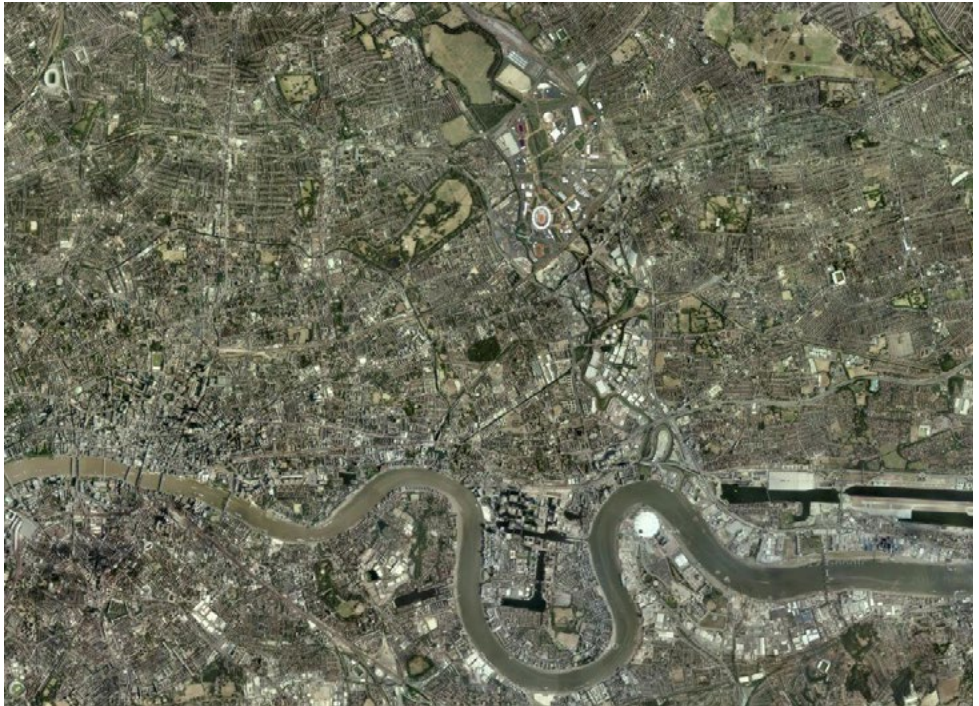


# **GENTRIFICATION OR LOCAL GAIN? SPATIAL DEVELOPMENT UNDER AUSTERITY: THE CASE OF EAST LONDON**

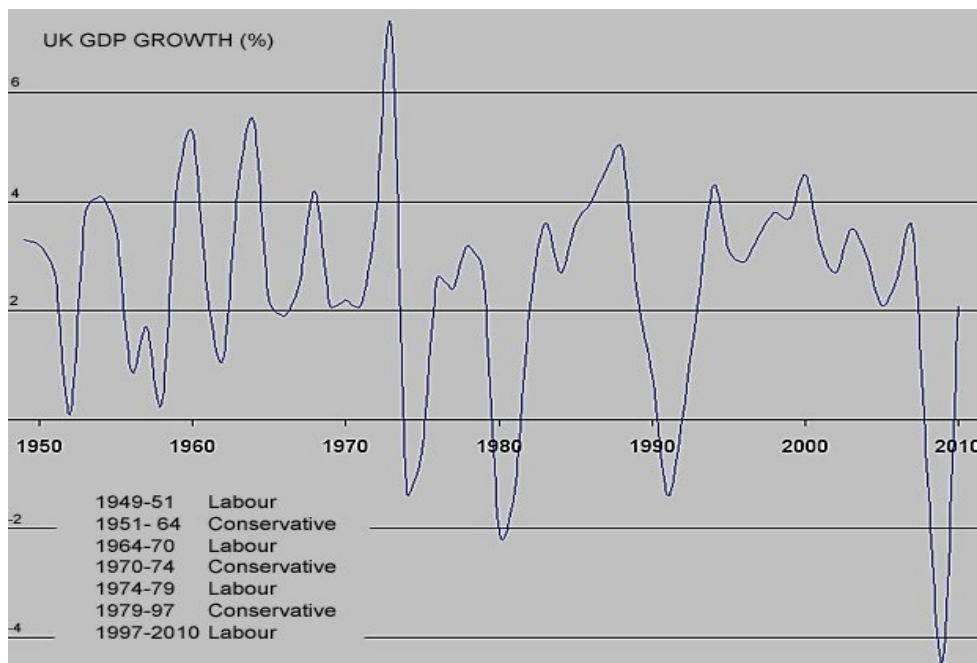
Judith Ryser

## **CONTEXT OF THE BROMLEY-BY-BOW STUDY AREA**

Any long term scenario for future spatial development benefits from a long view into the past to discover the ‘archaeology of spatial memory’. Recovery from the Second World War with its devastating destruction is chosen to trace London’s regeneration strategies and efforts to rebalance London’s East and West.



**Figure 2-1 London East End with Lea Valley. Source: Google Maps.**



**Figure 2-2 Economic context, UK GDP growth since 1950 and corresponding governments. Source:** <http://blogs.channel4.com/factcheck/factcheck-do-we-only-vote-labour-when-times-are-good/9026>

Patrick Abercrombie included rebalancing East and West in the 1944 London County Council (LCC) 'Greater London Plan', based on 'social studies' in the Charles Booth tradition,<sup>1</sup> aimed to establish balanced local neighbourhoods<sup>2</sup> and to decongest London into eight self-contained new towns beyond a newly established green belt to contain London's growth. However, London's population of 8.6 million in 1939 had shrunk by about half a million<sup>3</sup> and there was a great need to regenerate London's destroyed fabric.

### Post war period of growth

The Town and Country Planning Act 1947 provided the new post-war framework for a balance between public interest and development led planning which, arguably including spatial and social redressing of imbalanced development.

