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EXTRACTING VALUE, LONDON STYLE:
Revisiting the Role of the State in Urban Development

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Abstract
The focus of urban politics in many contexts has shifted from municipal regimes ‘competing’ for circulating capital to a wide range of actors, including states, competing to extract value from the built environment. Analyses of the role of states in urban development therefore need to be revisited. To do this in a way which can support a global perspective in urban studies that is alert to the great diversity of state forms and urban outcomes, we propose starting not from assumed globalizing processes such as neoliberalization or financialization, in which urban politics is then brought in as ‘context’, or as ‘variegations’ on an overarching and already conceptualized process. Rather, with a comparative imagination in mind, we want to draw attention to the diversity of the politics of the extraction of value from developments, as a starting point for expanding our understanding of the role of states in urban development. The case of a large-scale urban development in London—Old Oak Park Royal—exposes an idiosyncratic regulatory regime characterized by significant territorial fragmentation and intensifying reliance on highly delimited planning gain incomes to support all the costs of the development, including substantial infrastructure and welfare provision. This regulatory regime has direct implications for the built form, and motivates a sharp formulation of state interests and capacity in relation to value extraction. The complex negotiations between state actors and developer teams lead to a blurring of the roles of these actors in shaping built forms. In such a context, the state may assume roles and perform functions associated with securing ‘public’ benefit. But, partly in their efforts to achieve this, state actors also intensify the function of the developer to generate the resources needed to realize state interests. The case study presented invites a broader review of the role of the state in urban development.

Introduction
Global investment and financialization of urban development are very present in London (Fernandez et al., 2016; de Verteuil and Manley, 2017; Penny, 2017). In the case study presented in this article we found housing associations undertaking speculative developments and financializing their current and future income streams to release funds for further affordable housing development. We identified international pension fund investment in bespoke private rented housing developments as a relatively new model of ‘build to rent’ (GLA, 2018), and we saw major developers financing their projects through private-bank finance or by marketing them to Asian investors. However, we have also been made aware of the local governance work that establishes the grounds or territory, literally, on which these (and other) financing opportunities emerge. As Gavin...
Shatkin has argued in his analysis of a number of Asian megaprojects, ‘the proliferation of urban real estate megaprojects, a change that has led to the privatization of urban space, has nonetheless emerged in large part through state action’ (Shatkin, 2017: 14). Similarly, in her excellent analysis of finance and development in Chicago, From Boom to Bubble, Rachel Weber excavates the role of local states in US property development: ‘City governments ... welcome speculative building. Hungry for tax revenues and eager to take credit for new trophy towers, municipalities loosen building restrictions, offer subsidies and infrastructure, and promote new markets’ (Weber, 2015: 9).

While we are mindful of energetic and prolific research drawing attention to globalized processes of (variegated) neoliberalization and financialization (Peck et al., 2009; Fernandez and Aalbers, 2016; González et al., 2018; Büdenbender and Aalbers, 2019), in this article we want to home in on a crucial element in explaining the diversity of urban development outcomes, namely, the role of the state. Both popular discourse and critical academic analysis tend to focus on other actors and processes shaping urban outcomes—notably developers and processes of globalization and financialization (Flynn, 2016; Minton, 2017; Raco, 2018; Colenutt, 2020). The suggestion that global investors treat London’s built form as a ‘safety deposit box’ (Fernandez et al., 2016) or that a global ‘wall of money’ is seeking to extract value from the urban fabric (Harvey, 2010; Fernandez and Aalbers, 2016) needs to be matched with the direct call the state is making on London’s built environment. Here, state actors are treating new developments as a ‘hole in the wall’ or ‘money machine’ to address their own agendas, with significant consequences for the resultant built form.

The goals and instruments of states vary across different urban contexts, as do the territorial configurations of land use, institutions and practices that shape and determine development opportunities, the allocation of benefits and the outcomes of urban developments. Thus, while some states provide upfront investment in infrastructure to leverage income streams from land value capture (Weber, 2015; Shen and Wu, 2017), others look to meet the costs of significant infrastructure investment directly from property developments (Hui et al., 2004; Enright, 2013; Haila, 2015; Goodfellow, 2017). Across all these cases, though, value extraction from the urban environment is critical to enabling urban development. How the extraction of value is organized in each context determines who benefits from the urban development, and what kind of urban form results. However, this politics is configured in highly specific, embedded institutional and territorial formations. In the cases Shatkin (2017) refers to, state actors variously divert urban value creation to political nepotism (Indonesia), place it in the service of ambitious economic growth agendas (China), or open up a contested terrain of personal benefit and intra-state conflicts (India).

We suggest that the politics of the creation and capture of land value, and the distribution of value extracted from urban development, might provide a helpful lens through which to view the diverse forms and roles of the state in urban development, and bring the experiences of many different urban contexts into comparative conversation (Robinson, 2011; 2016). There has been a vast increase in the number of actors seeking to extract value from urban development across the globe, including sovereign (He and Zhu, 2018) and developmental actors (Parnell, 2016) and private developers (Grant, 2008). Extensive financialization of urban development has brought an array of financial actors who are shaping urban outcomes (Aalbers, 2016; Fernandez and Aalbers, 2016; Guironnet et al., 2016). It is in relation to this nexus of urban development that new accounts of urban politics might fruitfully emerge that could help us move beyond outdated theoretical analyses of state interests in urban politics, which depend on accounts of urban regimes based on the US case, and on a model of municipal competition for investment (Logan and Molotch, 1987; Cox and Mair, 1988; Harvey, 1989; see also Lauermann, 2018; van Loon et al., 2019).

Our empirical focus in this article is on London, UK, which we place in relation to these wider analytical concerns. Through a detailed analysis of the planning process
for a new large-scale development, Old Oak Park Royal, we show how the built-environment outcomes that are being produced in London are strongly dependent on the specific ways in which the state currently orchestrates the creation and capture of land value uplift in new developments. While the forms of buildings might superficially not be that dissimilar from those found in new developments in many parts of the world, the new London vernacular (Hatherley, 2014; Urban Design London, 2015)—new to London—is a significant break from the earlier form of the built fabric in London, and emerges directly from the distinctive ‘style’ of governing urban development in this city (see Jacobs et al., 2007). This case contributes to renewed attention to common and longstanding practices of planning gain negotiations between states and developers (Healey et al., 1992; Booth, 1996; Forester, 2013; Crook et al., 2015), which have come into closer view as a result of growing interest in the role of developers in urban development in many different contexts (Halbert and Rouanet, 2014; Fainstein, 2016; Savini and Aalbers, 2016; Brill, 2018).

