

AN ECONOMIC DEVELOPMENT PLAN FOR LONDON
JUST SPACE ECONOMY AND PLANNING: 5TH BI-MONTHLY SEMINAR
Friday 20 June 6-8pm, London School of Economics

Present:

Ana McMillin, University College
London
Dan Hopewell, Bromley by Bow Centre
Ed Jones, University College London
Ian Gordon, London School of
Economics
Jamie Abbott, Big Local Walthamstow
Jess Ferm, University College London
Jurgen Essletzbichler, University College
London
Liz Cox, new economics foundation
Lucy Rogers, East End Trades Guild
Michael Edwards, University College
London
Patria Roman, Latin Elephant

Richard Lee, Just Space
Robin Brown, Hayes Community Forum
Roy Tindle, London Thames Gateway
Forum
Sue Agyakwa, Bromley by Bow Centre

Apologies:

Krissie Nicholson, East End Trades
Guild
Laura Vaughan, University College
London
Nick Woolven, Central Ealing
Neighbourhood Forum
Pauline Rowe, Friends of Queen's
Market

1. Introductions

Myfanwy explained that this was the first Just Space Economy and Planning (JSEP) bi-monthly seminar since January, as the group had done a lot of detailed work preparing responses to the Further Alterations to the London Plan (FALP) since then. In parallel, the London Enterprise Panel (LEP) had been working on developing an Economic Development Plan (EDP) for London, with work being led by London First who had in turn commissioned McKinsey consultation. The purpose of the meeting was therefore to return to the strategic issues in relation to London's economy, after the detailed work to respond to the FALP, with the help of inputs from Ian Gordon (LSE) and Liz Cox (nef). JSEP could consider whether and how to engage with the EDP being developed by the LEP.

2. Sharing information about the Economic Development Plan for London

Myfanwy circulated a slide-pack setting out the latest thinking from McKinsey on the EDP. She had been sent this slide-pack in an email exchange with London First following one of the LEP engagement events, in which she had raised concerns about how people could get involved and find out more about the EDP. This slide-pack was a much longer version of what had been publicly circulated at the recent LEP Engagements events.

Myfanwy ran through briefly some of the issues raised in this slide-pack:

- The EDP was not the Mayor's statutory economic development strategy, but the LEP intended it to provide strategic underpinning for future statutory documents until 2036.
- The main focus of the EDP is maximising GVA – gross value added – and jobs. It was clearly stated that its not within the scope of the EDP to address broader social and environmental goals.
- The rough timetable was for stakeholder engagement until the end of August; further work in September and October; and then action in November and December.
- The LEP's stakeholder engagement map suggested nothing had been done to engage with civil society in any way, nor any groupings of business beyond the most obvious.

- It was hard to make sense of the language used to describe the themes and future scenarios being considered.
- Towards the end of the slide-pack, there were statements about diversity and inclusion, and it was acknowledged that the lowest deciles of London's income distribution have not benefitted from a decade of growth.
- The clearest statement of the strategic direction of the EDP seemed to be, 'London needs to reinforce its long-term strengths as a global city while building more diverse and inclusive growth'.
- No attention is given to how inclusive growth can be achieved, though they do acknowledge the risk that low-income workers will be priced out of the city.

People fed back from the LEP stakeholder engagement events they had attended:

- Robin reported that at the North London event, very little time at the engagement events had been spent on the major items such as the EDP and the EU Structural Funds, with disproportionate time spent on explaining the GLA's apprenticeship scheme.
- Roy reported that there had been much more debate within the East London event than the North London event. Strong messages had been sent about the problem of affordable workspace in the former, and Roy had felt some councillors and London First policy workers had been open and understanding of the problem of loss of industrial land when he had raised this.
- Dan commented that the boundaries of the LEP sub-regions meant that Bromley by Bow Centre (in Tower Hamlets) fell into the North London LEP, whereas they had been used to engaging with people in East London. He mentioned the problem of housing outbidding employment in Inner London, with small offices being lost to large housing or shopping centre developments, and also reported that someone else had commented on the way in which outer London boroughs – such as Edmonton – were being left behind and the lack of attention being given to, for instance, industry in the Upper Lee Valley. Dan had also raised the issue of social inequality, saying that the policies being introduced would be likely to further displace the poor further and further from London.
- Robin felt that the LEP's EDP was all about furthering the global city status of London and the needs of big businesses.