Britain's economy took a long time to recover from the war and was only expanding in the 1960s. In 1963, The London Government Act<sup>4</sup> enlarged London's administrative boundary by setting up the Greater London Council (GLC) with strategic planning powers and wide ranging executive functions. The GLC led an expansionist period of large scale urban renewal involving slum clearance and blanket destruction of existing buildings without special attention to East

1 [http://booth.lse.ac.uk/cgi-bin/do.pl?sub=view\\_booth\\_and\\_barth&args=531000,180400,6,large](http://booth.lse.ac.uk/cgi-bin/do.pl?sub=view_booth_and_barth&args=531000,180400,6,large),<sup>5</sup> Charles Booth Online Archive, with Booth Poverty maps of London from 1889.

2 County of London Plan of 1943; Greater London plan of 1944, published by the London County Council; archives of the British Library.

3 There was no census data during the war.

4 London Government Act 1963, HMSO

London, where the Lee Valley Regional Park Authority<sup>5</sup> (LVRPA) was set up in 1966 to regenerate derelict and neglected land into high quality public open spaces and wildlife habitats and to preserve the region's historic value.

### **The nineteen-seventies oil shock**

The most promising area for regeneration in East London was Docklands. In 1973, the conservative Heath government and the conservative GLC commissioned Travers Morgan to devise scenarios for the five Labour controlled London Boroughs in Docklands. In 'Docklands, Redevelopment Proposals for East London',<sup>6</sup> they proposed five main plan-led scenarios for Docklands<sup>7</sup> despite being asked to involve the private sector. Due to the recession no plan was implemented and the plans were abandoned by the incoming labour government.

In 1974, the Docklands Joint Committee, (DJC), was set up by the incoming Wilson labour government with five labour Docklands London Boroughs to devise a development strategy for Docklands with emphasis on public housing and industry. The then labour GLC was also adverse to private investment. The DJC produced the 'London Docklands Strategic Plan' in 1976,<sup>8</sup> the only Dockland plan ever approved by parliament. In 1977, the Dockland Forum was created to involve local residents<sup>9</sup> and ease antagonisms.<sup>10</sup>

In 1976, the GLC published the Greater London Development Plan<sup>11</sup>(GLDP) which took up ideas from these studies with the aim to rebalance East and West London. It was approved by the government but never implemented, as the conservative Prime Minister Thatcher aimed to abolish the Greater London Council achieved in 1986.

### **1980s: development led strategy (state initiated, state subsidised)**

Meanwhile, the Thatcher government set up the London Docklands Development Corporation (LDDC) in 1980<sup>12</sup> during a recession to kick start development-led action in the Docklands after decades of stalemate. The LDDC benefited from large land endowments and public funding and imposed a 'market-led' real estate driven development policy.

Despite considerable state interventions, take-off was slow. An Enterprise Zone<sup>13</sup> was instated from 1982-1992 which 'freed' development from all planning constraints and provided favourable fiscal conditions, as well as direct and indirect public subsidies. Up to three buildings were built and demolished on some sites in the EZ while the hinterland, such as Bromley-by-Bow was excluded from that Bonanza. Aesthetics prevailed over social concerns for the local population

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5 <http://www.visitleevalley.org.uk/en/content/cms/outdoors/walks-walking/> Lee Valley Park Authority, London

6 Travers Morgan. 1973. Docklands, Redevelopment Proposals for East London. HMSO

7 'East End Consolidated' (business as usual with industry); 'City New Town' (mark 2 mixed use of residential and employment); 'Waterside' (more green in East London, leisure and residential for high-tech society); 'Thames Park' (leisure and regional recreation); and 'Europa' (responded to the entry of the UK into the European Community in 1973 when the conservatives were pro-Europe; the scenario included international road networks, a cargo terminal, the channel tunnel, a freeport, a new airport in the Estuary, Disneyland and rapid transit to City).

8 Docklands Development Team. 1986. London Docklands Strategic Plan. Docklands Joint Committee. HMSO

9 Joint Dockland Action Group. Activities: Publication:1982. Private housing: the key to the Docklands Regeneration. People's Plan, for the Royal Docks; Docklands Community Poster Project 1981-1991. [http://www.cspace.org.uk/cspace/archive/docklands/dock\\_arch.htm](http://www.cspace.org.uk/cspace/archive/docklands/dock_arch.htm)

10 Sue Brownhill. 1990. Developing London's Docklands: Another Great Planning Disaster? Sue Brownhill, Paul Chapman Publishing. Lawrence Susskind and Michael Elliott et al, Paternalism, conflict and co-production, learning from citizen action and citizen participation in Western Europe, 1983, Plenum Press NY

11 <http://www.lddc-history.org.uk>

12 Under the Local Government, Land and Planning Act 1980

13 Enterprise Zones were also enabled in the 1980 Act, op.cit.

and the LDDC commissioned Gordon Cullen to devise a Development and Design Guide for the Isle of Dogs <sup>14</sup> with little impact though.

### *Lessons (to be) learnt from this shrinking period*

An expansionist vision free from a planned overall conception is not attracting private sector leverage without substantial state incentives. Moreover, implementation of any such large development requires a long term timeframe of a generation or two.

Interestingly, the initial attempts to change the approach to development, making planning more development-led and opening development up to the private sector, resulted in development proposals conceived within a conventional planning framework (Travers Morgan). Conversely, the mission of the Dockland Joint Committee to return to 'state-led' planning produced a strategy which sought private development initiatives.

### **Expansionist period with intermittent recession: 1986 - 2008**

In 1986, the 'Big Bang', the liberalisation of the financial sector, opened up the potential for a second financial city in the East End besides the 'square mile' City of London Corporation. Reg Ward (LDDC) installed secure fibre optic connections to enable banks to displace their back offices to cheaper Docklands premises. Despite opposition from the City, the Dockland Light Railway and the Jubilee line underground extension were built to service by now some 80,000 new jobs in Canary Wharf. Significantly, it took a quarter of a century with a phase of receivership <sup>15</sup> in 1992 and outstanding incentives for the developers to build one million m2 of offices. The abolition of the Greater London Council in 1986 was also considered to assist planning liberation, as the London Planning Advisory Committee (LPAC) which took over some strategic planning functions had no political clout.