Our case study shows how, in the past two decades, decline in state resourcing has seen the state increasingly promoting the intensification of development to enhance the value it can extract. A very limited policy instrument—extracting planning gain on a one-off basis at the point of construction on a territorially fragmented basis—has been burdened with meeting most of the costs of a development. Therefore, rather than simply seeking to gain benefit on the coat-tails of developer-driven profit (Guironnet et al., 2016), state actors are themselves intensifying developer activities to finance developments and to extract value to realize state interests. These state actors adopt the calculative and extractive practices of developers even as—and in fact largely because—they seek to continue to meet residual welfare-state priorities in the face of strong fiscal retreat.¹ This leads to the emergence of an ambivalent and at times contradictory politics, in which state interests cannot be caricatured as operating for developer benefit, but need to be characterized (and assessed politically) in a nuanced and flexible way. State actors are simultaneously balancing competing public priorities and seeking to expand available financial resources to address those priorities. We return to the political implications of this in the conclusion. In other contexts, both urban politics and the terms of value extraction will clearly be very differently configured than in London, and thus any wider analytical perspective will need to take account of the highly variable nature of ‘state’ interests in value extraction from urban development (Cox, 2017; Shatkin, 2017).

Beyond variegation: re-thinking urban politics through specificity

As a result of a more global conversation about urban development politics, the role of the state has come more clearly into view in urban studies. In many contexts, notably across Asia, state agency is the overriding feature of urban development, and analyses of the complexity and territoriality of state interests and the ways in which urbanization has shaped these interests predominate (Wu, 2003; Hsing, 2010; Wu and Phelps, 2014; Lees et al., 2016; Shatkin, 2017). In other situations, too, such as in urban contexts across Africa, the state’s role in shaping urban development is of strong concern. Here, the state is either seen as an active agent bringing forward ambitious development (such as in Addis Ababa or Kigali), or characterized by its limited capacity to shape or derive public benefit from extensive new urban developments across the continent (Turok, 2016; Goodfellow, 2017; Berrisford et al., 2018; van Noorloos and Kloosterboer, 2018). A wider analysis of state interests in urban development, across different kinds of urban context and forms of national state is called for (Jessop, 2002). While this article focuses on one

¹ Our analysis is not a normative effort to return to a central-state-led welfare state system. Instead, we build on our community-based research methodology to prioritize active contestations over choices made within the current regulatory context, and seek to consider how more redistributive and socially just alternatives might be forged (Fainstein, 2016).
case and cannot take forward this comparative agenda directly (although, see Robinson et al., 2020), in this section we propose grounds for bringing distinctive and diverse cases of urban development into analytical proximity. On this basis, wider conversations might illuminate the varied roles of state actors in urban development and move beyond US-centric theoretical analyses of urban development politics (Harding, 1994; Ward, 1996; Wu and Phelps, 2011; Lauermann, 2018; van Loon et al., 2019).

In London, UK, where our case study is located, state interests and power are playing a significant role in remaking the city while urbanization processes are simultaneously remaking state interests (following Hsing, 2010). Post-2008, UK fiscal austerity has led to significant reductions in local government revenue (Penny, 2017). This has been accompanied by a growing dependence on planning gain income to provide for social and community infrastructure, social housing and transport infrastructure associated with new developments. Practices of development taxation and planning gain flow from the nationalization of development rights in 1947 (Booth, 1996) and have therefore been in existence in some form for a number of decades (Crook et al., 2015). However, their role in delivering housing and infrastructure has expanded considerably since the 1980s. Planning gain in this context takes the form of an effective ‘hybrid’ and one-off tax on development at the point of construction levied through the planning system. This is both a charge for infrastructure and a tax on predicted development value (Crook et al., 2015: 64). Despite seeking to curtail planning powers to liberate private-sector property-led development, the ‘neoliberal’ revolution of 1980s Thatcherism in fact led to a strengthening and expansion of planners’ powers to negotiate extensive planning gain contributions to affordable housing and other community infrastructure (Thornley, 1991; Healey et al., 1992), with some borrowing at the time from the US practice of ‘impact fees’ (Healey et al., 1992: 23). This reliance on planning gain has persisted and indeed intensified as a result of both neoliberalization and austerity, strengthening state capacity for value extraction from urban development. Sassen’s (2007) more general analysis of state capacity as variably constituted and strengthened in some areas rather than withering away under globalization and neoliberalization is pertinent here.

Post-2008, austerity has resulted in deep funding cuts for London’s local councils (of around 33% of core budgets), diminished grants for social housing, as well as contractions in central-government contributions to infrastructure investment (Penny, 2017). These cuts have placed increasing pressure on local councils to use urban development to fund core elements of social welfare (such as social housing), build new schools, hospitals and community infrastructure, and address sustainable urban development goals. The expansion of planning gain in urban development has been explicitly promoted by central government in recent planning legislation and frameworks (UK Government, 2019). In addition, plans to derive core local government funding from ‘business rates’ have intensified the competitive pressure on local authorities to bring forward lucrative housing developments and new commercial activities to enhance income streams (Town and Country Planning Association, 2018; UK Government, 2018; 2019). The current mayor of London indicated the political stakes of these issues by leveraging his strategic planning function to create a policy to prioritize the use of planning gain incomes across the city to fund transport infrastructure and housing—in his own strategic and political interest—over their use for wider social and community infrastructure or sustainable development goals (Mayor of London, 2019: Policy DF1D). Beswick and Penny (2018: 613) observe the emergence of distinctive forms of state entrepreneurialism in this context in relation to financialization: ‘the local state is no longer limited to providing strategic oversight to the private sector, but rather initiates financialization in order to develop its fiscal and political capacity to intervene in the housing market’. Like them, we believe that this activist state role requires critical attention.
As in other contexts, in London the state’s role in urban development politics has been substantially occluded by intense analytical interest in wider globalized processes (neoliberalization; financialization) and powerful (global) actors whose frames of reference and interests seem to have nothing to do with the concerns of residents (Flynn, 2016; Watt and Minton, 2016). The currently dominant narrative, both public and academic, postulates that powerful developers overwhelm the increasingly poorly resourced and inexperienced local-authority planners, resulting in overbearing, dense and expensive housing developments, often achieved at great cost to existing local communities, stripping social housing assets (Raco and Henderson, 2009; Raco, 2014; Lees, 2014; Wainwright, 2015). However, the driving role of developers has to some extent been assumed, based on a relatively economistic and globalized reading of urban processes, and fuelled by the secretive nature of negotiations over planning gain. Here, Christophers’ (2014) important analysis of the calculative models determining assessments of the ‘viability’ of developments in London is instructive. A pro-growth planning policy framework indicates that planning obligations and contributions should not be so onerous as to render developments unprofitable or ‘unviable’ (UK Government, 2019). By focusing on these models and their assumptions about profitability from a purely capital-critique perspective, Christophers (2014) repeats the popular error of (mis-)directing attention to developer profit-taking and weak or perverse (pro-developer) state actions (Wainwright, 2015; Chakraborty, 2017; Minton, 2017; Turner, 2017). However, an alternative analysis is possible, as we demonstrate in the remainder of this article. From the perspective of the state, and of state actors, the viability model is a starting point in the wider politics of negotiating and determining development outcomes. This model articulates both state and developer interests in value capture, and we might argue that the effect has been quite the opposite of Christophers’ (2014) analysis, in that stabilizing and limiting developer profit expectations through the model has enabled and legitimized a more robust state-led approach to London’s development—one in which developer profits are effectively capped. Figure 1, a version of which is found in many policy documents, illustrates