The group discussed how they might engage with the EDP being developed by the LEP:

- Some felt that there were people, including at London First, open to the issues JSEP was concerned with, and that it was a matter of education. There was a lot that JSEP could help the EDP with here. A key issue was to highlight the links between big business and small business, for instance how city firms rely upon lift repairers based in London's nearby stocks of industrial land, who can quickly undertake repairs when lifts break down.
- Others were concerned about the democratic process and accountability of the LEP, and felt JSEP should expose this for what it was.
- It was proposed that JSEP could convene some of the diverse voices together to get their views and issues across to the LEP, as well as challenge the set-up of the LEP itself.
- Some felt JSEP could and should both challenge the LEP's process and seek to engage with it at the same time.
- Others highlighted the governance failures in local authorities and in the Mayor/GLA set-up more generally.

JSEP agreed to return to the issue of how to engage with the LEP's EDP after hearing the two presentations from Liz and Ian.

3. Connected Economies: Liz Cox, new economics foundation

Liz Cox introduced her work at nef with Haringey Council on a carbon reduction strategy. nef's approach to local economy strategies was to aim for a low carbon, high well-being model, in comparison to the LEPs EDP which was aimed at maximizing GVA. nef saw the economy not as only one thing, but something that can be re-built and re-designed. nef's aim was to move away from the neo-classical model which says there's no limits to growth and instead re-connect the economy back within ecological limits to serve purposes of society. Liz introduced the well-being models that nef had developed through its research (see slide-pack). Supporting well-being led to reinforcing cycles being set up that fed into one another.

Working with Haringey Council, nef had the chance to try to apply these theories in practice to deliver a local strategy. In 2011/12, nef were asked to come together with around 70 others to form a Carbon Commission at the invitation of the Council who wanted to know how they could reduce their carbon emissions by 40 per cent and create a fairer future for everyone.

Liz explained Haringey is a very unequal borough, with some of the richest and some of the poorest, which translates into inequalities in terms of life expectancy of 6.8 years difference for men and 3.6 for women. These inequalities are also reflected in energy usage, with the highest income areas having the highest carbon impact.

Haringey Council's models showed that they could reduce carbon emissions by about 30 per cent by looking at things like transport or energy generation or retrofitting homes. But the other 10 per cent has to come from policy outside of the borough, in particular transport policy. The aim was to take proactive action to create the right environments where people can experiment and innovate. The aim was to produce quality jobs that local people could access, that would provide a decent income, satisfying work work-life balance. nef looked at enterprise models which could reinvest wealth back into the borough, to businesses that provided employment to people in the poor parts of the borough.

The Carbon Commission produced a final report with 43 recommendations that were all accepted by the Cabinet. These were grouped into five areas focussing on creating businesses that reinvest that wealth back into the area; thinking about what's the underpinning of the economy in terms of the low-carbon economy; how do you boost innovation; the transport system; and then working with different sectors of society, particularly strengthening community organisations where they exist.

A big focus had been on cooperative business models for energy generation and retrofitting. The Council had begun to develop business and engineering plans for an energy cooperative, and a new retrofitting cooperative (Retrofit Works) was now in operation as well as a larger retrofitting network of 600 members across North London. Working with existing businesses to improve their environmental standards was another priority.

On transport, most of the work so far had been around bikes, as Haringey Council itself couldn't change bus or tube routes. This had perhaps been the hardest of the themes. The recommendations around supporting community action had begun to be taken up, with the council providing a small community fund and a community group starting up a PV scheme.

Haringey Council Carbon Commission website: <http://www.haringey4020.org.uk/>

In initial discussion, the following points were raised:

- How did the Carbon Commission relate to the very awful approach to planning and development in Tottenham being pursued by Haringey Council? How can we make the links? There was still a belief that 'shiny' regeneration was best, and there were lots of battles to fight on this. nef's approach had been to work with those who were willing and open, and then to build from that.
- As well as carbon reduction, a key issue was resource depletion. We needed to safeguard spaces for recycling linked to this.
- Local authorities may not have control over transport, but they did have some influence over the locations of homes, work and social facilities such as hospitals and care centres. They often took decisions that increased the need to travel, for example closing local dementia support centres and centralizing them.
- Community groups were keen to access nef's tools and support but weren't sure how to go about this. Liz's advice was to pick up the phone and call, and that nef usually responded positively.
- nef had just hired a new Local Economies Coordinator, Rachel Laurence, to take forward work on local economies and who would be speaking at the 14th July JSEP public event.

4. Disconnected economies: Ian Gordon, London School of Economics

Ian explained that his talk was rather disconnected and would cover a number of issues. He described himself as an economist who looks at London's economy from an aggregate, numerical rather than grassroots perspective. He often focused on critically analyzing conventional wisdom about London and the way it works. He wasn't working on a specific project on the London economy, so would just share three specific issues. Ian commented that it was challenging to work on the London economy, as everything was connected to each other and it was very hard to isolate any specific impacts. How could one move from the aggregate patterns to human behaviour at the grassroots? He mentioned the need to look at market failures in conventional economic terms as well.