Neither then, nor later did the deprived surrounding areas such as Bromley-be-Bow benefit from this massive development investment, while the local authorities were stripped of their planning powers but remained liable for public services. The A12 road which constitutes the northern LDDC boundary acts as a deep barrier to the hinterland. The financial jobs were mainly imported without easing East End unemployment, thus creating an ever increasing gulf with surrounding areas. Not surprisingly, the enormous wealth generated on the doorstep of among the poorest communities in East London provoked resentment and protests. <sup>16</sup> However, their exclusion from the Docklands bonanza was a learning process which served them well when they were bargaining better benefits from the next large influx of development on their doorstep, the Olympic Games.

When the LDDC was wound up in 1998, it left a lot of land undeveloped, including in the Royal Docks. The London Borough of Tower Hamlets had regained planning powers and produced the Millennium Quarter Masterplan to put some order into this development-led chaos. The Greater London Authority (GLA) was instated in 2000 with a directly elected Mayor for London with executive powers. <sup>17</sup> The First London Plan published in 2004 included an urban renaissance for Docklands which was a permissive approach by a labour mayor to private development. The

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14 Christian Salvesen, Hollamby E, Gosling D and Cullen G, *Isle of Dogs: A Guide to Design and Development Opportunities, 1982, LDDC*

15 read bankruptcy

16 For the relation between the LDDC and the local community see, e.g. the work of Bob Colenutt, 1994, *City Capital and Water, Docklands and the State, TechnologieNetzwerk*; Bob Colenutt, 2011, *Community action, Docklands and future prospects*. UEL; Sue Brownill 1990, *Developing London's Dockland. Another Great Planning Disaster?* Sage; Sue Brownill and Neil McInroy. 2009. *Urban Regeneration, a critical perspective*. Spon; Sue Brownill. 2013 (forthcoming). *London Docklands, reflections on regeneration*. Routledge.

17 Greater London Authority Act 1999. The Stationary Office. [www.legislation.gov.uk/ukpga](http://www.legislation.gov.uk/ukpga)

Canary Wharf Group Plc., created in 1993<sup>18</sup>, took over Canary Wharf and acquired more land. More public money is being invested in Docklands, e.g. Crossrail which will have a station on the Isle of Dogs. Expansion continues there and the current London Plan 2011 of the conservative mayor retains the growth corridor in East London which includes Bromley-by-Bow.

New institutions such as the London Thames Gateway Development Corporation (LTGDC), set up in 2004 did not have a land endowment like the LDDC but obtained public subsidies for the Thames Gateway (TGW) to attract £43b private sector money over 20 years.<sup>19</sup> Terry Farrell proposed an alternative blue-green development strategy, the Thames Gateway Parklands Vision. The third initiative reverted to public works projects, but thwarted by the economic crisis after 2008 the LTGDC was abolished in 2012. Regarding efforts to shift growth to East London, the TGW initiative amounted to the third iteration of development. Started by Peter Hall under Michael Heseltine in the 1990s as 'linear city', it was followed in the early 2000 by the labour Deputy Prime Minister to generate half a million affordable dwellings in the South East.

When London won its bid for the Olympic Games in 2005 it shifted real development to the Olympic site, the adjacent Stratford town centre, and the Lower and Upper Lea Valley and the Upper Lea Valley situated in a London Plan development corridor. 'Wow architecture' was the hall mark of the Olympic site, alien to the surrounding East End which may benefit from improved public transport but not from speculative tower blocks with luxury flats which have emerged in the vicinity, a sure sign of gentrification. These many development initiatives in East London have created a bewildering number of agencies<sup>20</sup>, many of them short lived, and most of them to the detriment of democratic accountability.

### *Lessons to be learnt from the expansionist period*

Lack of coordinated or integrated vision has led to a proliferation of institutions and development initiatives, many of them abandoned soon after their creation or replaced by other organisations and groupings of agencies, amounting to considerable waste and confusion. The quadrupling of the Olympic budget from £2.3b to some estimated £9.6-12b<sup>21</sup> is just one sign of unfettered profligacy. During a period of economic expansion, with salaries in the city going through the roof, such increase of public expenditure was taken in the stride of the growth whirlwind, but after the financial crash, attitudes tended to change.

The expansionist strategies may have yielded some macro-economic gains during economic growth. They have generated some leverage from the private sector, but nowhere near expectation, and it remains doubtful whether any or how much of this will accrue to the local population.

Expansion and unplanned development - be it London Docklands, the Olympic site, the Thames Gateway or Mile End Road - has been displacing local residents and businesses from these development sites<sup>22</sup> and little points to the possibility that the legacy programme may redress their losses. The same goes for the 'foot-holders', artists, social entrepreneurs and creative place-makers who tend to be pushed out once their actions have added value to sites and run down

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18 Canary Wharf group plc is a 'Phoenix' risen from the ashes with newly formed O&Y Properties Corporation owned by the Reichman brothers, who constituted a consortium in 1995 with George Soros, Lawrence Tisch, Michael Price and other investors, e.g. Saudi Prince Al-Waleed.

19 In reality this amounts to a small leverage:  $1.15b/y = 3.45b/3y = 1/3$  leverage as regards the public investment of £9b for 2008-11). According to Michael Edwards, it is likely that this will lead to some speculative housing and retail parks, but no public infrastructure or social equipment. [www.michaelledwards.org.uk](http://www.michaelledwards.org.uk)

20 The Olympic Development Agency (ODA) was in charge of developing the site with the Olympic buildings and a park in cooperation with the Local Organising Committee of the Olympic Games (LOCOG). The London Development Agency (LDA) was previously involved in land holdings and development operations in that area.