**Figure 1** Apportioning returns on development (source: OPDC, 2017b: 16; see also OPDC, 2017a).
this. In each development, a proportion of uplift is assumed to flow to landowners (residual land value), and a predetermined level of profit is assigned to the developer. This is assumed at between 15% and 20% by most planning authorities, but we noticed that developers were willing to bring forward developments at a considerably lower level. Remaining value is not specified in advance, but allocated through various policy mechanisms—here described as CIL and S106 (see footnote 8)—to planning gain (McAllister et al., 2018). The resultant political contestations associated with maintaining the lid on developer profits (and costs—finance, fees and building costs) and securing public benefit through planning gain bring the agency of the state closely into view.

Shatkin’s (2017) study of the role of the state and state actors in urban development sheds light on this. In his analysis, he considers three large-scale developments attracting global investment in Jakarta (Indonesia), Chongqing (China) and Delhi (India), bringing into analytical focus the diverse political formations which, first of all, yielded a rent gap opening up opportunities for development and, secondly, regulated the distribution of value generated by each development. In a move inspired by the state-centred nature of urban development in Asia, he particularly highlights the variable nature of state relationships to land in urban development politics, and specifically focuses on the relative autonomy of state land managers and degrees of state control of land markets in shaping development outcomes. He provides what he calls a ‘simple’ diagram (ibid.: 95) to crystallize the complex insights of this study for urban development politics. More or less autonomy of state land managers (in Indonesia, as opposed to India, for example) is tabulated against more or less state control of land markets (in China, as opposed to Indonesia). We draw this framework into our analysis of London to reflect on the fourth quadrant of Shatkin’s table, marked simply with a double question mark. Thereby he poses the question as to what kind of regime type might have weak autonomy of state land managers but strong state control of land markets. We suggest that this applies to many liberal democratic contexts, where states are sufficiently staffed and funded, but where land managers generally have less autonomy (being constrained by democratic processes and hierarchical institutional oversight). They do, however, have potentially strong control over land markets and land-use decisions through the planning system (Booth, 1996; Canelas, 2018). In the UK, for example, planning gain provides significant leverage for realizing state interests in urban development (Thornley, 1991; Canelas, 2018).

We build on these insights, but move beyond Shatkin’s (2017) emphasis on the ‘rent gap’ as grounds for bringing into comparative analysis diverse cases of urban politics. We focus instead on state interests in extracting value from urban development, notably, from very large-scale urban projects. While globally ‘the state’ in urban development politics indexes a wide range of institutional configurations and territories, in many contexts the large-scale urban development project is a persistent and perhaps increasingly important territorialization of urban politics. The shared challenges and many transnational actors and practices involved in such developments may provide scope for analytical reflection across diverse urban outcomes (Swyngedouw et al., 2002; Fainstein, 2008; Pinson, 2009; Halbert and Attuyer, 2016; van Noorloos and Kloesterboer, 2018). On this basis we agree with Lauermann (2018) that it is time to revisit the classic US-inspired theorizations that centre on the competitive behaviours of city governments and locally dependent firms (Logan and Molotch, 1987; Cox and Mair, 1988; Harvey, 1989). In any case, this approach has had limited capacity to inform analyses of other contexts, where different actors and differently configured motivations are at play (Savitch and Kantor, 2002; Chien and Gordon, 2008; Cox, 2017; Lauermann, 2018; Wu, 2018). We note the disarticulation of decision making and financial flows from potentially accountable, territorially defined local institutions towards emergent transcalar
assemblages of a range of actors (including state actors) configured around the specific territories of large-scale urban developments (Halbert and Rouanet, 2014). We suggest that these transcalar territorial assemblages provide potentially productive grounds for rearticulating analyses of urban development politics. Specifically, the dependence of public bodies on value extraction from the urban fabric determined in these sites—a shared feature of large-scale urban development in many different contexts—suggests a valuable starting point for assessing urban outcomes, reviewing urban policy and theorizing urban politics.

Recent scholarly interest in building an understanding of globalized processes such as financialization and neoliberalization, although drawing insights from many different cases (Peck et al., 2009; Aalbers, 2016), has focused strongly on those aspects of contexts that relate to these wider processes. We do not dispute that these authors play close attention to ‘context’ to explain both variegation of outcome and wider transformation of globalized processes (see, for example, Aalbers, 2016; de Verteuil and Manley, 2017; Peck, 2017; Büdenbender and Aalbers, 2019). We are, however, concerned that processes and dynamics that are considered part of the ‘context’ have largely been placed beyond conceptual interrogation in their own right. Certainly, much may be learned about local and transcalar configurations of political actors on a case-by-case basis (Guironnet et al., 2016; Savini and Aalbers, 2016). However, as the limits of ‘neoliberalization’ or ‘financialization’ as explanatory frameworks are reached, other processes at work in different contexts need to come into view on their own terms (Leitner et al., 2007; Robinson and Parnell, 2010), including the agency and nature of the state. To bring forward a theorization of urban political agency and urban politics, we suggest that it is important to shine a stronger light on the ‘context’ as such, which requires a different methodological proposition (see also González et al., 2018). We propose a comparative approach that considers urban outcomes not as variegations of a wider process, but as specific (transcalar) territorializations, emergent across a diversity of actors and processes with different reaches (Allen and Cochrane, 2007; Halbert and Rouanet, 2014; Schmid, 2015).