The three issues Ian spoke about had come up when he read JSEP's response to the FALP. Firstly, how to explain why London has not been affected by the financial crisis in terms of job growth at the aggregate level. Secondly, whether the relationship between jobs growth and population growth matters. JSEP had picked up on this in their response to the FALP, but Ian wasn't convinced it did matter. If there was a disconnect between projections and what happened, Ian questioned whether policy changes should be based on projections. Ian also wanted to speak about super hubs, because the story was helpful in exposing relevant issues in terms of the governance of London. Finally, Ian wanted to challenge the idea that there was something wrong with encouraging the redevelopment of town centres in the way proposed by the FALP.

Starting with, 'how London got away with it', Ian explained that London used to be the most stable UK region in the 50s-70s, because it didn't have the volatile industries such as manufacturing capital goods and consumer durables. In the 1980s this changed, when finance, information and communication became the most unstable sectors, which were highly represented in the London economy. But the sectoral composition alone didn't explain this volatility, it seemed there was something about the place and its role that made it so unstable. In the late 2000s, Ian and other forecasters were therefore holding their breath for the bust that would follow the boom. When the financial crisis happened, they thought that would occur but in fact London was the least affected UK

region, being the last to turn down and the first to turn up. Westminster and Canary Wharf, home to London's financial and business services, also seemed barely to be affected. Ian raised concerns that the GLA projections didn't tackle this issue, just continuing in their approach of projecting historic patterns forward without understanding how and why London recovered so quickly.

Ian ran through a range of common explanations for why jobs growth in London was not affected by the financial crisis. Boris' usual answer was that London was 'punching above its weight'. But if it was more productive, why didn't that show up in the 1990s when London was doing pretty well generally? The second common explanation was that the jobs lost tended to be in the middle, and so this didn't affect London so much because of its high proportion of professional and low level jobs. This explained a bit, but not that much. The final explanation was Ian's preferred one, which was the massive investment in London's economy through bank bailouts, implicit subsidies (i.e. government guaranteed lending) and quantitative easing, the vast majority of which would have ended up in London's financial sector. Rather than being invested into British industry, which was the idea, instead banks used it to undertake risky loans to transition economies, raking off a margin in the process which would go into people who live and work in London and who spend money in London. Ian questioned what would happen, however, when that money dried up? The LEP were not considering this issue.

Ian then moved on to discuss the story about super hubs. Ian sat on the Outer London Commission, which was appointed by the Mayor to deal with the absence of job growth in Outer London. The OLC was given the idea of four super outer London hubs in Brent Cross, Croydon, Stratford and Heathrow, which had come from Transport for London although this wasn't known at the time, in order to justify expanding orbital connectivity. But this idea didn't get anywhere because 1) it was introduced poorly; 2) the places chosen were not the right ones for office development and one wasn't in outer London; 3) the property developers said large scale office development wasn't viable there; and 4) the boroughs couldn't agree on any of the locations. Whether it was a good idea or not, the boroughs could not look beyond their very narrow, parochial interests

Due to lack of time, the point Ian wished to raise about the FALP town centre proposals was taken as part of the discussions:

- Jess and Michael opened a discussion about medium-sized town centres and the loss of employment land more generally.
- Ian identified that JSEP's concern was based on the assumption that employment would be lost when development occurred. Ian's view was that this was not the intention, rather the intention was a last-ditch effort to accommodate population growth within the GLA's boundaries and revitalise town centres at the same time. His view was that JSEP should focus efforts on trying to make the proposals work better, not on opposing them. He referred to a forthcoming document from the GLA that would set out more detail, called 'Accommodating Growth in Town Centres', that should be published soon.
- Lucy highlighted the problem of implementation, which should be addressed. There was a gulf between policy – however good – and what got built.
- Myfanwy asked what the implications of Ian's analysis of job growth forecasts was for the FALP. Was Ian challenging the forecasts? Ian felt the forecasts weren't actually part of the FALP, even though they had been updated as part of the FALP. He felt it was important to push again the point about exploring different scenarios,

rather than focusing on a single forecast. The issue was the uncertainty, not the technical construction of the forecast.

- Michael felt JSEP had a lot of work to do to prepare for the FALP in order to work through the debates.
- Myfanwy reported that the LEP EDP did not take any spatial issues into account, and that London First had asked at the North London engagement event whether they lost anything by doing this. JSEP could potentially address this issue, having focused on it in relation to the London Plan.

