

# Sustaining Success in a Global City: Spatial Planning, Economic Change and the Politics of Development in London

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### Introduction

- London as a place of extremes
- London as a place of polarisation and juxtaposition
- Key challenges for planning and planners

The limits to planning – what planning can not do



# **Key Issues**

- Competitiveness vs. cohesion
- Scale and complexity the jigsaw city
- Contested characterisations:
  - Global City,
  - Imperial City,
  - Cosmopolitan City,
  - Divided City
  - City of Riots/Disorder
- New agenda around convergence



apr/21/wealth-social-divide-health-inequality



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### London's richest people worth 273 times more than the poorest

Academic argues in new book that society has the widest divide since the days of slavery

Randeep Ramesh, social affairs editor The Guardian, Wednesday 21 April 2010 Article history



London is the most unequal city in the developed world. Photograph: Sarah Lee

London is most unequal city in the developed world, with the richest tenth of the population amassing 273 times the wealth owned by the bottom tenth - which creates a "means chasm" not seen since the days of a "slave owning society", according to a new book.



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Pay - Family finances

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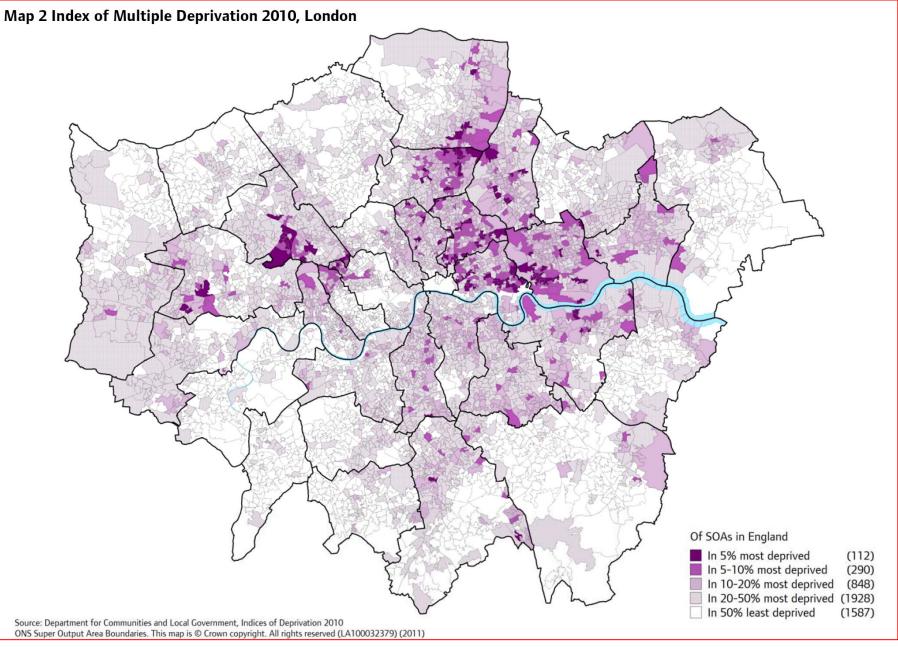
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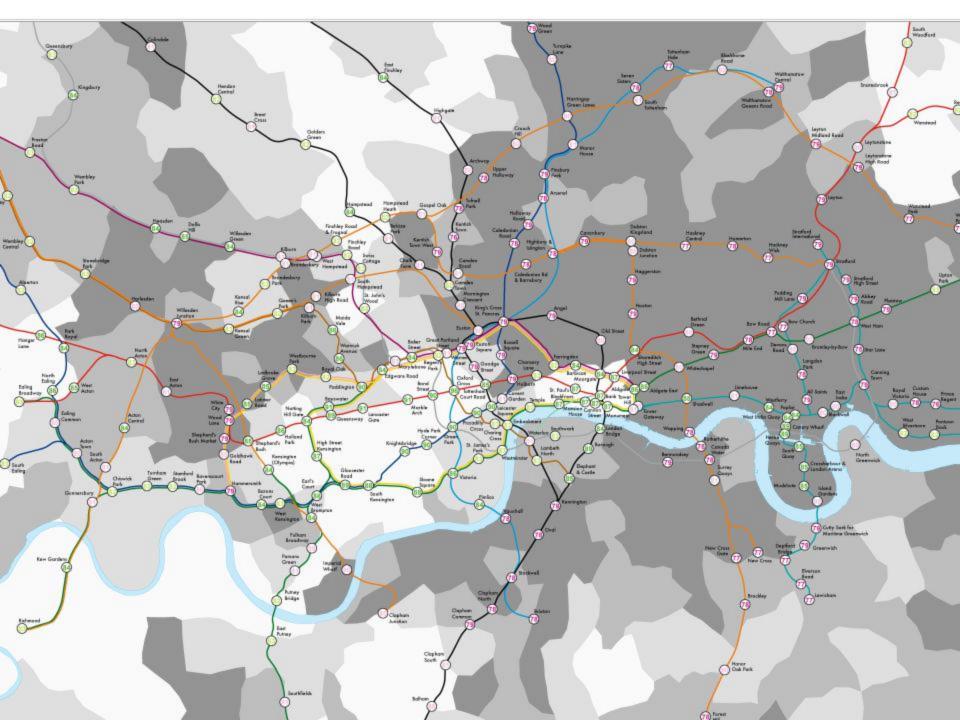