Based on the suggestive work of Ludovic Halbert and colleagues (see, for example, Halbert and Rouanet, 2014; Guironnet et al., 2016; Halbert and Attuyer, 2016; Halbert et al., 2016) we might identify transcalar territorial networks (TTNs), which assemble actors from differently scaled institutions (local, regional, national, transnational) and with different operational reaches, whose collaborations and contestations around specific urban developments arguably constitute a new territorialization of urban politics that cuts across scalar roles and capacities. In the background is the insightful analytical vocabulary of John Allen and Allan Cochrane (2007), who attended to what they called ‘regional assemblages’ of state actors operating in and shaping a particular region (in their case the south-east of England). This vocabulary invokes a territorially differentiated rather than strongly scaled analysis of state action, which is, in our view, very relevant to the ‘ungovernable’ complexity of London’s institutions (Travers, 2004). Thus, we might observe a ‘rapport territorial’ (territorial relationship), a slowly sedimented arrangement of ‘contradictory and complex system of dependencies, jurisdictions, and rules’ (Schmid, 2015: 297). This can be seen as dynamic and contested, consisting not only of regulations, ‘but also of diverse unwritten, implicit rules; as a result it is often barely comprehensible to outsiders—and even so to insiders’ (ibid.). The emergent nature of this transcalar territorial formation can make it hard to identify analytically, while also providing some barriers to global investors’ activities (Brill, 2018). On this basis, the formation and interests of a range of actors in urban development can be considered. A focus on the politics of value extraction in specific large-scale developments, and across different urban contexts and property markets, could, in a comparative vein (Robinson, 2011; 2016), inform a more globally relevant account of the politics of urban development (Robinson et al., 2020).
**FIGURE 2.1** OPDC landscapes: view of an industrial-era canal (photo by Jennifer Robinson, May 2016)

**FIGURE 2.2** OPDC landscapes: 1990s new-build private housing in the foreground and 2010s high-rise student housing in the background (photo by Jennifer Robinson, May 2016)
FIGURE 2.3  OPDC landscapes: Victorian railway cottages (photo by Jennifer Robinson, May 2016)

FIGURE 2.4  OPDC landscapes: railway service land use (photo by Jennifer Robinson, May 2016)
In the remainder of this article we consider the nature of state interests in relation to developments brought forward in the early phase of an ambitious plan for large-scale urban development in north-west London—Old Oak Park Royal—which we have been following closely since 2013. Our research method included us becoming closely involved in a network of residents’ groups in and around the area (the Grand Union Alliance). This network was supported by a project initiated by the London Tenants Federation in collaboration with a London-wide network of community groups known as Just Space, and was funded partly by the anti-poverty Trust for London and partly by our ESRC grant (see acknowledgements). Our work involved a form of committed scholarship in which we worked alongside community members to analyse policy documents, prepare submissions for planning consultations and participate in public hearings, at the level of the development itself, and in relation to the mayor’s London Plan. This allowed us to develop an analysis of the politics of development in London in collaboration with community groups. We attended numerous public events and committee meetings hosted by the planning authority for the area (the Old Oak Park Royal Development Corporation or OPDC), as well as public events held by the developers, and conducted over forty in-depth interviews with a range of actors, including planners, elected representatives, developers and their teams, and individual members of the residents’ networks. In addition, we also examined many documents: planning applications, committee minutes and agendas, policy documents, responses to policy, and planning application consultations. Some public events were transcribed verbatim from recordings, while in other cases we took notes during the event.

In the two sections that follow, we present our understanding of aspects of the politics associated with preparing planning policy and negotiating planning applications for several sites in the wider Old Oak Park Royal development area. We consider in detail how the complex negotiations between state actors and developer teams blur the roles of these actors in shaping built forms. In such a context, the state may assume roles and perform functions associated with securing ‘public’ benefit. But, partly in their efforts to achieve this, state actors also adopt and intensify the function of the developer to generate the resources needed to address the interests of the state.

‘Building a new piece of the city’: London’s growth model

The Old Oak Park Royal area in north-west London is currently home to a small number of residents (around 3,900), a large industrial area (Park Royal), with some 1,700 businesses that employ about 43,000 people, many of whom live in the local area, and a vast expanse of rail lines and depots making up about 75% of the 650 hectare (6.5 square kilometre) area (OPDC, 2018a—see Figures 2.1-2.4 and 3.1-3.2). With news emerging in 2011 of a planned high speed overground train line (HS2) to the north of England with a station in the Old Oak area, also to be connected to a recently built east–west line across London (Crossrail), local planners and politicians began to mobilize state and developer actors with interests in the neighbouring area (LBHF, 2011). Recent legislation (the Localism Act of 2011) allowed for a new institutional arrangement locating direct responsibility for the development at the scale of the metropolitan government. On this basis, a mayoral development corporation, the Old Oak Park Royal Development Corporation or OPDC, was established in April 2015. This corporation assumes planning authority, taking over responsibility for the development from the three local boroughs in the development area. Great ambitions have since been expressed for this currently poorly connected and rather edgy part of the city. Under intense pressure to find the funds to secure the development, planning schemes shifted from being embedded in local visions

FIGURE 3.1  Aerial view of current land use and boundary of Old Oak Park Royal Development Corporation (source: GLA, 2015a: 3)

FIGURE 3.2  Early aspirations for the OPDC area (source: Mayor of London et al., 2013: 17)
for place making, sensitive to the surrounding built environment, to the promotion of a dense, high-rise, new building typology for London (OPDC, 2016; 2018a; 2018b). A range of actors eagerly scrambled to benefit from this—from financialized global investors and national government departments to local churches and existing land owners—have found themselves in competition with the OPDC to appropriate the expected value uplift associated with the new transport connections. In this section we outline the financial, institutional and regulatory arrangements that frame the nature of the state’s interests in this context.

‘Opportunity Areas’: spaces of exception
It is particularly ambitious to seek to identify ‘state interests’, or the interests of state actors, in London, as urban governance in the city is characterized by extreme fragmentation of political structures (Dowding et al., 1999). There are 33 local councils (London Boroughs and the City of London) and a relatively weak capstone mayoralcy that sits loosely across some line functions (police, fire, transport) and some strategic policy functions, but has little direct institutional capacity and few sources of independent financial revenue (Travers, 2004; Gordon and Travers, 2010). State capacity and interests therefore emerge across the territory of this urban area in an opaque, negotiated and differentiated form. This territorial fragmentation is compounded by over 45 large-scale ‘Opportunity Areas’ scattered across the city, which overlay and cross-cut formal political institutions (see Figure 4). Implemented since the first London Plan in the early 2000s (and with a longer pedigree in post-industrial planning policy in the city), this particular fragmentation of urban space and its informal governance is of great significance for the emerging form of the city. Opportunity Areas are designated

FIGURE 4 Greater London Authority area showing London boroughs and Opportunity Areas (map produced by the authors based on GLA, nd, and GLA, 2017: Chapter 2)
zones for intense development, often on ‘brownfield land’, in deindustrialized areas, or in places with relatively low-value usage (from light industrial to railway land to social housing estates). These are anticipated to deliver much of London’s planned housing and employment over the next decades (GLA, 2017: 30). Since 2014, controls on density have been applied more flexibly in these areas, which have been allowed to ‘determine their own character’ (GLA, 2015b). This has meant that concerns about the effects of new developments on existing landscapes and land uses are not considered relevant in deciding on planning applications. This policy shift foreshadowed a wider design-led approach to encouraging higher densities across the whole metropolitan area in the latest versions of the mayor’s London Plan (GLA, 2017). Opportunity Areas are also spaces of exception in relation to planning procedure and housing target allocations.

