

Just Space submission to Assembly Regeneration Committee hearing 2 July 2015 on Transport and “regeneration”

Background: Just Space has been invited to contribute as a network of community organisations to this enquiry. The request was

The focus of the investigation will be to find out exactly what is the Mayor’s strategy for investing in transport improvements that will promote regeneration. The premise is that, while TfL invests in projects primarily to improve transport capacity, it also invests on the basis of supporting access to development sites which will generate future economic returns. Our focus would be on how transport supports local regeneration, rather than the economic impacts new transport infrastructure may have on the city as a whole. At the moment, it is unclear how the Mayor and TfL decide which transport projects to support on the basis of local regeneration, and what the proven regeneration impacts of transport infrastructure are.

Response:

Who we are

Just Space is a network of community organisations which support each other in engaging with the planning and related policy consultations in London, at levels from neighbourhoods through Boroughs to the whole GLA. It has been active in supporting many dozens of community groups to make representations and to appear at the various London Plan EiPs and often makes its own representations where there is a consensus among member organisations.

This statement is distilled from the many submissions which Just Space and its member organisations have made on relevant issues in recent years. Just Space will be delighted to enlarge on the points made or to answer the Committee’s questions and will also be encouraging others to make submissions.

Information vacuum: missing research

The Committee asks what are the “proven regeneration impacts...” There is no serious research-based answer to this question because the relevant monitoring and research has not been done.

Just Space and many academics have been arguing for some years that a major weakness in regeneration policy is the lack of longitudinal studies which would track positive and negative impacts of “regeneration” schemes, including displacement - for households and enterprises alike. Without this data it is impossible to determine whether changes in an area (comparative snapshots, e.g. from census data) are changes experienced by the original people / enterprises or represent replacement of previous by new populations. This is a VERY serious matter. The London Assembly should call for or commission such studies AND it should make representations to research funding bodies (ESRC, EPSRC) pointing out the need.

The UCL Urban lab “Pamphleteer #2” contains a call for such research at pp

24-27. (Note that the two maps in the same issue showing displacement from the Heygate estate have their captions switched). Free download at http://www.ucl.ac.uk/urbanlab/research/urban-pamphleteer/UrbanPamphleteer_2.pdf

Prof Loretta Lees (lately of King's, now University of Leicester) is thought to be doing a study of this type, though we are not sure how many regeneration projects she is studying nor over what timescale, nor whether transport figures specifically.

Essence of the impact problem

On the specific issue of transport improvements triggering or supporting “regeneration”, transport improvements - especially high-capacity rail ones - do indeed trigger land and property price increases and thus speculation and development. Whether these effects constitute “regeneration” in the sense of benefitting existing low- and medium-income residents and established enterprises is an open question. Often in recent years the reverse seems to be the case. Anecdotally the effects of the Overground at Haggerston and Dalston, and impending pressures at Peckham and elsewhere seem to be mainly or wholly negative. In terms of the questions posed, this relates to how “economic return” is conceptualised and estimated - simple profitability or wider social and economic benefit.

Just Space has always argued that “regeneration” schemes should not be launched until after a social impact analysis had shown them to be beneficial to the target populations of the area.

Just Space has also always argued that “regeneration” schemes should not be approved where there could be a net reduction in the availability of social rented housing. Evidence from our groups convinced the independent panel of inspectors at the EiP on the London Plan who recommended a policy change “These schemes should seek to achieve no net loss of affordable housing...” (EiP Panel Report 2011). The Mayor, however, chose not to accept the recommendation.

Similarly there are grave concerns about the losses of affordable workspace being experienced in many parts of London via the pressure of property prices rises and “regeneration” schemes and the Just Space Economy and Planning Group has given evidence¹ on these problems too – which are expected to worsen if the Mayor's current thinking in the Infrastructure Plan 2050 is embodied in policy.

Problems in land value capture

There have been attempts all over the world to “capture” land value uplifts resulting from transport improvements – initially by private companies buying

¹ <http://justspace.org.uk/category/economy-and-planning/> various documents and research links.

greenfield land and then developing transport and buildings (mainly housing) in the USA and when London's Metropolitan Line was built. In such cases the key is for large areas of land to be acquired before the effects of transport improvement have to be reflected in the purchase price. Where the development of transport is by a public body the same applies. This does not seem likely to be a viable strategy in London in the near future because London does not have large consolidated land ownerships, at least within the green belt.

The New Towns Acts, if used for the purpose, could enable land to be acquired at existing use value.

The alternative - —and in many ways simpler— approach is through a system of land value taxation which, automatically and without special action, would capture land value uplift wherever it occurs. The case for this kind of taxation is very strong but it has not yet appeared on political agendas in England.

What we have in London is two unsatisfactory approaches to capturing land value uplift, both of which cause serious concern to Just Space and community groups and local businesses in affected areas:

- (i) Attempts by transport undertakings (TfL or others) to capture land value uplift on the bits of land they happen to own directly – at or alongside stations. Because station development is expensive and transport operators typically own only small adjoining sites, this tends to lead to outstandingly dense development, especially where the operator is trying to recoup the costs of an over-specified station, as at Dalston Junction. In this kind of case the pressure to cover costs can pre-empt resources for other purposes – especially for genuinely affordable housing which was, at Dalston, squeezed to zero on the principal development. Our experience from the impacts of the East London segment of the Overground ring is that prices of property in the surrounding areas have risen dramatically but with the displacement effects probably outweighing any housing benefits to the pre-existing communities. The optimism expressed by Lord Adonis about the scope for property values to pay for BOTH transport improvements AND the affordable housing London needs is unfounded.
- (ii) use of CIL, in parallel with Section 106 to capture some part of the development value arising, though only on new developments. Just Space organisations have expressed grave concern in recent years about the way in which infrastructure costs are thus placed in competition with social facilities and social housing provision, and in ways which tend to relegate social housing contributions to a residual share – often 0% - of what can be found through the infamous “viability” testing regime in which profit considerations trump all other objectives.

Conclusion and next steps

In summary: Community, housing and neighbourhood groups in London have major concerns that transport investment – essential for their transport benefits – tend in private market conditions to lead to mainly negative impacts on incumbent communities and the local economies of areas. Built-in and powerful safeguards to inoculate “regeneration areas” against these ill effects are essential.

Just Space would be delighted to amplify these comments and to attend future meetings to give evidence and to arrange meetings for the Committee or its Officers in affected areas – especially Peckham, Dalston, Tottenham, Ealing.

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