). "Governmental austerity has...impacted the ability of the public sector to fund the physical, social and green infrastructure which supports quality of life...Changes in central government policy...have, however, restricted the ability of planners in this vital area of practice under the mantra of not adversely impacting the 'viability' and hence delivery of development" (Clifford 2018).

In the UK, viability is typically set at 20% profit for developers (Raco 2018); the NPPF says returns between 15-20% are acceptable. The DIFS' authors subcontracted a property and real estate firm to establish an appropriate viability level for the VNEBOA (personal interview, 1 August 2019). Varying percentages of affordable housing and tariffs per square metre of office, commercial, and residential building were modeled in scenarios by "[taking] benchmark land value and [comparing] it to land values under different projected tariff rates. As tariff levels go up, land values go down. Simply put, the point at which projected land values fall beneath the benchmark land value set identifies the point at which a given tariff level will render development unviable" (RTP 2010). The DIFS set the benchmark as the existing use value, the land's value in its "existing use" (MHCLG 2018), ranging from £2 million-£24.7 million per hectare depending on its use and location within the VNEBOA's four value zones. The residual land value is the difference "once all planning contributions, including affordable housing, [have] been taken into account." A viable development was set as any residual land value exceeding the upper benchmark land cost. "Marginally viable" was defined as "residual land value...less than 25% lower than benchmark" and unviable development defined as "greater than 25% below the benchmark" (ibid). The DIFS modelled scenarios using 40% and 15% affordable housing provisioned, and with and without National Affordable Housing Programme grants and found the densest residential schemes with 15% affordable housing and supplemented by the National Affordable Housing Programme grant would be the most profitable.

A non-viable development is undeliverable, and the phasing of facilities and services impacts viability just as much as the facilities and services themselves. The most profitable, revenue-generating schemes must be delivered first to then in turn fund subsequent development, but these are uncertain as markets change frequently. "We are at the mercy of development cycles...We've got certain developments that are going ahead where we have to look at flexibility. A lot of the developers like Royal Mail, Covent Garden, and Ballymore did what's called a hybrid development...what you do is build in some flexibility for future phases, because you don't know how things are going to change over time, economic cycles, what new concepts are coming into planning...The detailed parts which were Phases 1 and 2 here had some flexibility built in...whilst maintaining the ethos of the original development and making sure the benefits continue.” (personal interview, 18 July 2019).

Affordable housing is not charged with CIL, and is far less profitable than luxury flats and office space elsewhere in the development. In 2018, blaming construction costs increasing over 11% annually and sluggish luxury flat sales, BPSDC announced a reduction of affordable housing from 40% of all residential units to anywhere between 9-15% (Williams 2018). An interviewee from BPSDC told of the market and political conditions factored into the decision:

> “The idea [was] that as the Opportunity Area evolved and things came online, [land] value would go up and we could afford more [affordable housing]. Some of the later developments are about 25% [affordable housing]....At the time in 2017, it was a really challenging time for the project in that the costs were going up and we wanted to have some flexibility...When we did our original 15%, our financial appraisal showed that at the time of the planning application stage, we couldn’t afford any but based on growth and projections, and growth in the market, it showed that we could. That did track for a while, then the market dropped and the costs were going up. It wasn’t going to plan, so we went back to Council and said based on the numbers, if we were to do it now, we would be providing zero. However, we’re conscious that’s politically unacceptable, so we did a deal... [to] fasttrack 386 units in Phase 4A...We could do that because Peabody’s [the affordable housing provider] was already on the scene....We asked for financial review on the remaining 250 and the costs of that. We also said if things go really well, we’ll provide more than 15%. On paper, it was a pragmatic and good deal within the rules of planning. The unfortunate thing was that in public media, it was portrayed as a slash” (personal interview, 10 June 2019).

BPSDC promotional materials (2014a, b, c, d, 2016) emphasise the importance of “placemaking.” CEO Rob Tincknell said of the development “this level of density has been proven all round the world as a density that works. It creates a critical mass so the shops function, the public transport works and there’s a buzz, which is what people come for. We are mixed use, a proper town centre, a new London village” (Watts 2015, p. 213). This statement is not inherently incorrect, but overlooks that such density was required to make the site viable. In the same vein, BPSDC products tout other features of the development couched in aesthetic, sustainability, placemaking, and urbanist jargon striving towards “authenticity,” a word used 10 times alone in the Placebook (2014b). Figure 8 depicts what the development is anticipating to look like in 2025.