Opportunity Areas are allocated a specified ‘target’ for housing and employment related to anticipated growth in the overall London population. Unlike housing targets allocated to formal public bodies, Opportunity Area targets have to date been set, with little technical evidence, in a high-level policy framework (the London Plan) and have not been opened to subsequent interrogation. A conclusion of our study (and of the community groups with which we worked) is therefore that a key driver of the future urban form of London has been these informally generated targets for the number of houses and jobs to be accommodated in Opportunity Areas—rather than contests over viability calculations and profit taking by developers (GUA, 2017; OONF, 2017; Just Space, 2018).

These targets are framed by vigorously contested assumptions regarding high projections of population growth, and a politically driven confinement of London’s physical expansion within the green belt surrounding the administrative area of the GLA. The green belt has been in place since the 1930s, and was consolidated after the second world war to an area of 5,160 square kilometres. It has arguably been kept in place to prevent urban sprawl or merging of urban areas across the extended city-region that makes up much of the south-east of England (housing 22 million people). Its continued existence has effectively locked up a large swathes of potentially developable land and concentrated urban development in the core urban area of 9.3 million people (Mace et al., 2016). In addition, there is strong political resistance to development in urban centres beyond the green belt, to protect the electoral interests of homeowners in neighbouring regions and functionally integrated commuter villages and towns across the wider south-east region (Bowie, 2015; GLA, 2017: 57, 60; Just Space, 2018).

London’s development thus proceeds through involution, which leaves it ‘consuming its own smoke’, leading to the destruction and redevelopment of the existing urban fabric to accommodate population and economic growth, in particular in Opportunity Areas. Inspectors undertaking a formal review of the mayor’s strategic London Plan have commented successively on the poor planning outcomes that result from this strategy (Planning Inspectorate, 2014; 2019). Most recently they have asserted the infeasibility of continuing with this strategy and ordered an extensive review of the green belt policy with a view to opening it up to housing development. In tandem with this, initiatives to sell off, destroy and redevelop London’s social housing estates are increasingly driven by concerns about intensifying development—in these cases, displacing vulnerable populations and destroying valuable community assets in favour of providing more housing overall at much higher costs (Watt, 2009; Lees, 2014).

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3 From page 17 of the public reports pack, OPDC planning committee, 21 September 2018. Partly on the basis of the work presented in this article, and as a result of longer-term work by Just Space (a network of community-based organizations across London), the inspectors of the 2017 London Plan recommended that such targets now be set through detailed analysis of capacity (The Planning Inspectorate, 2019)—a minor victory. Unfortunately, this change did not address the arbitrary targets set for the Old Oak case study discussed here: targets for Old Oak remain in place despite evidence of potentially negative effects on the quality of the development.

4 As the former lead planner on the London Plan (2014), John Lett, liked to observe.
Meeting onerous housing targets (25,500 homes in the combined development areas of Old Oak and the Park Royal industrial area—see Figure 5) has therefore been a driving force of development in the OPDC area. These targets have led to very high average densities (600 dwellings per hectare) being proposed in parts of Old Oak—figures that are seldom reached in London (OPDC, 2018b). As one planner noted, ‘So, being quite ambitious, I suppose, it’s about quantum and density whilst kind of managing the impacts of it and making sure that the form of development is appropriate to the site’ (OPDC Officer 2, interview, 17 August 2017). Another observed, ‘it’s all about London’s needs; obviously, we also have to assess viability [at the level of the whole plan], which we are doing now, but the starting point should be the needs’ (OPDC Officer 4, interview, 12 September 2016). There is strong and consistent pressure on planners to meet these predetermined numbers despite the significant challenges the Old Oak site presents. One development on the western edge of the OPDC area, a joint venture between a regionally based developer who is new to London and a large housing association, drew enthusiastic praise from the OPDC:

One extreme, in Park Royal, you’ve got [private developer], they are [following the] standard, building quick, get in and out; for numbers, they are extremely helpful, they are building 800 homes, they are getting on with it now. They just want to get on, brilliant! (OPDC Officer 1, interview, 6 February 2018).

This objective has led to considerable tension with residents, but also with some developers, who expressed concerns about the kinds of built environments that would result (Architects 2 and 4, from the same firm, interview, 30 August 2016).

The existence of the OPDC as a mayoral development corporation (and thus as a standalone planning authority) has resulted in a more formal and public planning
process than is usual for Opportunity Areas. The OPDC has also operated a partially open-book policy on viability (assessing whether a development with associated planning obligations and planning gain contributions remains profitable). This has enabled us to dig deeper into the confidential negotiations between the state and developers, which take place prior to the submission of a planning application and often extend over the course of two to three years. These interactions have been the subject of considerable concern in London, as state interests are hidden from view and developers are assumed to be gaming the system (Colenutt et al., 2015; Wainwright, 2015; Raco, 2018). We have therefore been able to examine the progress of the OPDC development more closely than in other similar cases, as it has been substantially in the public domain, at least in its earlier stages. From March 2018 onwards negotiations with developers were put on hold, and a master-planning process progressed, with no consultation and only limited communication of findings. This was linked to a £250 million bid for central-government funding through a competition (the Housing Infrastructure Fund) to fund infrastructure to enable large strategic housing developments to be brought forward. This bid, proposed for Old Oak North by the OPDC’s delivery arm (which sought to maintain some operational distance from the planners), included confidential plans for a controversial compulsory purchase of 25% of the land of the main landowner and private developer. OPDC proposed high housing densities to ensure the competitiveness of the bid, and to support central-government ambitions for housing delivery (personal communication with OPDC planner, 1 June 2020). This funding would have partially closed the infrastructure funding gap and brought part of the project (in Old Oak North) under closer control of the OPDC, enabling it to more realistically meet housing targets, capture a larger share of the value uplift and ensure that development proceeds at sufficiently high densities to fund key infrastructure. Since this plan was revealed in February 2019, however, relationships between the OPDC and both communities and developers have been acrimonious, and the planning process has become a site for major legal contestation. This resulted in the withdrawal of this piece of land (which included areas 2 and 3 in Figure 5) from the 20-year horizon of policymaking. These developments were accompanied by a change in personnel—with some officials who had previously expressed the value of a collaborative approach to development leaving—and closer involvement of the mayor’s direct appointees in the development corporation. These events indicate the difficulty of securing financial support from central government for urban development. The absence of such investment to date (although further opportunities to bid for central funds might arise) places in strong relief the reliance of state actors on extracting value from new urban developments in London. This has significant implications, which we now outline, starting with the role of the built form in financing development.