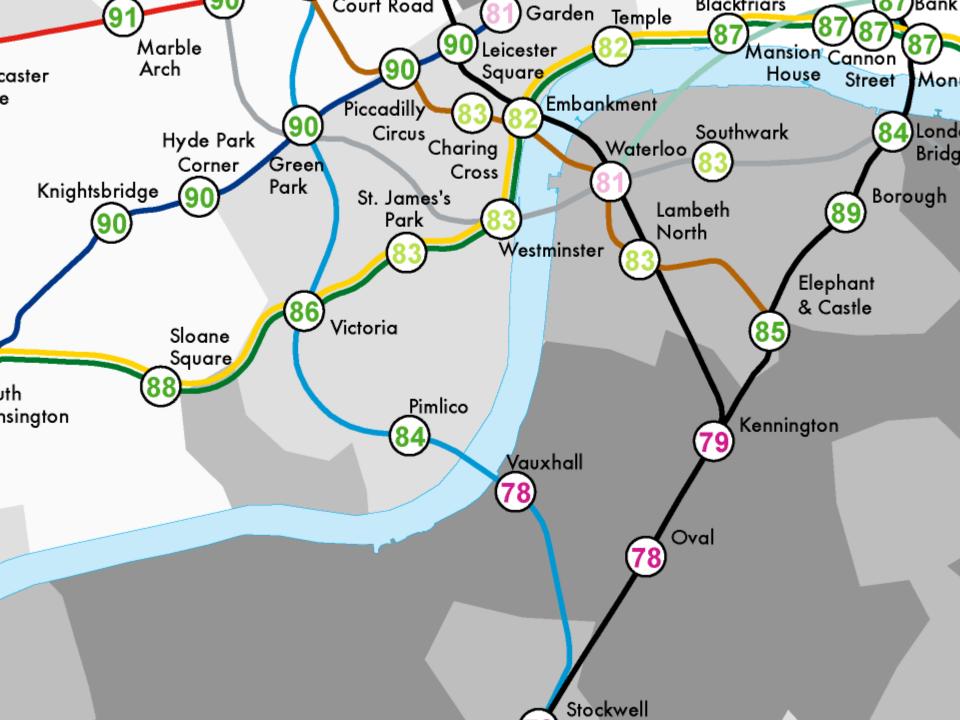
Why we've lost the inequality battle Danny Dorling exposes the unprecedented rise in inequality that put us on a par with Victorian