Figure 8: All but the northern view of the iconic BPS will be obscured (Architects Journal 2011).

Employing nature-inspired euphemisms for gentrification and displacement, the BPSDC Placebook describes the evolution of the new town centre in stages: meanwhile, pioneer, emerging, established, and mature. “This mimics critical discourse on phased gentrification, minus the criticality. The stages reconcile the immediacy designers seek from urban life...with the need to cast their intervention as a permanent and sustainable urban good” (Vijay 2018). The Placebook alludes to the viability driving the placemaking. “Staged Placemaking is a subtle art that seeks the highest returns for a site, by focusing on what it takes to make somewhere special every step of the way...it might seem counterintuitive to ignore the bottom line, but the reality is great places bring great returns in the long run” (2014b). BPSDC justifies its own urban form with sanitised vocabulary that conjures a new utopian village where residents will live sustainably and realise their creative potential. The Placebook fails to mention that in this new community, the starting price for a 1-bedroom flat is £1 million, or Tincknell’s justification that luxury homes are necessary to offset the cost of the BPS restoration (Kollewe 2017). It also omits that the affordable housing, whose residents could ostensibly imbue the development with the “genuine sense of community” the BPSDC (2014b) envisions, are all located off-site in the name of viability (personal interview, 18 July 2019). BPSDC’s chief development officer, however, was more candid on a panel at the elite property exhibition MIPIM in Cannes, telling attendees “developers need to understand that placemaking helps get them involved with more future projects, planning and sales. Ultimately it enhances values. There is a need to understand the symbiotic relationship between creating great places and enhancing value” (Hatcher 2017).

Retailers, restaurants, and leisure centres are high-end, and catered to the tastes of hypothetical residents willing to spend upwards of £4 million on a 4-bedroom home (Kollewe 2017), and not “the kinds of places the people living in the social houses around the Battersea Power Station can afford and actually like and use. They won’t find any of those in that place” (personal interview, 5 August 2019). However, by the Placebook’s (2014b) own account, “in the early stages the developer needs to act with an unusual degree of flexibility – giving away space to people with creative energy, offering low rents to quirky shops so they can sit alongside luxury brands,” so any affordable storefronts or businesses would have no guarantee of surviving into the “established” and “mature” phases of the developments.

The Northern Line Extension: Crux of Growth

Any developer of Battersea Power Station was faced with a conundrum. Its restoration costs demanded a “new town centre” (personal interview, 10 June 2019) of a “critical mass” (personal interview, 5 August 2019) to ensure its profitability. However, such a new town centre would not be possible without increasing the site’s public transport accessibility levels. The previous developers who failed to accomplish anything on the site recognised this necessity and floated ideas such as a direct link from Victoria station and light rail.

In 2008, Steer-Davis Gleaves conducted the first of several studies on behalf of Treasury Holdings weighing the merits of extending the Victoria, District, and Northern Lines, and several types of surface lines or trams (personal interview, 12 August 2019). The NLE in the configuration under construction today as two stations beyond Kennington on the Charring Cross branch, as seen in Figure 9, was widely accepted as the most promising expansion of transport access for the VNEBOA. As the developers paid for both the GLA’s writing of the OAPF and the Wandsworth planners via Planning Performance Agreements, they did so for TfL staff to attend their planning meetings.

> “...One of the key breakthrough moments [was] a phone call...from Alex Williams at TfL saying, we heard you’re starting to do a feasibility study, and we’d like to get involved to help you make sure you get it right. So they started sending 1 to 2 people coming along to meetings, doing some work, all of what they did get paid for. Treasury Holdings had to pay their time, but it obviously made a huge difference. Suddenly it was becoming [TfL’s] scheme, rather than some bunch of transport consultants coming up with some bloody silly idea” (ibid). Despite their enthusiasm at this stage, TfL had not considered extending the Underground into the VNEBOA previously (ibid): it “was a pointless bit of infrastructure as the line does not really go anywhere but for the developers it was essential, and they were prepared to pay for it” (Watts 2015, p. 196). However, “if you start building a railway line, there’s always a chance you’ll be allowed to extend it, and I think in TfL’s mind that’s why they’re so keen on doing this apparently minor extension, which on the face of it is of more interest to the owners of this land and the developers of these buildings than it is a strategic transport asset for London” (personal interview, 5 June 2019).