Financing development through the built environment

The impact on the built environment of the pressure to meet housing targets is compounded by the architecture of development financing. Aside from major transport

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5 These developments are usually undertaken through informal liaison between the Mayor’s regeneration team and local borough officials. ‘Planning frameworks’ are supplementary to metropolitan-scale planning policies, and therefore not subject to formal public scrutiny or review procedures. Consultation usually takes place over a six-week period, during which public views in the affected area are solicited. There is no legal framework requiring any public comments or concerns to be addressed or responded to. Public scrutiny and administrative oversight of policies related to these planned developments are therefore notoriously slight (Just Space, 2014; 2018; Mayor of London, 2019: Chapter 2).


investments (such as Crossrail and HS2), development across London is currently driven by direct developer contributions (in cash or kind) drawn from anticipated profits from the specific development in question on a one-off basis at the time of construction. The effects of this territorial fragmentation of the financial architecture became apparent to us through the wider comparative project of which our study is a part: both Shanghai and Johannesburg municipalities aggregate income streams from urban developments at a scale wider than the specific project, and across much longer time horizons, offering scope for strategic investment in developments drawing on resources across wider temporal and territorial horizons (Ballard et al., 2017; Wu, 2018; Robinson et al., 2020). The London case therefore presents a particularly intense version of ‘governing by project’ in which there is a direct relationship between intensifying the use of the built environment and funding the development (Pinson, 2009).

The funding streams from planning gain are quite considerable, amounting to £2.283 billion in total for 2016/17 across London; nonetheless, developer contribution to the overall delivery of affordable housing in London was less than 10% (4,300 out of 53,430 ‘affordable’ homes) cumulatively from 2011 to 2015 (GLA, 2016: 99). The current mayor (elected in May 2016) has consequently ramped up expectations for affordable housing provision, making these a requirement of all developer applications, by setting new affordable housing delivery targets (between 35% and 50%) as part of his campaign promises (GLA, 2018). This further intensifies the pressure on planning authorities to extract value from developments to meet these targets. More generally, despite its formal status as a development corporation, the OPDC must primarily rely on the value it can extract from the specific territory it is responsible for to fund the development, notably its extensive infrastructure requirements. As the OPDC area comprises substantial railway and industrial land, with significant variation in levels and little existing infrastructure across the site, the development costs are very high: they are formally estimated at £1.5 billion in the local plan documentation (OPDC, 2015; 2017b), but informally acknowledged by the mayor to be potentially higher when costs of compulsory land purchases are considered, taking this up to £2.5 billion (Mayor of London, 2016). The conditional award of central-government funding of £250 million in 2019 to secure some land for early development lapsed as a result of the standoff with the major private developer. Central government actors have generally shown little interest in directing resources to London-based development which, in their view, should be able to fund itself through planning gain incomes generated by high property values (OPDC Officer 1, interview, 16 February 2018).

This funding situation marks the OPDC out from earlier development corporations in the city, which benefited from significant central state input of land and money (Thornley, 1991; Brownill, 1999; Fainstein, 2001). In even starker contrast with earlier development corporations, in the OPDC case central-government departments and state-owned entities anticipate realizing full benefit from their substantial land holdings in the area, partly to recoup investments in the new rail

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8 ‘The 1990 Town and Country Planning Act provides for negotiating obligatory contributions—hence “planning obligations”—specifying the necessary conditions to make the proposed development acceptable in planning terms’ (Ministry of Housing, Communities and Local Government, 2018: 6). ‘The Community Infrastructure Levy (CIL) is a locally determined fixed charge on development which usually takes a relative form, such as “£X per square metre of new development”’ (ibid.). S106 contributions are based on bespoke agreements on planning gain, negotiated on a development by development basis (ibid.). In addition, detailed ‘conditions’ are conventionally attached to planning permission to ensure that developments conform to policy and legal requirements.

9 Definitions of ‘affordable’ housing are highly contested—discounted market rental rates (by 50%-80%) and intermediate products (shared ownership) are the most prominent types delivered. However, these are largely unaffordable to average households. Former ‘social rent’ levels in council-provided housing have generally been replaced by target rents related to local average incomes (see GLA, 2017: 505 for a summary definition, and http://www.londontenants.org for wider critical debate).

10 OPDC also received a small contribution towards minor infrastructure development along the eastern border (Scrubs Lane), £750,000 from a central-government fund, and won an Arts Council England and Heritage Lottery award of £1.5 million to build community and art-based engagements in the Park Royal industrial area.
facilities (cf. Christophers, 2017)—thus contributing little to the infrastructure bill of the development (Mayor of London, 2016). As one of the OPDC planners noted: ‘We’ve started the project, but with no asset and no funding, which is a challenge’ (OPDC Officer 5, interview 1, 14 November 2016). The OPDC’s assessment is that taller buildings, less-than-policy-compliant affordable housing contributions and off-site contributions in lieu of social infrastructure will be needed to meet the combined pressures of housing targets and infrastructure financing (OPDC, 2015; 2018b; 2019). With most easy-to-develop sites in London already built out, remaining ‘crunchy’ sites such as Old Oak present significant infrastructural challenges and high costs (GLA Officer 1, interview, 14 February 2017) and starkly expose the interests of state actors in extracting value from urban development.

Making development happen

To some extent, given the wider fiscal context and the specific challenges of the OPDC development, the state’s interest in urban development can sometimes present as simply securing development of some kind. This clearly sits within the wider context of political and policy ambitions, such as providing employment and housing, benefiting from a major transport investment, and realizing a long-term vision for ‘sustainable’ urban development (OPDC, 2018a; Mayor of London, 2019). In the case of the OPDC, state actors have put considerable effort into simply getting development going. In addition to the high infrastructural costs and housing targets, navigating the complex intra-state institutional framework and embedded existing land uses has also affected delivery.