21 Creative accounting and commercial secrets will ensure that the exact figure will never be known.

22 see Games Monitor for example. [www.gamesmonitor.org.uk](http://www.gamesmonitor.org.uk)

premises they are occupying and upgrading. Greater equity in the yields of expansion should be envisaged for these groups, without whom the development industry would not have stepped in.

### **Global financial crisis 2008 – austerity period from 2010 under new coalition government (development led with scarce private investment)**

The crisis hit many developments in mid-air, while the Olympic Games were ring fenced. Public sector intervention, a remedy during recession, preserved public transport projects such as Crossrail, but progress of the Olympic legacy is less certain and the new Enterprise Zone in the Royal Docks may diffuse investment.

From 2004 to 2013 planning legislation has shifted towards development-led presumption<sup>23</sup> reflected in continuous development in Docklands. The London Legacy Development Corporation (LLDC), created in 2012, is taking over responsibility for private sector led development of the Olympic Games site and adjacent land. How much that will benefit the more deprived population of London's East End is an open question.

#### *Lessons to be learnt from development under scarcity and austerity*

In times of austerity, squandering scarce resources should encounter stern objections, but they seem to be confined to niche groups, while the majority remains seduced by the spectacles of the Queen's Jubilee and the Olympic games. The main area affected by austerity measures seems to be sustainability goals, such as mitigation and adjustment to climate change which are gradually displaced by austerity programmes. Targets are no longer mentioned and cuts are gaining priority over preventive measures.

'Necessity is the mother of invention'. This motto may be a useful guide for a new departure from both state-led and development-led spatial strategies, applied and often failed over the recent past. Perhaps a new combination of top-down and bottom-up development models could lead to more harmonious and less disruptive development processes. A revival of a 'third way' perhaps? Experimenting with such alternatives could be a challenge for young planning professionals. The chances are though that 'business as usual' will prevail, although it may do considerable damage - economic as well as environmental - under conditions of scarcity.

### **TWO CONTRASTING DEVELOPMENT MODELS**

Many different development models exist and have been discussed widely. In his analysis of London Docklands Matthew Carmona, for example, distinguishes between four types of approaches: plan led – market led – plan based – opportunity based.<sup>24</sup> As he himself argues, none of these categories are mutually exclusive and tend to overlap. Nevertheless, development models have contrasting features. Two opposing typologies of development are considered here: top-down and bottom-up in the London East End encompassing Docklands, the Olympic site and the Bromley-by-Bow area.

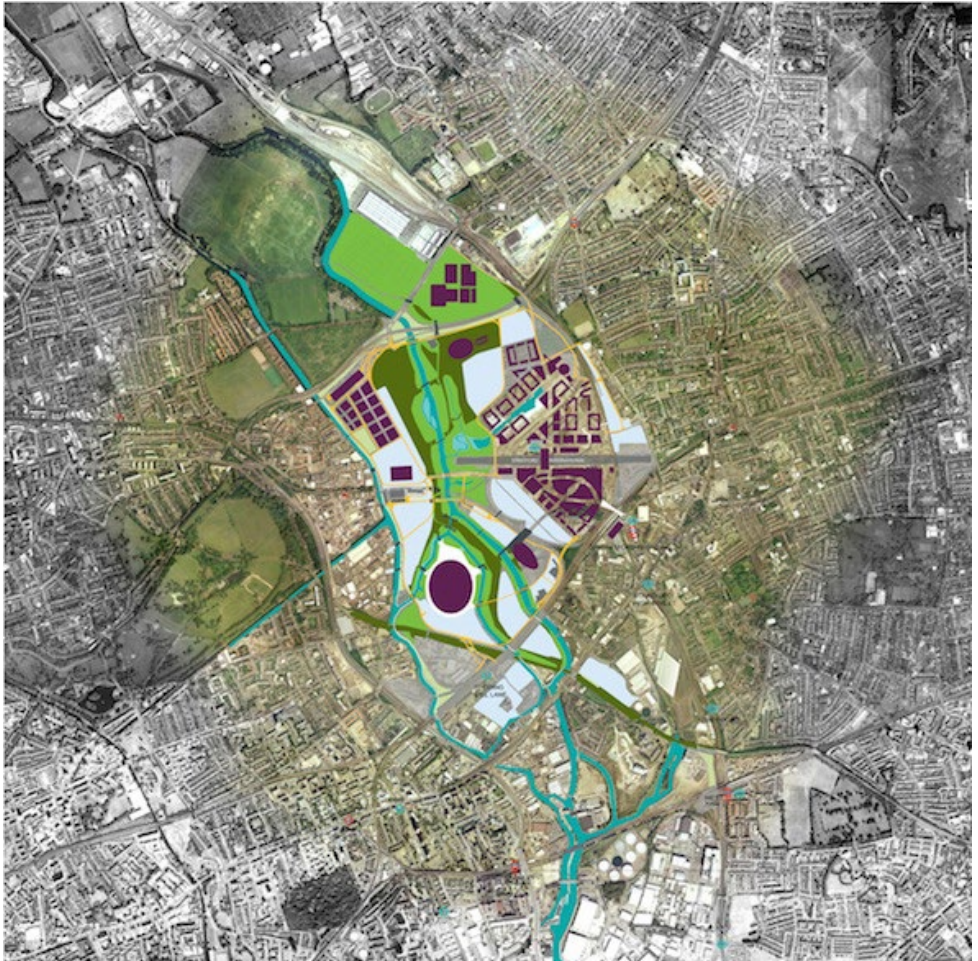
#### **'Development Industry' model**

The top-down model explored here a quango with corporate culture. Quangos can be para-

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23 Already under labour and during economic growth the 2004 Planning and Compulsory Purchase Act has 'alleviated' planning constraints in favour of development. This has been reinforced in the 2008 Planning Act, the 2011 Localism Act, and the 2012 National Planning Policy Framework (NPPF). The government has announced further planning relaxation for 2013, not least the abandonment of the quota for affordable housing imposed on development plans by labour.