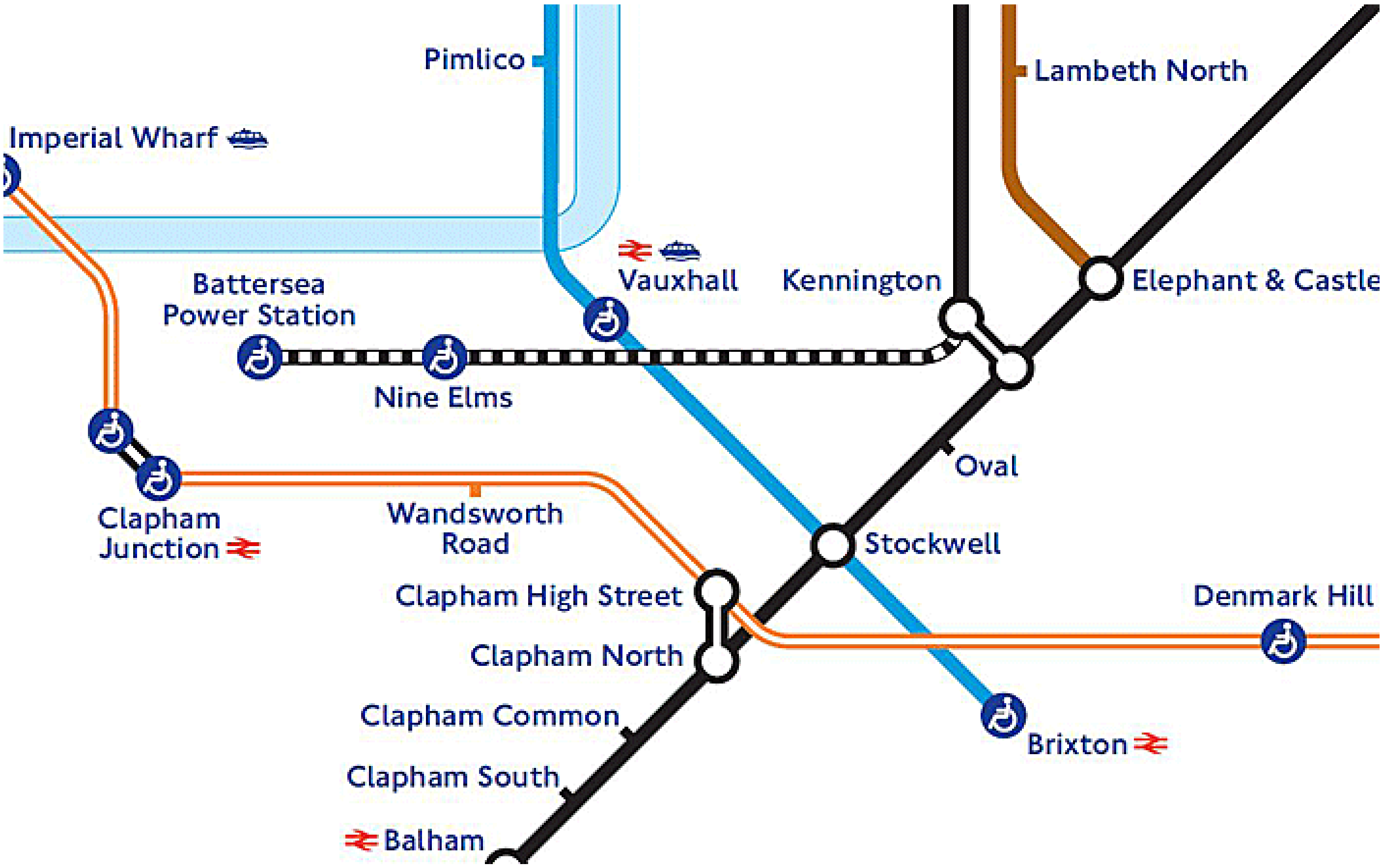

Figure 9: Map depicting new stations of Nine Elms and Battersea Power Station on the Northern Line (TfL)

This infrastructure had to be paid for by the developers via selling and leasing of residential, office, and retail space, which was only possible if the infrastructure was built. The expected land value increases, captured through the Enterprise Zone and developer contributions, would pay for the public transport increase. A Wandsworth Council employee amusingly described this circular arrangement: "the scale of development pays for the transport infrastructure that gives you the public transport accessibility levels that enables this scale of this development" (personal interview, 11 July 2019).