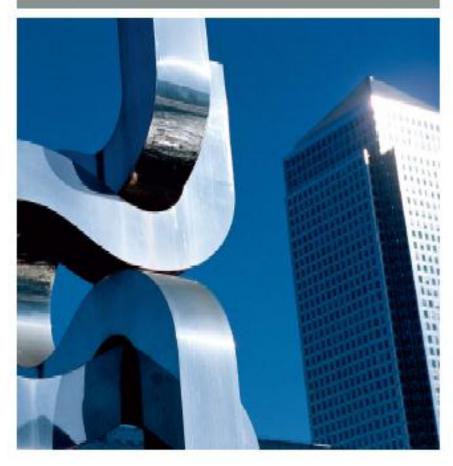


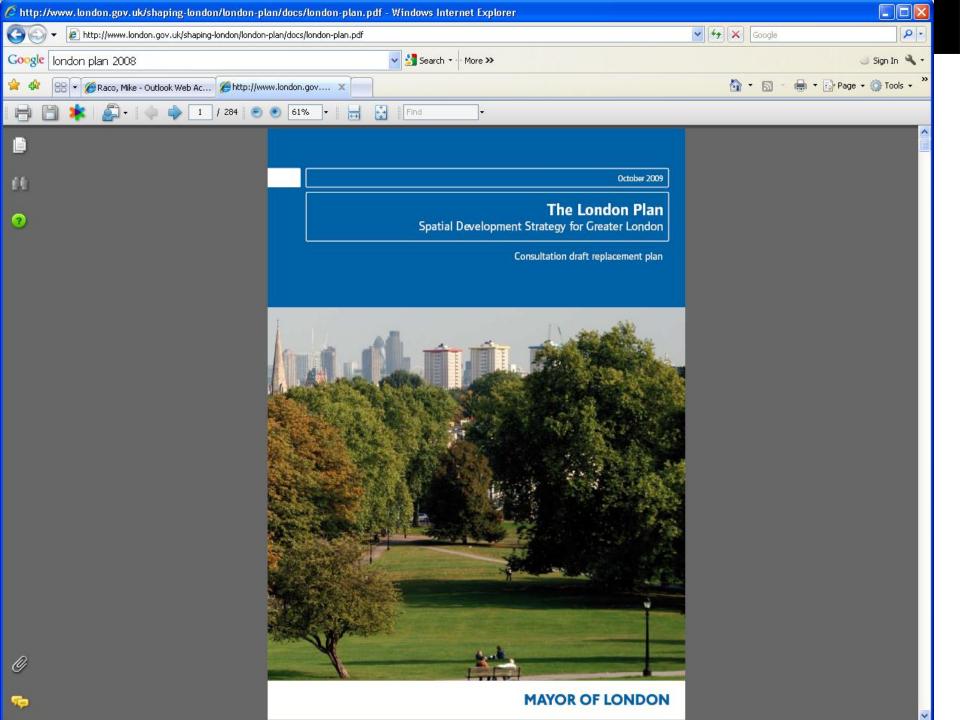
### SUSTAINING SUCCESS

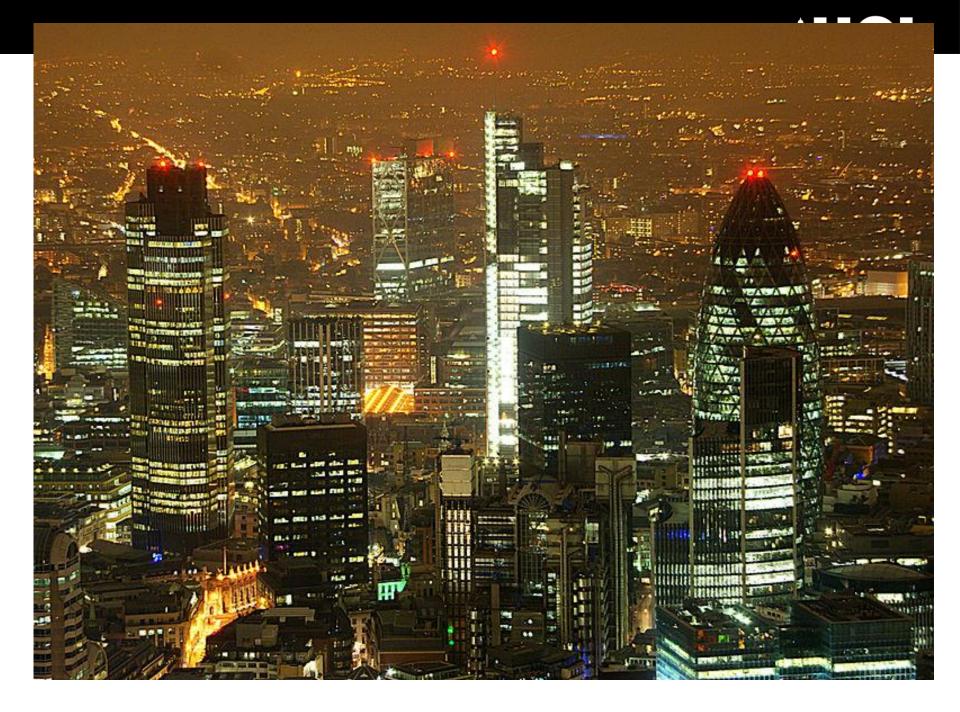
DEVELOPING LONDON'S ECONOMY ECONOMIC DEVELOPMENT STRATEGY SUMMARY

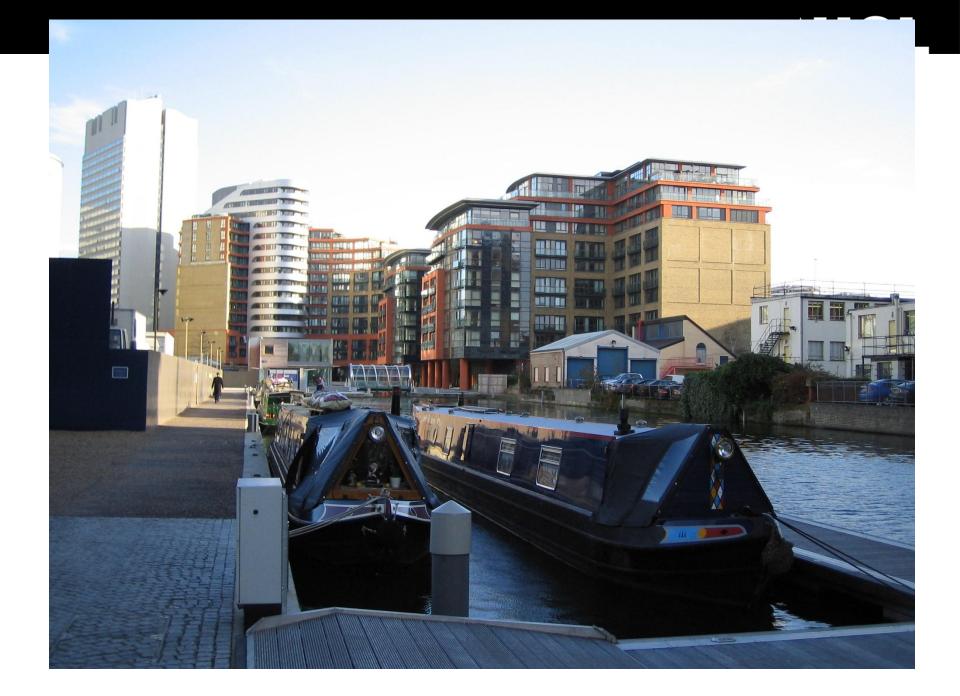
MAYOR OF LONDON

LOND DEVELOPMENT AGENCY





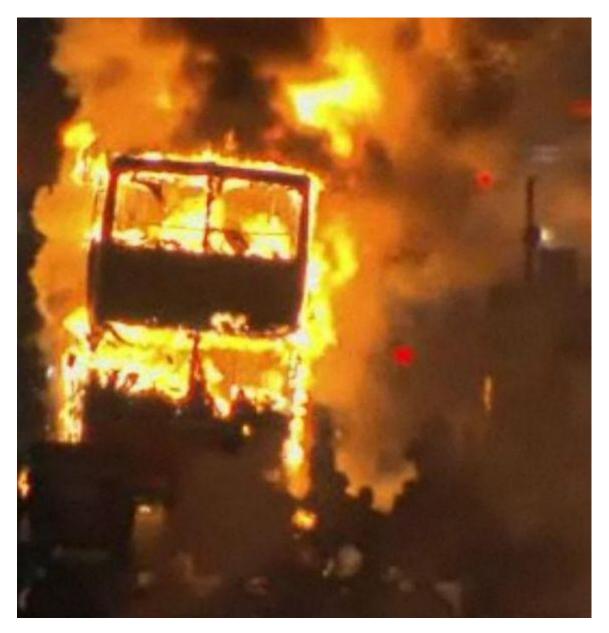














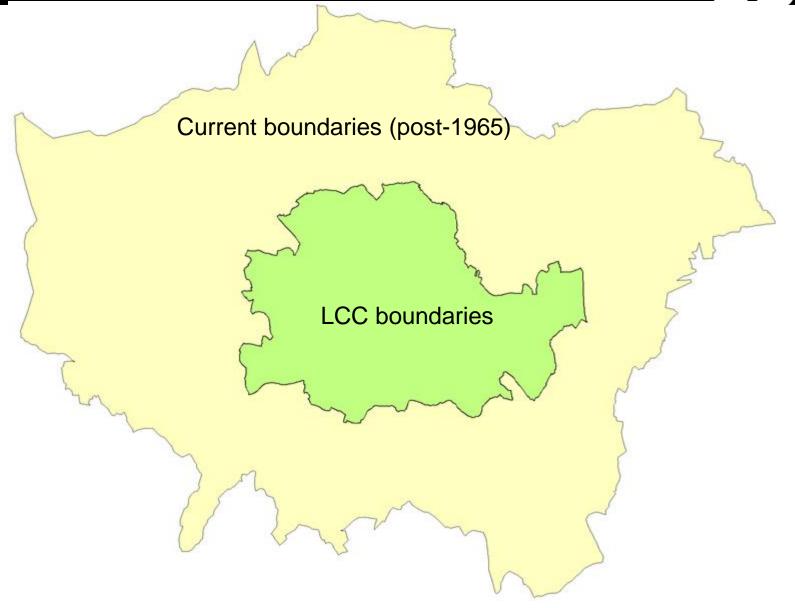
# **Key moments**

- 1889 London had first metropolitan government with the establishment of London County Council
- 1943 Abercrombie Plan for London
- 1964 Greater London Council formed or 32 Boroughs, original 28 condensed into 10 and then 22 boroughs of 'outer London' added
- 1985 GLC scrapped by Thatcher government and power transferred to Boroughs and committees
- 2000 elected London Mayor and GLA set up











### The Governance of London

- Classic example of a 'jigsaw city' (Power, 2008)
- 2000 introduced an elected Mayor and the Greater London Authority
- Range of London-wide organisations established
   London Development Agency, Transport for London etc
- Responsibility for aspects of transport, planning, economic development, and the environment
- Introduction of Mayor has not simplified governance arrangements in London





## **SKANSKA**

### Sustainability Case Studies

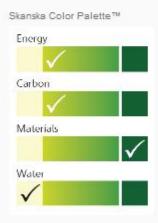
Surrey Street Lighting PFI, UK



The Surrey Street Lighting PFI (Private Finance Initiative) involves modernizing the County of Surrey's entire street lighting system to provide higher quality and more efficient street lighting over a 25-year period.















HOMEPAGE

**FUNDS** 

**PROJECTS** 

PPP/PFI LINKS

PEOPLE



### Investing in UK and European PFI Infrastructure Projects

### Who we are

Innisfree is the leading infrastructure investment group in the UK sponsoring and making long term investments in PFI and PPP infrastructure projects. Innisfree currently has a platform of 55 projects with a capital value of £13.7 billion covering health, education, transport and defence accommodation.