JSEP then returned again to item 2, to discuss how to engage with the LEP's EDP. There were three options: to criticize the LEP and EDP; to engage with it; to do both. It was decided to do both, in a sensitive way that would mean JSEP might be listened to rather than rejected. If it was felt this wasn't possible, JSEP would reconsider. Myfanwy and Ed would draft a short statement to the LEP and send round the list for comment and input.

5. Other matters

a) The Examination in Public on the Further Alterations to the London Plan

Myfanwy explained the Examination in Public on the Further Alterations to the London Plan would take place in front of a Planning Inspector in September for three weeks. JSEP was included in the Inspector's draft list of participants on employment; retail and implementation. Myfanwy requested people put the dates in their diary.

The Inspector had produced a list of Draft Matters for discussion during the EiP, which we could respond to by 8 July. JSEP would send in a response; Myfanwy, Lucy and Robin volunteered to draft something which would be sent round the email list for further comment and input. Myfanwy commented that it was hard to cross-refer to the alterations as these hadn't been specified and that the matters were drawn very tightly. Richard commented that the issues raised around affordable workspace and industrial land hadn't been picked up, and should be questioned.

Richard reminded all groups who had put in responses to reply to the Inspector and request a seat at the EiP. Just Space usually aimed to get one third community and voluntary sector representation, but currently this was underrepresented. It was usually possible to rectify this by a quick email requesting to participate from groups and individuals who had responded but not yet been called. East End Trades Guild, London Thames Gateway Forum, Wards Corner Community Coalition and Our Tottenham would do this. Myfanwy would also remind others such as Laura Vaughan (UCL) and Federation of Small Businesses. Patria would also respond from Latin Elephant, even though they had already been selected. Ian Gordon and nef hadn't put in written responses so wouldn't be able to seek a seat at the EiP. Myfanwy would follow up with nef about potentially giving evidence through the JSEP hotseat.

Richard explained that it was important to get more people with their own seats, so as to have the diversity of perspectives round the table, rather than just through the Just Space/Just Space Economy and Planning hotseat.

b) JSEP Handbook

Myfanwy updated the group that the application for a JSEP handbook to bring together the community experience and research on planning London's economies from the grassroots had been successful. JSEP had £1000 from UCL's Public Engagement Unit plus £400 from Myfanwy's research grant to produce a collaborative handbook. So far Ed, George and Myfanwy had volunteered to work on this, but they were still looking for more volunteers. Meetings would be held in the summer to take forward the proposal,

and produce a draft outline for discussion and agreement with the whole group in the autumn.

Myfanwy explained the idea of a Book Sprint, which George Turner had suggested, in which 10 people in a room for a week produced a book. People had concerns that this approach wouldn't work well for a collaborative handbook and given the technical nature of the material.

c) JSEP Public Event 14 July

Myfanwy circulated an update of confirmed speakers for the JSEP public event on the afternoon of 14 July. Ben Rogers (Centre for London) had also since confirmed. The main thing missing was a venue – Dan offered to host at Bromley by Bow Centre and Liz offered to share a list of venues not used. Myfanwy would follow up on this.

Myfanwy would circulate a draft programme and asked for people's input to help ensure this met the aims JSEP had for the event. She also asked for help to choose a good, snappy title.

d) 6th bi-monthly seminar

Myfanwy explained that the next meeting would focus on trades unions and cooperatives, in order to develop a perspective on London's economy from people who work in the city. It would include the South East Region of the TUC, the Trade Union Congress and Centre for London, who were doing some work on cooperatives in London. The aim was to hold this meeting in September.

e) Future JSEP activities

Ideas for future seminars included:

- Emerging findings from Ed and Jess' industrial land research
- Ethnic and migrant economies, including Patria's project with Latin Elephant with £22,000 funding from Southwark Council relating to the plan for a Latin Quarter at Elephant and Castle

Myfanwy noted that it was more or less the end of the initial 12 month commitment Just Space had made to JSEP, in part supported through her work as part of her PhD. Myfanwy would be stepping back a bit from this in order to write up, but would still be involved. She had talked with a few people about whether they wanted JSEP to continue, so far people did. This relied on more people getting involved to organise meetings and share out tasks. She also invited comments on any successes and disappointments people wanted to mention. The comments included:

- The public event was very important for JSEP in order to garner broader support and engage with the mainstream.
- JSEP was discussing issues which weren't being generally discussed, and bringing them to people's attention. We should continue.
- The thematic seminars worked well as a way to broaden understanding. They brought together pools of knowledge that people could learn from. A lot has been achieved in a year and it shouldn't finish. For example, Patria had found it helpful in progressing work with Latin Elephant by making the broader links with the contribution of ethnic retail and small businesses to the London economy.

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