"The raison d'etre of the NLE is the delivery of a high-density development within the VNEBOA that has been assumed as the 'favored' option by the GLA, while low development hypothesis or downside economic scenarios have not been taken adequately into consideration during the project appraisal" (Ward 2014). Although the NLE qualifies as a mega-project by all accounts, it was not given its due appraisal beyond its immediate costs and station locations. A project of this scale "warrants...a policy-led multi-criteria analysis framework and related processes that facilitates the transparent prioritizing and contextualizing of trade-offs amongst different key stakeholders regarding decisions about resourcing and costing the project, as well as determining where costs and benefits ultimately fall over time, space and institutionally" (ibid). Antagonistic relationships between developers and the public sector benefit no one: political or planning gridlock is costly, inefficient, and jeopardises successful project delivery. Mega-projects absolutely benefit from political champions, of which the VNEBOA and NLE enjoyed several at multiple levels of government by 2008. However, projects of such a scale also benefit from a 'time to breathe' (Dimitriou et al 2013) to reflect on decisions, and emphasis on speedy decision making for its own sake can overlook project intricacies and exclude public participation. Although Battersea Power Station already could have enjoyed plenty breathing time since its sale in 1983, the repeated failure of three developers to accomplish anything on the site while

Wandsworth leaders stood by does not constitute productive breathing time. Conversely, the Northern Line Extension was “one of the fastest transport schemes to go from concept to construction. It went through in no time at all, relatively speaking, because there was the will” (personal interview, 11 July 2019). Its approval coincided with political streamlining from the borough, city, and central governments at a time when development and investment were seen as crucial to recovering from the 2008 financial crash.

The NLE is found lacking when scrutinised in relation to how the new stations and route integrate with the rest of the Underground network, potential to serve existing communities lacking transport access in the VNEBOA, and stakeholder engagement beyond the BPSDC and American Embassy. As it is funded by the private developers, the extension exists solely to serve the VNEBOA regeneration and “stops before it hits any of the existing communities who could benefit from it” (personal interview, 5 June 2019). One interviewee requesting anonymity said that in a private meeting concurrent to the 2008-09 feasibility studies, a Treasury Holdings representative admitted the Northern Line Extension was never seriously considered in any alternative route or transport mode.

The NLE’s funding mechanism is the VNEBOA’s de facto insurance policy. The loan taken out from the Public Works Loan Board by the Greater London Authority was guaranteed by HM Treasury. Over 25 years, developer contributions and the business rates from the Enterprise Zone will repay it via Wandsworth Council. The DIFS included a contingency: “5% for design, 5% for construction and 5% for an overall risk reserve” contingency, as well as optimism bias per the Department for Transport’s guidelines (RTP 2010). Beyond these contingencies, no interviewee described a risk management strategy proportionate to the entirety of the development. Controls included adjusting the amount of affordable housing and reallocating the ratios of retail, office, and residential space. One Wandsworth Council employee stated there is no “all-encompassing framework of risk management” (personal interview, 18 July 2019). BPSDC’s Head of Planning and Public Affairs confirmed his employer had no insurance for the entire scheme, but that shareholders did their due diligence when purchasing the site (personal interview, 10 June 2019). Another Wandsworth employee conceded “at the end of the day, if it all went horribly, horribly wrong, the government would step in and pay” (personal interview, 11 July 2019).

Given that the public sector absorbs the risk for the NLE funding for, at a minimum, 25 years, the cooperation between private and public sectors remarked upon by interviewees can be considered a risk-aversion necessity for Wandsworth Council, TfL, and the GLA rather than simple bonhomie with private counterparts. “Private investors usually push for legally binding contracts in which there are reduced risks for them and guaranteed returns. The longer term and the less flexible the agreed contracts are, the better” (Raco 2014).

VI. Implications

"If I said to you, 'make up how the UK delivers affordable housing in the most convoluted, untransparent, stupid way,' you would not arrive at our system, because our system is even worse"
(personal interview, 14 August 2019).