Innisfree provides the principal channel for institutional investors to invest in PPP/PFI assets and has to date raised £1.8 billion for investment in PFI and PPP project companies. Innisfree's investors include leading UK institutional investors such as the Prudential and Hermes and local authority pension funds. Overseas institutional investors from Sweden, Germany, Switzerland, USA, Canada and Japan currently provide 30% of Innisfree's funds.

Innisfree is the largest investor in NHS hospitals and healthcare after the NHS. It has commitments of £376 million to 18 UK hospital projects costing £4.8 billion. These comprise 28 hospitals representing over 13,000 beds. In addition Innisfree has reached financial close on five hospital schemes in Canada and Sweden costing £3.3 billion which will provide over 2,000 beds.

Innisfree is also the largest private sector investor in PFI education projects in the UK. It has commitments of £127 million to 18 education projects costing £1.5 billion. These comprise 269 schools educating over 132,000 children.

Innisfree is the largest investor in PFI defence accommodation projects in the UK with commitments amounting to £240 million and representing a combined capital value of £2.6 billion.





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### Europe's largest specialist PPP investment partnership



Semperian owns and manages over 100 assets with a value of £1.3 billion. Its team of over 140 people ensure that public sector partners and investors alike, enjoy the benefits of an unrivalled body of experience in the sector.

Semperian is founded upon long term relationships between the public sector and our investors, many of whom are public pension funds.



News

### 13-Nov-09 14:32

New Semperian Head Ofice From 30th November 2009, Semperian will be relocating to No.1 Gresham Street, London EC2V 7BX

### 29-Jan-09 22:54

Semperian announces creation of Europe's largest, specialist PPP investment partnership Semperian (formerly known as Trillium PPP Investment Partners), has announced today that it has completed the acquisition of the PPP management business from Trillium

More news ...

inset: Darent Valley Hospital, Dartford

Semperian PPP Investment Partners Group Ltd. Registered Office: St. Martins House, No.1 Gresham Street, London, EC2V 7BX. Registered Number: 07009647. Registered in England & Wales.