The lack of early availability of the public, mostly railway, land (75% of the developable land in Old Oak is currently occupied by essential rail uses) has had significant consequences (OPDC Officer 5, interview, 14 November 2016). Whereas the bulk of new jobs and housing provision was expected to come from these areas, for operational and leasehold reasons, and to secure greater financial benefits to the state landowners, this land is now substantially excluded from anticipated development in the 20-year-plan period and expected to contribute only 350 houses and 15,200 jobs instead of the 3,000 houses and 41,300 jobs initially suggested (OPDC, 2018a: Table 11.1). The mayor’s appointment of a chair of the board with active private-sector property development interests and a long-term background in central-government property management attests to the need to navigate these dynamics. The response of the OPDC to this blockage has been to encourage developments to be moved forward as early as possible in the overall project timetable, primarily those on smaller private landholdings on the edges of the Old Oak area (see Figure 5). In this way the required infrastructure can be provided incrementally through planning gain on a project-by-project basis that is aligned with wider plans for developing the entire site (OPDC Officer 5, interview, 14 November 2016). This has acquired more urgency since negotiations with the major private landowner have also stalled.

Thus, much of the work of negotiating the development across different actors and constituencies has centred on site-based applications for individual developments. The precise physical form and social infrastructure of the future development is determined in frequent and extensive meetings between the planners and the developers’ teams, informed by relevant policy frameworks. The OPDC publishes notes of these meetings as part of its more open-book approach to planning applications. Planning applications by developers are ultimately referred to political decision-making bodies appointed as part of the OPDC’s function as a planning authority (the OPDC planning committee with London and Continental Railway—the joint venture company that resulted from HS1 (the Channel Tunnel project)—announced that it had formed a ‘new HS2 Growth partnership’ with various government departments ‘to support the delivery of growth and regeneration around HS2 stations’. See http://www.lcrhq.co.uk/our-business/hs2-growth-partnership/ (accessed 12 July 2018), including the ‘valuable rail lands at Old Oak common’. See https://www.london.gov.uk/about-us/organisations-we-work/old-oak-and-park-royal-development-corporation-opdc/opdc-structure-1/opdcs-governance-board-and-committees/opdc-board (accessed 10 September 2019).
representation from local councils, as well as largely private-sector mayoral appointments, and the OPDC board made up of council leaders and mayoral appointments). But by this stage of the public review process there is little legal scope to refuse the application. Furthermore, the planners will already have substantially shaped the nature of the applications by the time they come before these bodies. Some of the specific interests of the state come clearly into view in these negotiations: securing increases in the numbers of houses being delivered, and maximizing financial returns to pay for the infrastructure and social facilities to enable the development to proceed. It is also clear from the applications we have studied that state interests are directly responsible for the shape and form of the built environment that is being produced—for the ‘London style’ that is emerging.

‘Balancing priorities’: state interests in extracting value

As is the case in many contexts, complex mutual negotiations between the state and developers are shaping development outcomes in London (Forester, 2013; Weber, 2015; Guironnet et al., 2016; Savini and Aalbers, 2016). The examples that follow show how in the London case the lines between state and developer can be blurred (Colenutt et al., 2015), as value capture has become the main vehicle for achieving state objectives for urban development. A key question for analysts and residents alike, then, is to what extent the state continues to use planning policy to achieve socially beneficial outcomes or wider public benefit. In the three examples we present, we see the planning authority pressing to intensify development in the first case, and undermining public-interest concerns in the second. In the final example we indicate that the planning process retains the capacity to protect communal interests, albeit at the expense of other priorities. What is clear is that in a planning process characterized by high levels of administrative discretion (Booth, 2007) there are no systematic procedures for public influence on how these choices might be made, although they are broadly informed by planning policy (OPDC Officer 5, interview 1, 14 November 2016). Instead, it is in the unscripted informal settings of negotiations between developers and planners that crucial decisions are taken, by weighing up competing demands on the production of the built form of the future city. Our examples provide insight into the consequent fragmentation of planning reason that underpins the multiple roles and competing interests of the state, which are being balanced in these settings. As the state simultaneously acts as policy maker, regulator and close ally of the developer, its competing interests are revealed in its interactions with developers: realizing policy ambitions, securing public benefit, and increasing profit from the development to support infrastructure provision. These interests are in significant tension. As an OPDC planner noted, ‘we are trying to get as good a deal as we can out of it’ (OPDC Officer 5, interview 1, 14 November 2016).

Value capture and ‘London style’

One of the earliest development applications to be brought forward in the Old Oak area demonstrates how the costs of infrastructure provision and meeting housing targets places pressure on the built form. This particular development is situated on state-owned (network rail) land, and its leasehold is held by a large London-based housing association (Oaklands—see Figure 5). It is a joint venture between the housing association and a football club that is eager to help with early delivery and be seen as a ‘player’ in the project to enhance its hope to secure a site for a new stadium in the OPDC area. Housing associations are in a unique position to both finance and manage a build-to-rent scheme that includes social, affordable and market rentals. They have extensive housing assets, inherited from local government social housing stock (Watt, 2009; Manzi and Morrison, 2017), and substantial secure rental income streams against which
they can raise financing (Property Developer 1, interview, 16 August 2016; cf. Aalbers et al., 2017), as well as robust tenant management systems.  

Negotiations for this development were conducted across two mayoralties, leading to an increase in expectations for affordable housing provision, based on the new mayor’s priorities. The involvement of the housing association (as a registered housing provider, with privileged access to mayoral housing funds) allowed for a subsidy of about £20 million from the mayor to increase affordable housing provision from 33% to 40% (although 50% of this was for shared ownership, requiring high household income levels, and only around 10% for social housing—see also footnote 9). This was regarded as being as close as possible to the politically sensitive 50% affordable housing mark the new mayor had set publicly in his election campaign (Property Developer 1, interview, 16 August 2016). As an OPDC planner noted, ‘as a mayoral development corporation it is fair to say that we will be at the avant-garde of trying to deliver the mayor’s aspirations for affordable housing’.  

The planning gain (S106) agreement (see footnote 8) for developer contributions related to this development included some contributions to social infrastructure provision, although the density of development and financial considerations made it challenging to meet public and play space requirements, requiring some ‘creative’ solutions that have become increasingly common in London’s new housing: residents-only open spaces, dual use of amenity areas as play space, and non-policy-compliant rooftop play spaces (Property Developer 1, interview, 16 August 2016). What was perhaps most valuable to the OPDC planners in this case was the inclusion in the development of a new road, of a width and orientation required to link into and ‘unlock’ development of the wider site to the north. As a member of the developer’s team commented, ‘the road is good for the whole master plan. If you were just designing the Oaklands site, as a standalone, you would not put a road at the scale that it is put in now’ (Property Developer 7, interview, 20 September 2016).  