24 Matthew Carmona. The Isle of Dogs revisited. In: Urban Design, Issue 112, 2009.



**Figure 2-3 Site with surrounding areas of influence. Source: Design for London, GLA**

public authorities,<sup>25</sup> or development corporations.<sup>26</sup> They have often monopolistic powers, may squander resources<sup>27</sup> and their accountability is weak, rarely to existing local populations and businesses. This model thrives on the public purse directly or indirectly<sup>28</sup> and benefits from a favourable administrative context, either through contextual institutions or from ‘industry-own’ institutional arrangements. Some development industry friendly examples follow.

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*LDDC, para-public development-led driver*

The London Docklands Development Corporation was a pro-development quango acting as a de facto plan-less authority with strong compulsory purchase powers but weak public accountability.

25 e.g. Port of London Authority, Thames Water Authority

26 e.g. LDDC, ODA, LLDC, LTGDC, etc.

27 e.g. land left idle for decades, and environmental neglect.

28 e.g. borrowed capital, tax relief, other fiscal advantages, subsidies or planning concessions, etc.

It was entrusted with an enormous amount of public land.<sup>29</sup> It was dispensing high direct and indirect public sector subsidies to the development industry, contributing up-front environmental improvements<sup>30</sup> and providing some infrastructure<sup>31</sup> without providing increasing energy efficiency.<sup>32</sup>

### *BIDs, business-led driver*

Business Improvement Districts are another example of top-down, market-led development. BIDs are set up by private businesses to capture market opportunities in their area. They are substituting for local public sector planning powers, while collecting a levy from business participants to finance capital investment and possibly running costs of area-based physical regeneration.<sup>33</sup> BIDs are supposed to enable business 'localism', although it is not uncommon that BIDs consist of a limited number of large businesses and exclude local SMEs which oppose them and object to the loss of diversity and fine grain urban fabric.<sup>34</sup>

### *Government initiated, development-led drivers*

The government driven legacy in and around the Olympic site was entrusted into various quangos<sup>35</sup> with some input from the Mayor of London and the 'Olympic London Boroughs'. Other development industry consortia and public-private partnerships were created around the Olympic Games site to facilitate development.

### *Success of the 'development industry' model?*

The 'development industry' model was obviously successful on its own terms. LLDC managed to bring about a second financial city in the East of London. BIDs mobilised the business community to take over improvement and management of buildings and public realm with own financial contributions. Olympic game site quangos attracted the Westfield Group to build one of the largest shopping malls of London on the Olympic site, and brought about the acquisition of the Olympic village by private investors.<sup>36</sup>

### *Longer term legacy success of the 'development industry' model?*

The bulk of the Olympic site is put into the hands of the LLDC, an independent corporation under the control of the mayor of London, with a land portfolio, compulsory purchase powers, estate management functions, selling and letting powers. It is not subjected to an implementation schedule or a timeframe for its own existence. Over and above these powers, the LLDC claims local 'legacy and moral ownership' of areas surrounding the Olympic site where it substitutes local authority planning powers. This includes the Three Mills Island,<sup>37</sup> Hackney Wick<sup>38</sup> and the Lower Lea Valley, but its complete portfolio is not known. Whether such concentration of public land into the hands of the LLDC corresponds to the spirit of the Localism Act is another matter.

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29 e.g. from the Port of London Authority and public utilities, such as electricity, gas and waste disposal, etc.

30 e.g. land and water decontamination and reclamation, landscaping of public realm to attract inward investment

31 public transport such as the Dockland Light Railway (DLR), but as an afterthought with insufficient capacity and the Jubilee underground extension which was undertaken post hoc at greatly increased costs.

32 For example using the large water planes to install heat pumps ex ante for the whole area.

33 Examples in London are: Marylebone, Regent's Street, Victoria Station, Fitzrovia, etc.

34 e.g. Fitzrovia

35 LDA, LTGDC, ODA, LOCOG, OPLA, LLDC, op cit.

36 Triathlon Homes, Delancy and Qatari Diar, the latter a global investor, to take over development, sales and management of its housing, commercial real estate and public realm.

37 Initially acquired by the LDA

38 inherited from the London Thames Gateway Development Corporation



### *Success of the 'development industry model' regarding the local community?*

The LLDC continues to cooperate with several community groups which have been created during the development of the Olympic Games site.<sup>39</sup> There is no great enthusiasm though for setting up Community Land Trusts, something the local inhabitants are keen about; or a formal consultative forum at which local groups would have a guaranteed voice.

### *Lessons*

The ultimate test of whether the 'development industry' is a 'success' from the point of view of the existing population would be to achieve regeneration without gentrification, or at least that some parts of the area would escape displacement and pricing out the local population and local businesses.

### **'Community based' development model**

The bottom-up 'community based' model favours local inhabitants and businesses in the development process. It gives them a voice, opportunities to take active part in development initiatives and a share of the value added by such development in both the short and the longer term. They would also have some assurances against unwanted displacement and compensation mechanisms for loss or uprooting of local homes, businesses and recreational spaces.