Stakeholder Types	Greenwich (Queen Elizabeth Hospital)	Bromley (Princess Royal University Hospital)	Lewisham (University Hospital Redevelopment)
Public Sector Authority Advisors	<ul> <li>Herbert Smith Ltd – Legal</li> <li>KPMG – Financial</li> </ul>	<ul> <li>Herbert Smith Ltd. – Legal</li> <li>Arthur Andersen – Financial</li> <li>Charterhouse – Financial</li> <li>Cyril Sweett</li> <li>AYH – Technical</li> <li>Richard Ellis</li> </ul>	<ul> <li>Ernst &amp; Young – Financial</li> <li>Cundall Johnston –         Technical</li> <li>Cyril Sweett</li> <li>Bevan Brittan – Legal</li> <li>Llwewlyn-Davies Architects</li> </ul>
Private Sector Contractor	<ul> <li>Meridian Hospital Company Plc</li> </ul>	<ul> <li>United Healthcare (Farnborough Hospital) Ltd</li> </ul>	Ravensbourne Health     Services Ltd
Shareholders/Members/Partners	<ul><li>Innisfree (50%)</li><li>Kvaerner (50%)</li></ul>	<ul> <li>Barclays Private Equity (42.55%)</li> <li>Innisfree (42.55%)</li> <li>Taylor Woodrow Construction (14.9%)</li> </ul>	<ul><li>Mowlem (50%)</li><li>Barclays European</li><li>Infrastructure (50%)</li></ul>
Private Sector Contractors	<ul> <li>Skanska – Design &amp; Build</li> <li>ISS Mediclean Ltd – Soft FM</li> <li>Skanska Rashleigh         Weatherfoil Facilities Services         – Hard FM</li> <li>George Trew Dunn – Architect</li> </ul>	Scottish Hydro-Electric plc	<ul> <li>Mowlem – Design &amp; Build</li> <li>Sovereign Hospital Services         <ul> <li>Hard FM</li> </ul> </li> <li>Healthcare Environments</li> <li>RTKL Associates</li> </ul>
Private Sector Advisor(s)	N/A	<ul> <li>Desdner Kleinwort Benson – Financial</li> <li>DLA Piper – Legal</li> <li>The Denis Wilson Partnership Ltd.</li> <li>Waterman Partnership – Technical</li> <li>Zisman Bowyer &amp; Partners - Technical</li> <li>James Nisbet &amp; Partners – Technical</li> </ul>	<ul> <li>Espirito Santo Investments         <ul> <li>Financial</li> </ul> </li> <li>Linklaters – Legal</li> <li>Aon – Insurance</li> <li>Gleeds</li> <li>Troupe Bywaters &amp; Anders</li> <li>Healthcare Environments</li> <li>Jacobs Gibb – Technical</li> </ul>
Principal Bank/Bond Arranger	Barclays Capital Plc.	<ul><li>Dresdner Kleinwort Benson</li><li>ABN AMRO</li><li>Paribas</li><li>Lloyds-TSB</li></ul>	<ul> <li>Dexia Public Finance Bank</li> <li>Sumitomo Mitsui Banking</li> <li>Corporation</li> </ul>



### **Communities**

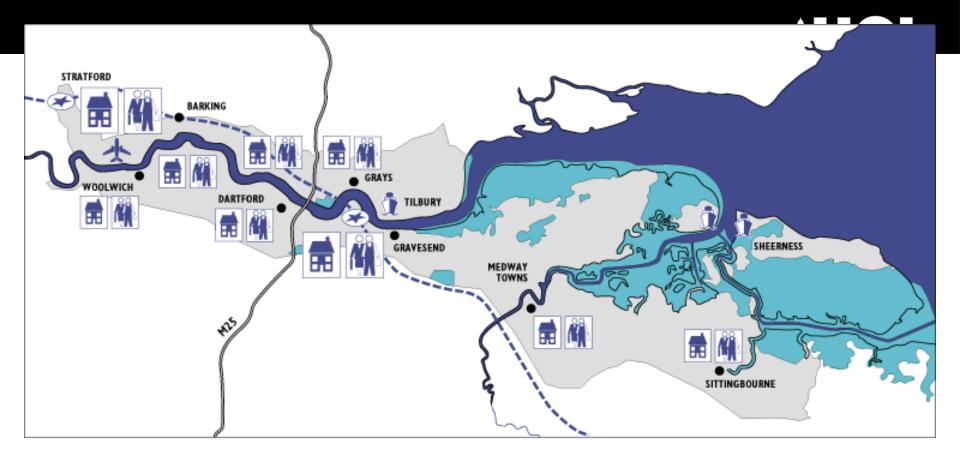
- London traditionally a collection of villages
- Remarkable levels of diversity
- Planning gain and community inclusion
- Mixed and sustainable communities plans and strategies
- Mobilisation of active or aspirational citizenship and a rights and responsibilities governance agenda





# Main interpretations

- A 'growth first' logic, planning as a process of 'managing growth'
- Sustaining success agenda
- A global city emphasis, picking winners
- Regional assemblages
- Competing governmentalities
- Growth of the regulatory state, public-private hybridities