A common refrain from interviewees was that at long last, after nearly four decades of stagnation, development was finally happening thanks to a coinciding of fortuitous events like the American Embassy relocation to Nine Elms, approval of the NLE, and the well-resourced BPSDC taking ownership of Battersea Power Station. Thanks to two Malaysian pension funds, BPSDC has the most money of any of the four developers who have owned BPS. Where central government, London, and Wandsworth Council refused to invest in its own land-first by selling it outright, then by taking a hands-off role in shaping a vision for it until 2008, the Malaysian government has intervened to reap an expected £9 billion profit over the next several decades (Kollewe 2017) whilst the British taxpayers insure the linchpin of their endeavour, the Northern Line Extension. However, the financial disclosures of the consortium were not made public, and the interviewee from BPSDC declined to release business cases and feasibility studies.

Viability is obviously a requirement of the developer to ensure they make a return and stay in business. However, viability also takes precedent for the local authority over other considerations because of the pressure to find new revenue sources in the absence of central government funding. Viability dictated the density, land use mix, design, and percentage of affordable housing. This does not inherently put a proposed development at odds with the needs of the local community, but viability will prevail if and when the two conflict. This is especially so with affordable housing. London's much-discussed crisis of affordable housing is exacerbated by the very system charged with providing it. Central government ended affordable housing subsidies in 2010, ushering the current system of developers provisioning affordable housing based on years-away assumed profits. This negotiation "takes years, costs a fortune, which puts the price of everything up, and it's in no one's interest at all, except a few politicians who can say 'well, the reason we haven't got any housing is the horrible developers'" (personal interview, 14 August 2019). This uncertainty increases risks for developers and further politicises the planning system, as affordable housing hinges on market conditions for other types of property and what politicians deem an acceptable profit for developers. Additionally, cutting affordable housing may work to elected officials' advantage if they believe its residents will not vote for them (personal interview, 14 August 2019). It is not hard to imagine this sort of gerrymandering in Wandsworth, which "vied with Westminster City Council to provide public services on the lowest possible level and thereby reduce taxes on their relatively affluent residents" (personal interview, 5 June 2019).

One interviewee described the VNEBOA as a plan-led endeavour (10 June 2019). He did not specify which plan was leading, though. In the absence of decisive vision and leadership from Wandsworth Council, Battersea Power Station languished for nearly three decades under the mismanagement of three developers. Wandsworth Council never did any of its own feasibility studies for the site (Watts 2015, p. 231). "Anything to attract income was seen as beneficial and would have trumped any concerns over what development could do to make a place better, or to serve the needs of the [borough's] deprived neighbourhoods" (personal interview, 5 June 2019). This challenges Wandsworth's non-interventionist belief that "the market" best determines land use, and opens the debate to alternative delivery vehicles such as development corporations and community land trusts.

VII. Further Research

Public-private entanglements brightly described as “collaboration” by interviewees are rooted in formal arrangements governing the writing of the OAPF, Planning Performance Agreements, and consultant work. This thesis would have benefited from a review of those contracts, as well as the legal agreements dictating CIL payments’ phasing and the risk management plan for the NLE. That such information was not readily available, or willing to be disclosed by interviewees who had access to it, speaks to the obfuscation financialisation enables by leaving major planning and development in the hands of private companies unaccountable to the public. This research discussed the limited public input shaping the development; it would be remiss to note that only one individual directly involved in community opposition was interviewed. Nobody from Lambeth Council was interviewed; a historically Labour borough, insights would have offered another view of working with developers.

This thesis has demonstrated how financialisation bred overlapping working relationships between the public and private sector that limits public input and transparency, appropriates the language of placemaking to justify viability, and forces the public to insure a financialised development via funding of a transport mega-project. These findings are characteristic of financialised developments in London, and by the accounts of experts, will only become more entrenched in the planning system (personal interviews, 5 June and 14 August 2019). Future research should thus explore alternative management and funding structures that prioritise accountability and the public good, like development corporations and community trusts. Given that the Opportunity Area is almost exclusively private land, further research should delve into the consequences of “POPS”-privately owned public space, that is becoming more common across the capital.