### *The Bromley-by-Bow Centre*

The aim of the Bromley-by-Bow Centre (BBBC) was to adopt 'new ways of thinking about urban revival, and devising new tools in response to (endemic) issues of scarcity'.<sup>40</sup>

The Bromley-by-Bow centre originates in the appointment of Andrew Mawson to rescue the abandoned and derelict reform church in Bruce Street in Bromley-by-Bow. Although hired by the church, Mawson had a perspective of a social entrepreneur from the outset. Opposition by parts of the local community and the local authority did not discourage Mawson from refurbishing the church building with a team he built up among local residents, immigrants, artists and activists. He transformed it to accommodate several functions besides Sunday services, including a crèche, a ballet school and festive events for different ethnic and faith communities, ranging from the pearly queens and kings to the Ede festival. He refurbished outbuildings and let them cheaply to artists and artisans in return for some of their services to the local community. These activities expanded organically. Meals which were prepared by people from different local ethnic groups expanded into a self-financing and self-managed cosmopolitan café. This inclusive approach engaged elderly and mentally disturbed people in gardening around the buildings, art therapy and soft gymnastics.

Mawson mobilised support from Lord Ennals and other humanists, was able to build a better relation with the local authority, entered social housing functions and managed to build a health centre which was focused on catering for local cultural needs. He transformed an adjacent derelict open space into a communal garden with an allotment area engaging local children to learn about plants and food. In turn, local food was used in what had become a restaurant with emphasis on healthy eating. Many other community support services were offered, such as English language tuition, and enabling women from various backgrounds to set up and run their own micro-businesses. His objective was aiming at high quality in every undertaking of the Bromley-by-Bow centre aimed to help local people to help themselves.

Clearly, structural changes were needed when the centre expanded geographically as well as

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39 [www.londonlegacy.co.uk/community](http://www.londonlegacy.co.uk/community) e.g. Youth Panel, faith communities for outreach work, etc.

40 [www.bbhc.org.uk](http://www.bbhc.org.uk)

functionally and became a multi-million enterprise. This was not an easy ride for the team and not all the locals subscribed to the entrepreneurial approach.

### *Other community-led bottom-up organisations*

Many other bottom-up groups are operating in the East End. Some were formed in protest against development, including the Olympic site where their housing was demolished, their businesses closed down and they were chased from their allotments and displaced altogether. These groups included local leaders<sup>41</sup> but also artists and marginal communities.<sup>42</sup> Some are connected with local teaching institutions.<sup>43</sup> Faith communities are also active, together with other interest groups, community architects, self-builders, urban agriculture enthusiasts and others. Some were more transient, for example artists who were pushed further out eastwards in their pursuit to find cheap premises in derelict areas. They, together with a substantial immigrant population play a significant part in the socio-cultural fabric of this area and its transformation.

### *Bromley-by-Bow 'extra'*

Engaged in CAN,<sup>44</sup> Mawson kept in touch with local people in Bromley-by-Bow. Driven by his expansionist ambitions he started to cooperate with both other voluntary and mainstream institutions.<sup>45</sup> Knighted for his efforts, Mawson moved towards the establishment. He joined the Water City<sup>46</sup> initiative with Richard Rogers as architect and Leaside Regeneration Ltd, set up his own company and is currently a board member of the newly created LLDC.

### *Success of the bottom-up community-led development model?*

Without a doubt, the Bromley-by-Bow centre has become a much liked social institution in Bromley-by-Bow. This is also reflected in the SCIBE interviews.<sup>47</sup> The Centre is often a first port of call where people seek assistance or just a social life and has become a role model for bottom-up social entrepreneurship. It is a rather rare long term success of bottom-up community-led development.

Many alternative initiatives have failed after a short time of protest, or after some temporary but limited success. Contrary to the top-down development model the bottom-up development model lacks material resources and tends to operate on the margin of mainstream values and customs. Often groups are constituted in opposition to concrete threats from the outside. Once the threat has vanished, for example when individuals have taken up offers to move elsewhere, the 'raison d'être' of such resistance groups is diminishing and they tend to decline below the threshold of critical mass. Constituted ad hoc such activist or resistance groups tend to lack cohesion, organisational capacity, common purpose, sustained energy and drive. After a while of intense involvement and dedication, they succumb to burn-out or exhaustion, a little researched phenomenon. There are numerous accounts of occupations by artists, student revolts, political protest movements like the '68 events and their inability to achieve concrete lasting social change or spatial justice.

To come back to the London situation, residents and businesses have been displaced from the

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41 e.g. teachers or managers of tenant associations,

42 including travellers who had been present in the East End for a long time.

43 including Queen Mary University, UEL, local colleges, academies and schools

44 CAN: Community Action Network, aimed to disseminate social entrepreneurship more widely

45 The adjacent primary school, local housing associations such as HACA, a mental health care charity, etc. He was involved in the refurbishment of Poplar Town Hall, Tower Hamlets public library, refurbishment of social housing and public realm in various adjacent neighbourhoods.

46 [amawsonpartnerships.com/help/water-city](http://amawsonpartnerships.com/help/water-city)

47 SCIBE and Architectural Foundation. Scarce Times: Alternative Futures. 15 May 2012.



**Figure 2-4 Bromley-by-Bow Centre. Source: Judith Ryser.**

Olympic site with little compensation and those in surrounding areas seem to be next in line for having to make way to gentrification. The student protests have not managed to halt fee increases, the riots have not brought about social change in the deprived areas where they took place, and ‘Occupy’<sup>48</sup> has all but disappeared from the radar.

### *Questions*

Can a bottom-up community-led development model succeed in the long term, in what circumstances, with which means, over what period of time? Does it stand a better chance in times of scarcity, as it is accustomed to operating under permanent scarcity and is well versed in austerity measures, as well as dealing with scarcity in an innovative and creative way?