Opportunities for new homes



Opportunities for new jobs



Potential Station for Channel Tunnel Rail Link



Principal port (Berths and wharves on the Thames are not identified)



Principal airport



Channel Tunnel Rail Link



Priority areas for nature conservation

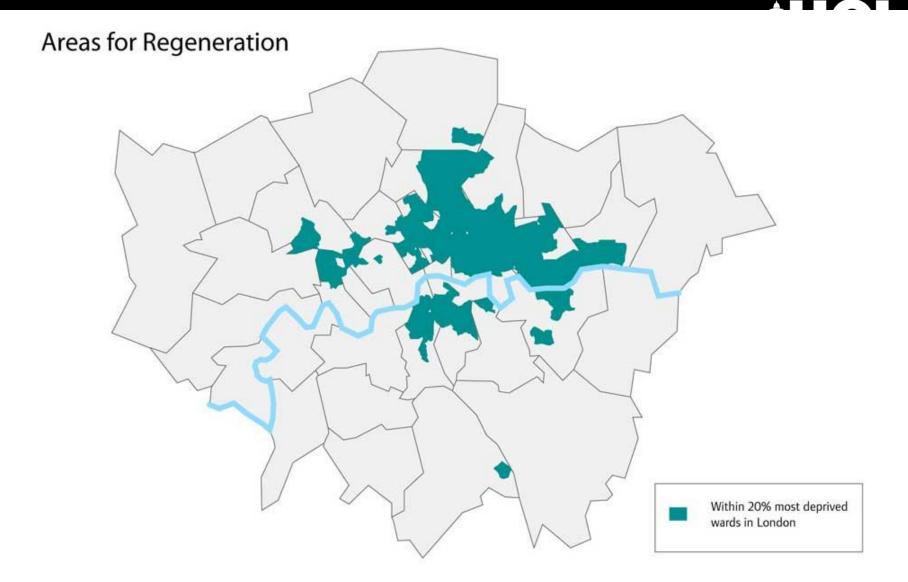


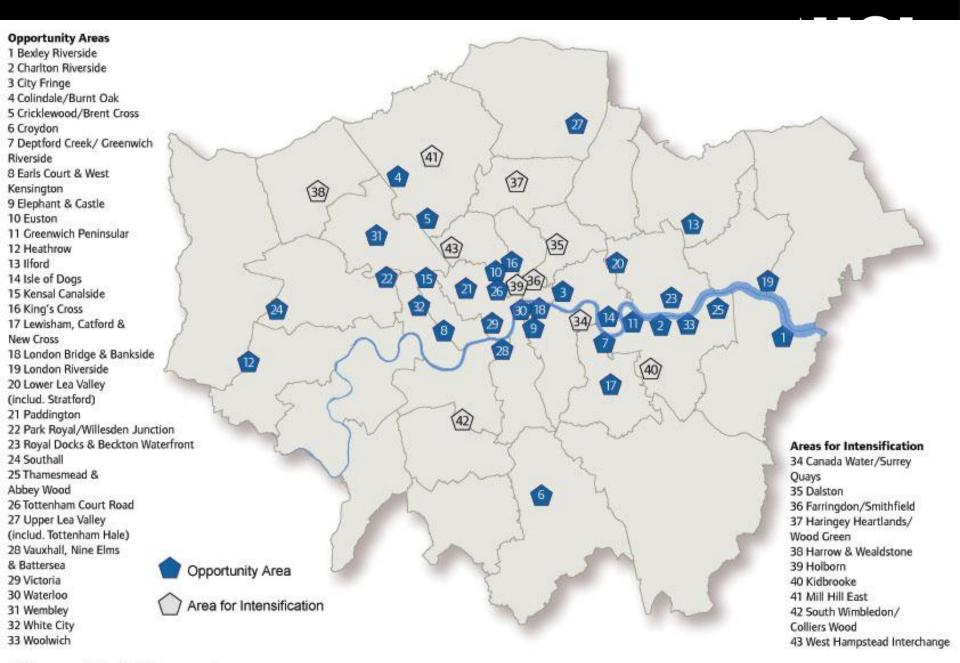
Thames Gateway area



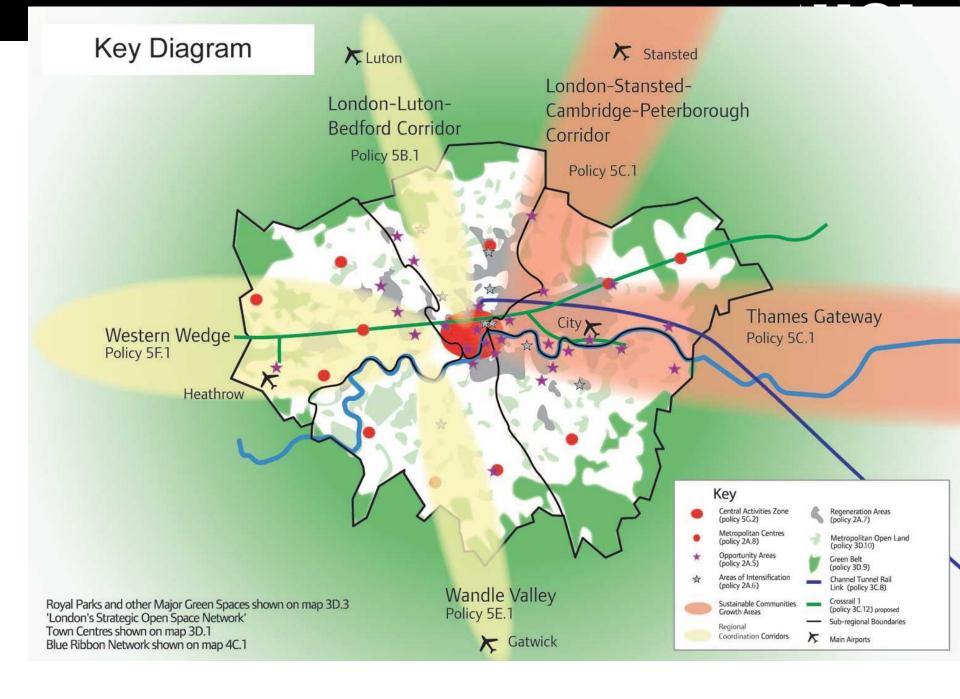
M25 motorway route







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# **Core Challenges**

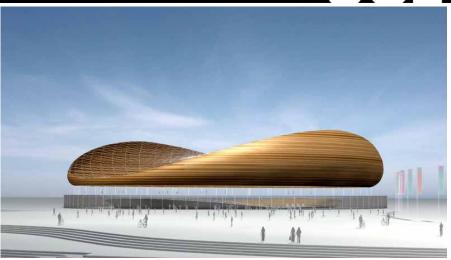
- Population now 8.17 million was 7.17 million at Census 2001, an increase of 1,002,000 or 14%
- Young population: 7 of 10 local authorities with the highest proportions of preschool children nationally were in London (Barking and Dagenham 10.1% Newham, Greenwich 8.2%)