VIII. Conclusion

Three miles east along the Thames from Battersea Station stands Bankside, another power station designed by Giles Gilbert Scott. It closed in 1981 and sat unoccupied until 1994, when Tate, a non-departmental public body and charity, selected it to house its expanding collection of modern art. Swiss architects Jacques Herzog and Pierre de Meuron won a competition in 1995 to repurpose the massive brick building into a gallery, which opened in 2000 and attracted over five million visitors in its first year alone. Its £134 million renovation was paid for by the UK government's Millennium Commission, English Partnerships, Arts Council England, Southwark Council, and independent donations. Tate's full financial reports are readily available online (Tate, n.d.). The Tate Modern is free to all and its surrounding grounds are a lively public space. A pedestrian bridge stretches outside the museum to the northern bank of the river, where walkers confront an astounding view of St. Paul's Cathedral. Giles Gilbert Scott intended Battersea Power Station to be converted into an industrial museum at its decommissioning (Watts 2015, p. 235), and Battersea to this day has a pressing need for public exhibition space, as evidenced by a "temporary" structure used for exhibits and events in nearby Battersea Park disassembled every few years in order to comply with its permit (personal interview, 2 August 2019).

These sister buildings offer a contrast in the planning and appraisal of public versus private, financialised projects. The construction surrounding Battersea Power Station obscures the much-loved views of the power station itself, despite BPSDC's marketing campaigns centreing on the power station as an "icon." Rather than paying homage to the industrial ruin and preserving it as an icon, it is instead reduced to "one element in an oversized sculpture park celebrating the egocentric excesses of 21st-century architecture while remaining wholly generic in context. It will offer nothing to London that the city doesn't already have to excess, namely expensive and exclusive accommodation, office space and shops" (Watts 2015, p. 240). The VNEBOA and Battersea Power Station are representative of London and the UK's increasingly financialised property development industry and privatisation of space, and the enormity of the developments; the enormity of these private undertakings amplify the public's exclusion and exposure to its risks. Prioritising viability and shareholder returns over affordability, public autonomy from developers, and transparency negates a planning authority's obligation to its constituents and instead subjugates it to the desires of developers. As austerity forces under-funded local governments to entrepreneurialise via land value-raising development, planning authorities will become either ready enablers or toothless bystanders to gentrification and privatisation.

Appendix 1: Interviewees

Peter Rees, 5 June 2019, Professor of Places and City Planning, Bartlett School of Planning, Former City Planning Officer for City of London, 1985-2014

Gordon Adams, 10 June 2019, Head of Planning and Public Affairs, Battersea Power Station Development Company

Kathryn Stewart, 11 July 2019, Head of Programme Nine Elms, Wandsworth Borough Council

Mark Hunter, 18 July 2019, Head of Strategic Development, Wandsworth Borough Council

Keith Mitchell, 1 August 2019, Director of Community Development and Infrastructure at Peter Brett Associates

Keith Garner, 2 August 2019, Conservation Architect, Battersea Power Station Community Group

Colin Wilson, 2 August 2019, Manager of Project Implementation Team, Greater London Authority

Jeremy Castle, 5 August 2019, Director of Planning, Treasury Holdings

Dr. Sonia Freire Trigo, 5 August 2019, Lecturer in Urban Planning, Bartlett School of Planning

Peter Twelftree, 12 August 2019, Director, Steer

Roger Madelin CBE, 14 August 2019, Head of Canada Water development, British Land

Appendix 2: Sample Interview Questionnaires

1. What was the stated mission of the BPS development?

2. Explain how the development was designed. How did Wandsworth Council plans, VNEBOAPF, and London planning documents influence the scope of the projects?

3. What stakeholders were you routinely involved with at different project stages, and what did their involvement entail?

4. Who were your biggest champions in moving the project forward? How did they help?

5. Who were the biggest opponents, and how did they hinder?

6. How did the local area's needs impact the scope of the project? (designing outside a vacuum)

7. Were any parts of the plan contentious, and with whom? (Internal and External) How was it mediated?

8. How was heritage managed for this project? How was the Grade II historical listing factored in to

9. How was the £200m contribution for the NLE agreed upon? Do you think you will meet this contribution, and if not, are there specific obligations and penalties in place?

10. What targets/objectives have evolved through the project development, and how have you managed these? For example, the changes in % affordable housing?

11. What/who are your target markets for residential and commercial, & how has this evolved over time? How do you sell to these markets?

1. How do you think developers/property owners should be incentivised to genuinely contribute to the housing supply? How politically viable is this?

2. What are the implications of the current system?

3. How can developers meaningfully engage with the local community?

4. What are the difficulties of developing in London? How has this evolved over time?

5. What do you see as the long-term consequences and evolution of infrastructure privatisation & financialisation?

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