### *Blurring boundaries in times of scarcity*

The development process described above has followed the typical business cycles of growth and decline: 1973 oil shock, 1986 Big Bang, 2008 global economic and financial crisis. Usually, the state steers its way out of recession, either by adopting a Keynesian model of public infrastructure investment, or by means of fiscal or monetary manipulations. The period after 2008 seems to differ from this pattern as the state in the UK and elsewhere resorts to prolonged austerity measures to exit the economic depression and reduce the irresponsible debt mountain accumulated by both the state and consumers over an unsustainable boom period. What impact does this have on the two contrasting models of urban regeneration? Early signs are that the state is resorting to measures which may entail irreversible damages, not least regarding climate change mitigation



**Figure 2-5 Bromley-by-Bow Centre entrance with health clinic in background. Source: Judith Ryser.**

and adaptation. In policies and deeds ‘sustainability’ tends to make way to ‘scarcity’, ‘resilience’ and ‘austerity’. The adaptation of the London Plan to the National Planning Policy Framework (NPPF), takes advantage to relax ‘public interest’ or redistribution targets, including affordable housing. ‘Localism’ may be taken up mainly by vocal neighbourhoods, but it is also appropriated by the ‘development industry’ in carrying out higher density urban transformations under the guise of ‘regeneration’.

### **Rapprochement between development-led and community-based development models?**

66 Which of the two development models explored here – top-down and bottom-up - is better equipped to cope with recession? Averse to austerity, market-led models function best either under conditions of economic growth and/or with large scale, up front public investment, subsidies and tax relief. Self-regulated and self-reliant community-led models operate well under conditions of scarcity as it is one of their inherent features. Often secretive and with little public accountability, top-down models incessantly demand removal of ‘red tape’, but they welcome regulations to protect their own added value. They expect state subsidies to act and state bail-out when they have overreached themselves. The current ease of shedding corporate debt and recuperating undervalued assets under new management contrasts with the treatment of insolvency of social and voluntary organisations. Both models have to adapt to change all the time, but the top-down model tends to hold on to its tried and tested formula while the bottom-up model has an internal dynamic which tends to create instability due to inherent precariousness, heterogeneity, weakness of checks and balances, and being prone to take overs by vocal minorities. Most importantly, the top-down model has a material base, albeit sometimes precarious, while the bottom-up model is

subjected to a relentless pursuit of scarce resources which may lead to exhaustion.

Alternative adaptation processes are needed for the survival of both models in times of internal or external crisis. The top-down model may shift its targets and ease its constraints, while the bottom-up model may relax its sometimes rigid value system. Opinions differ over whether the top-down model of the Olympic Development Authority (ODA) in charge of developing the Olympic Games site has delivered in time and to budget. Its activity fell mainly into a growth period while its ring-fenced budget tripled during the ensuing austerity period. Conversely, it could be argued that the Bromley-by-Bow Centre which started as a bottom-up model aiming at inclusion, equality and self-reliance has transformed itself into social entrepreneurship, akin to capitalist enterprise, at least for its outreach undertakings. Has more stringent austerity moved it toward a more neo-capitalist mode of operating? Is it a transient period of greater expediency or will its internal transformations become permanent? Most importantly, how do these changes affect its initial objective of achieving greater social and spatial inclusion?

### **Impact of austerity on regeneration and gentrification**

Should austerity be seen as a negative impact on current pursuits and modes of operating, or an opportunity for adaptation and new departures? Is the development-led model really softening up towards local conditions and local people and, paradoxically, is the community based model moving toward the majority model out of necessity?

Although it may have to compromise, the bottom-up model may have an advantage over the top-down model due to its experience with adapting to precarious and unforeseen situations under constant conditions of scarcity. When seeking rapprochement with the bottom-up model to cope with austerity the top-down development model may undergo internal structural changes by adopting more appropriate means, albeit alien to its habitual corporate culture. Is such rapprochement between the two types of models possible? In which way would such blurring of boundaries evolve? Could it lead to mutual compromise and cooperation on agreed terms which would facilitate equitable conditions of engagement, including sanctioning mechanism in case of non-compliance?

How would such adaptation processes impact on urban regeneration and gentrification? At the very least it would presuppose an agreed view of the purpose of urban regeneration and the role of gentrification during the current period of scarcity. A key challenge would be to set out general principles which would disconnect gentrification from urban regeneration and provide much broader access to the value added of development. Most importantly, it would have to establish rights to a more equitable share for the existing residents and businesses, including a return to the regenerated area with benefits of improved conditions. It would also mean that the 'place-makers', the transient occupiers of abandoned land and derelict premises whose foothold often triggers the regeneration process also gain access to an equitable share of their contribution to the turn-around of derelict and deprived areas. In times of scarcity, their temporary and often creative occupation could continue to contribute to the regeneration process in which they should have a voice.

Even the current period of austerity will come to an end in the evolution of economic cycles. Accelerated pace of change under economic expansion will eventually revive the development process of rapid capital accumulation and circulation and reinstate excess gains and greed until the cycle will have reached another unsustainable peak. The development industry is closely linked to the boom and bust of the economy in general and the chances are that such temporary rapprochement between the two development models would vanish and give way to past antagonisms, unless the process of cooperation would have brought about tangible benefits for both types of development models.

Scarcity is socially constructed. Clearly its interpretation differs between the protagonists of the two opposing development models discussed here, between politicians, the development industry, local communities and newcomers. A period of scarcity could provide an excellent opportunity to explore sustainability and resilience of urban regeneration with attention to the process of gentrification. Such a pursuit should also analyse current deficiencies of urban living, the power of the fear industry; state-sanctioned intrusion into citizen's privacy; the scarcity of affordable housing and risks of negative equity; the artificial creation of scarcity in the development process, including deliberate land hoarding and slowing down development to push up real estate prices; intentional dilapidation of existing buildings, asset stripping and generation of negative asset values; and the role of private mobility in the share of finite public realm. Importantly, it should include imaginative ways of providing greater access to indeterminate spaces for transitional activities, as well as recognition and material reward for the contribution of informal place makers.