- ONS estimates that 2.6million people in London foreign-born
- 50 non-indigenous groups have 10,000+ communities, over 300 languages spoken etc.



# Most important achievements

- In transport massive investment projects and integrated systems
- More successful in attracting mega-events
- Politicisation of planning debates
- New strategic capacities
- Continued private sector success in certain sectors





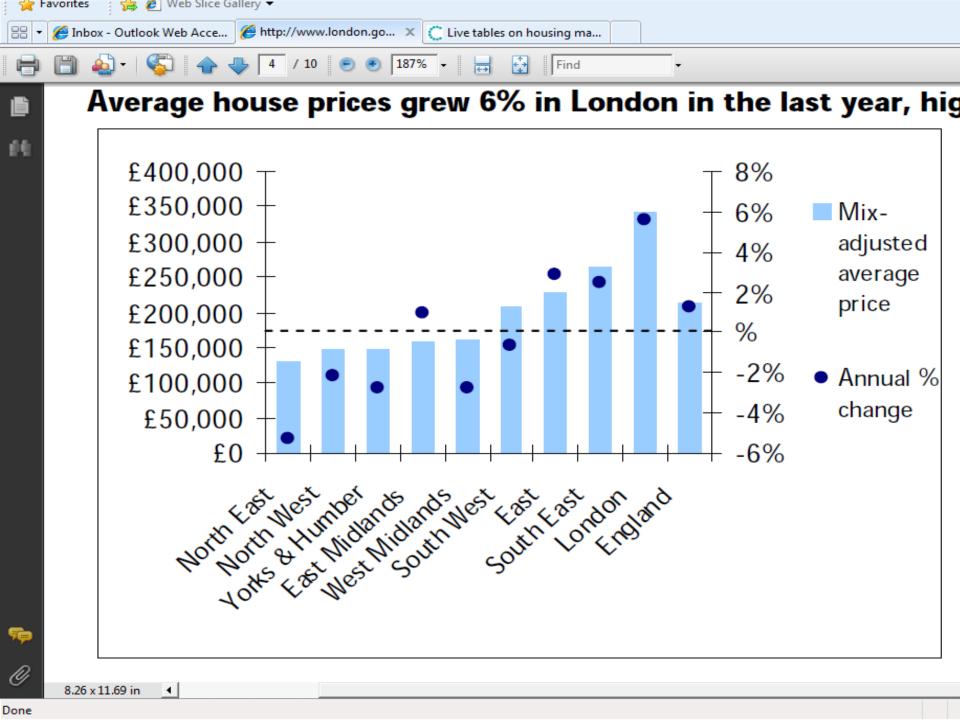




# Most important failures

- Costs of success (Capital City Costs)
- Dorling (2010) London as most unequal city in the developed world – an 'inequality chasm'
- Failure to tackle supply-side shortages average house price £337,000 up 6% in 2012 (see:

http://www.london.gov.uk/sites/default/files/Housing%20market%20report%20Q1%202011.pdf)



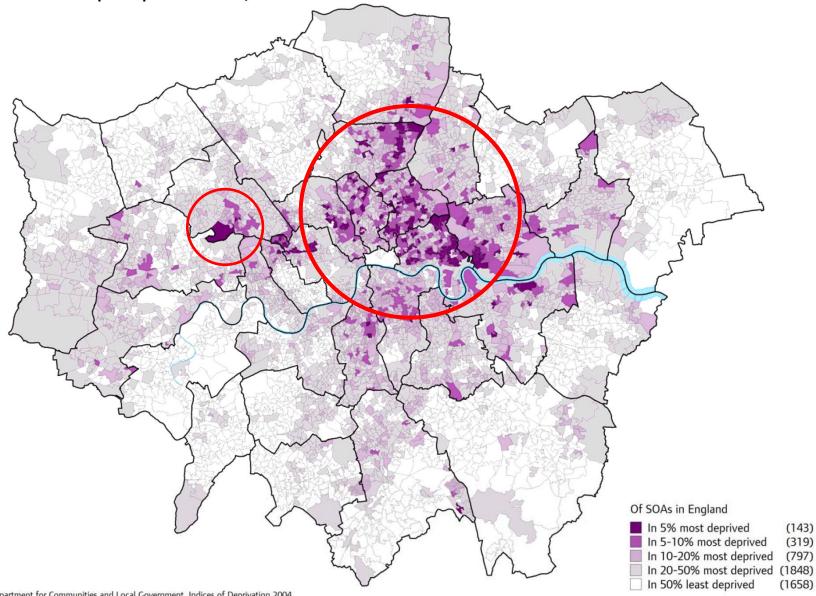


# **Most Important Failures**

- Complex relationships with national government
- Urban developments have not spread benefits to a variety of groups, growing polarisation in London
- Inability/unwillingness to tackle structural power of landowners
- Major pressures on environmental sustainability

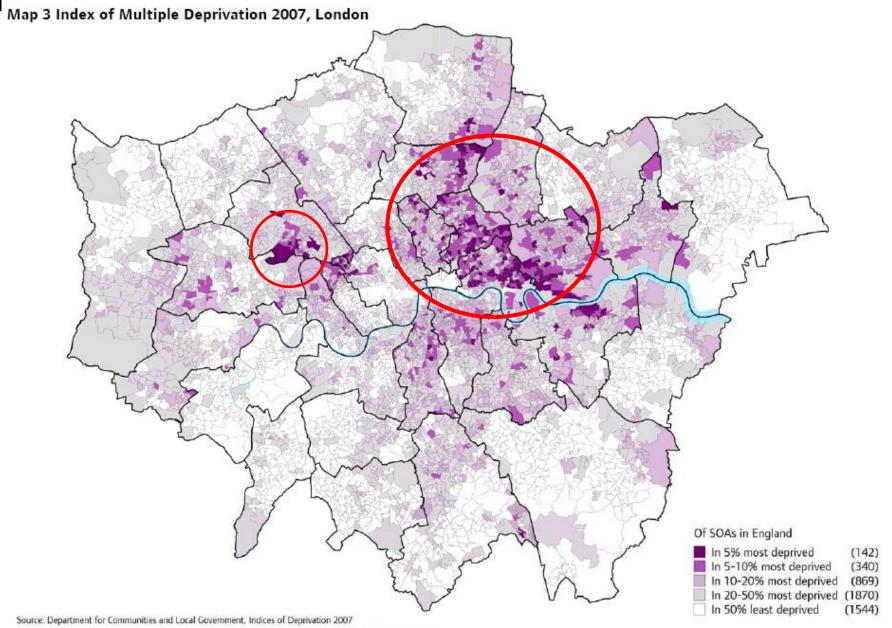




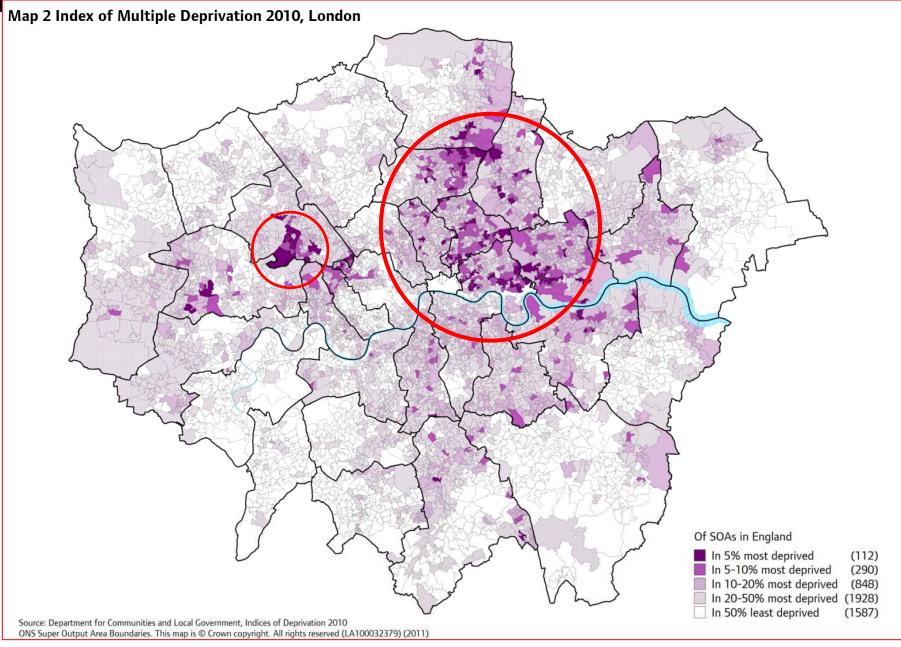


Source: Department for Communities and Local Government, Indices of Deprivation 2004 ONS Super Output Area Boundaries. This map is © Crown copyright. All rights reserved (LA100032379) (2011)











# What is more/less governed? (Patrick Le Galès, 2010)

- Financial sector under-governed
- Planning system under-tooled
- Post-political shift to contractual delivery
- Expansion of the 'regulatory state' and 'regulatory capitalism' (Braithwaite, 2008)



### **Conclusions**

London as a place of extremes

- London as a place of polarisation and juxtaposition
- Capital costs and the price of success
- Real challenges of planning for a growing city