In practice, scarcity is not just about lack of money, it also affects access to information, share of legacy spoils, provision of social amenities and public facilities. Scarcity can be generated deliberately by the development process itself. Not only should such a study focus on a more equitable distribution of the value added from regeneration for local residents and businesses and newcomers, but also on adequate care for the environment to achieve sustainable longer term economic development. In particular, it should examine the balance between property-led – real estate-led –capital investment-led development and its impact on its users, their activities, their chances of empowerment, their quality of life and their share of spatial and social justice. Such rebalancing could lead to progressive social change. Of interest to the professionals of the built environment is the role of design in this process.

### **Changing the political role of design**

Not surprisingly, in times of scarcity, the development-led model focuses on the relationship of design with business. The Global Design Forum <sup>49</sup> asks 'how to convince people to have what they don't yet know they want'. Public participation takes the form of convincing local residents, businesses and visitors that they need urban change, in the direction of the producers, i.e. the development industry or large scale business occupiers. For this business community <sup>50</sup>, the purpose of design is to 'maximise limited resources to solve social and human issues on a global scale and yet still entice people to consume'. <sup>51</sup>

This is a far cry from the objective of the Bromley-by-Bow centre to 'create meaningful alternatives to an all-pervading economic system that depends on infinite growth in a finite world'. <sup>52</sup> For a quarter of a century their purpose was to develop organically at a scale and pace which the local population can handle. This included an adequate site, new premises, inclusive activities on the site, outreach and networked cooperation with other like-minded mutual or cooperative initiatives in the wider neighbourhood. They want to devise 'new business and economic models that make sense for a future sustainable society', and this approach is also reflected in the type of design they have adopted for the activities of the centre.

Is there a need to invent design which suits the rapprochement of the two opposing development models, for example, a more interdependent relationship between capital investment and running cost; better use of land and premises between the end of traditional

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49 The London Design Festival, Global Design Forum, first thought-leadership event of the London Design Festival, September 2012. Central St Martin's art school campus, Kings Cross.

50 E.g., developers, investors, financiers, landowners, estate managers, lawyers, etc.

51 London Design Festival Op.cit

52 Bromley-by-Bow Centre research and evaluation: integrated practice – focus on older people. 2004 BbB

use and regeneration; broader and equitable access to land by means of community land trusts; accountability for the sustainable use of resources from cradle to cradle, etc.? Would this involve rethinking the pecking order between property, private mobility and people? Or is it sufficient to adopt existing design philosophies and technologies to the period of austerity, regardless of which model is followed?

### *The 'Water City': convergence of development models over several business cycles*

The Water City<sup>53</sup> is an example of an initial attempt to converge the two opposing development models. The Water City is situated in London's Lower Lea Valley, conceived initially by the LDA and the LTGDC on 1,218 ha of brown field land which included the 2012 Olympic Games site. Although the history of the Water City is very difficult to trace<sup>54</sup> it has stated aims.<sup>55</sup> The Water City<sup>56</sup> for which Richard Rogers produced an early scheme<sup>57</sup> wanted to be the overall East London hub capitalising on the fact that 'people start to like where they live'. However, the 2012 Olympics site<sup>58</sup> has become the main catalyst of regeneration, followed by the new Enterprise Zone in the Royal Docks and Silvertown Quay, although the Water City wants to remain part of this bigger picture.<sup>59</sup>

## **LESSONS TO BE LEARNT FROM SCARCITY VISION**

'Necessity is the mother of invention'. In this sense, scarcity may do some good for the often unsustainable and profligate development industry. Some convergence between development-led and community-based models of development could bring some promising change, but the evolution of the Water City project may indicate that such convergence may not that easily transcend the current, market led and supply side driven development process.

### **What next? Longer term future 2065?**

In the light of the many contrasting development strategies adopted and abandoned since the second world war in London, with development occurring often in a haphazard disjointed mode under economic phases of boom and bust, it is difficult to envisage a longer term development future, let alone expect it to occur under a prolonged period of austerity.

Instead of conceiving a sort of end state scenario for a particular moment in time for in the future, it may be more appropriate to envisage scenarios for diverse development processes which may lead in different directions but should be flexible enough to accommodate unforeseen contextual influences, notwithstanding the continuous pattern of economic fluctuations which

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53 Mawson was an early supporter of the Water City and involved Leaside Regeneration, social entrepreneurs, of which he was a director. He has now shifted his directorship to The Legacy List, a charity founded by the LLDC and the Mayor of London.

54 References to Leaside Regeneration, Paul Brickell, chief executive, and Water City:

<http://www.leasideregeneration.com/water-city>

<http://londonliving.at/water-city-east-londons-regeneration-wizards>

<http://www.londonmet.ac.uk/services/london-office/activity-by-the-london-office/leaside-regeneration-ltd.cfm>

55 Water City project objectives: make use of east London's water heritage: ensure a high quality built environment; help build an entrepreneurial culture; engage local people and communities in practical, entrepreneurial ways; create a true legacy for east London, both physical and social.

56 [www.leasideregeneration.com/water-city](http://www.leasideregeneration.com/water-city)

57 [www.richardrogers.co.uk/RSHP\\_A\\_JS\\_4220\\_L\\_E\\_MP.pdf](http://www.richardrogers.co.uk/RSHP_A_JS_4220_L_E_MP.pdf)

58 with its 45 miles of canals and 1450 ha of surrounding land ripe for regeneration

59 E.g., showcased at [www.watercityfestival.org.uk](http://www.watercityfestival.org.uk) The £20b budget for Lea Valley development in next 20 years constitutes the precondition for this global destination of raw talent, resources and space.



**Figure 2-6 Urban area with potential for small scale infill development with local participation. Source: Judith Ryser.**

are inherent in the capitalistic system. Scenarios for such long term process modes could only provide a loose framework for medium term development strategies, together with instruments to attempt to achieve them. This approach should not prevent short term, smaller scale development initiatives which may stand a chance of materialising because they may be more doable, less costly and would require less comprehensive institutional involvement. They do not have to be piecemeal as in the recent past and could benefit from such the longer term strategy envisaged here for a more balanced and inclusive development in London's East End.