However, the road provision had an impact on the wider contribution of the scheme to social and community infrastructure—as the planning officer presenting this application to the planning committee summed it up: ‘The financial contribution falls somewhat short of what might normally be expected from a development of this scale’. But the interests of the state could be realized in this scheme because the emerging policy framework emphasized that high densities were acceptable on this site despite its proximity to existing residential areas (see Figures 6.1-6.3). This meant that planners could seek to deliver a politically acceptable level of housing, pay for the infrastructure, and ensure a minimum level of social facilities. As in some other cases we have followed, the detailed pre-application negotiations saw planners pushing the development higher and proposing greater densities than had originally been anticipated by the developers. As one of the housing association team members observed:

> It’s an extremely high-density scheme, comparable with other much more built-up areas of London, but actually our initial discussions with the planners encouraged that and wanted to make it as dense as possible ... they are probably unlikely to build as much residential on the railway land than they

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14 Housing associations have been experiencing a significant decline in public subsidy for social housing since 2010—now limited to conditional grants allocated per development and managed by the mayor. In addition, restrictions on rent increases, and new right-to-buy regulations have been in force since 2015. Although the housing associations have conventionally had cross-subsidization of social or affordable housing provision as their core mission, regulatory and financial pressures have significantly decreased the proportion of social housing being delivered (Manzi and Morrison, 2017), which has led to a more commercially oriented core business.  

15 OPDC planning committee agenda, 13 July 2016: 93.  
16 OPDC planning committee, transcript of meeting, 3 May 2017.  
17 OPDC planning committee papers, 15 July 2015: 319.  
18 OPDC planning committee, addendum report, 13 July 2016.  
19 OPDC planning committee, transcript of meeting, 13 July 2016.
originally anticipated. So they need density somewhere else to meet their overall target of 24,000, or whatever it is for the area. The height was definitely encouraged by the planners (Property Developer 1, interview, 22 November 2016).

There was also strong influence from the planning team regarding the location of the buildings, to support the emerging concept of ‘gateways’ to the OPDC area which justified tall buildings at the edges of the development. There was significant opposition from existing residents to the height and location of the buildings, but the commitment of planners and developers to substantial height and density was impervious to public influence. Certainly, there are legal constraints to refusing planning permission once an application has been submitted, but as the planners substantially shaped the application during pre-application negotiations, and motivated for its approval by the planning committee, such legal constraints were not the material factor shaping the outcome. Rather, we saw that the planners had a very strong interest in maximizing the overall

**Figure 6.1** Oaklands development in context: CGI images from public exhibition (source: Genesis Housing Association and QPR Holdings Ltd, 2015: 8)
**FIGURE 6.2** Oaklands development in progress: construction under way showing density and scale in relation to surroundings (photo by Jennifer Robinson, 25 October 2019)

**FIGURE 6.3** View across neighbouring railway cottages to East Acton development, at similar densities and scales to Oaklands (photo by Jennifer Robinson, 25 October 2019)
level (‘quantum’) of development to secure the financial contributions that would fund infrastructure provision and conform to the overall target for housing delivery in Opportunity Areas. The inspector of the OPDC local plan termed this a ‘nexus’ of height, housing targets and density/intensity, reflecting the pressure on planners to bring forward a sufficient level of development, even if this meant cutting corners on planning policy, at the expense of securing genuinely affordable housing or wider public benefit.

Negotiating public benefit

‘It’s an absolute negotiation, yes. You know, everything is up for grabs during the pre-application discussions.’

OPDC Officer 2 (interview, 17 August 2017)

While negotiations over individual developments proceeded, the planning frameworks for the wider development were still evolving. This was particularly evident for the eastern edge of the development site known as Scrubs Lane—a road that by early 2018 accounted for four of the nine planning applications that had reached the planning committee review stage. Here, developers felt that they were ahead of the planning authority in generating ideas and plans for the area (Architects 2 and 3, interview, 5 October 2016; Property Developer 5, interview, 10 November 2016; Architect 5, interview, 8 September 2017) and were able to shape not only the nature of the development of their individual site, but also the evolution of planning policy for the wider area. We observe, then, a close intertwining and mutual construction of state and developer interests in the pragmatic setting of pre-application discussions. A planning officer involved in the process confirmed this: ‘I think that is probably a fair comment that we have learned from the types of development that we’re seeing come forward and have modified some of our policies accordingly’ (OPDC Officer 2, interview, 17 August 2017).

In one case, the developer’s team contested early policy concerns to restrict building heights at the ‘sensitive edges’ of the development relating to heritage assets and existing residential forms (OPDC, 2016: 42), and pushed for higher, more dense developments. The team took note of some draft wording of the OPDC local plan, which reflected the emerging design-led planning policies of the new mayor regarding tall buildings (GLA, 2017): that ‘the sensitive edge of the framework and emerging planning policy recognize the opportunity to introduce more height and density providing you have exemplar architecture; this is what we grabbed on’ (Property Developer 8, interview, 20 March 2018). The team successfully made a case for tall buildings, based on their site being a ‘gateway’ to the development, as it stood on a slight hill at the edge of the development. In this, they followed a principle mentioned in earlier planning policy frameworks (GLA, 2011), which had been established in the previous case we discussed, on the western edge of the OPDC area.

However, the planners’ position on tall buildings at the edges of the development had evolved over time. The intention to protect the entirety of the ‘sensitive’ edge of the development along Scrubs Lane had been replaced by an approach that allowed for a tall building on four sites, two of which were under discussion with developers. The justification offered for this approach was that it would enable a greater level of development overall, increasing the project’s potential to achieve public benefit goals, while also providing ‘legibility’ by announcing the presence of the development at the approaches to the site (transcript of planning committee meeting, 15 December 2016; OPDC, 2018a: 123). It would relieve the pressure for high

buildings to be developed close to at least some of the most protected heritage assets on the edges of the development (namely Cumberland Park —Site 28 in Figure 5; personal communication with OPDC planner, 29 May 2020). Thus, even though this approach reflected a reduced commitment to protecting the sensitive edges of the development, one of the developers commented that they had been ‘pushed back quite heavily’ on their initial proposal for two or three towers at 20 to 30 storeys, and densities well above those for central London of around 400 dwellings per hectare (Property Developer 8, interview, 20 March 2018). After the negotiations they settled on buildings at four, six and eleven storeys, and only one at 22 storeys high. In this case, the developers’ calculations of ‘viability’, designed to reduce planning gain commitments by exaggerating costs and minimizing predicted returns were robustly contested by the planners, who commented on this in a pre-application advice note of 1 December 2015. However, to secure delivery of the required level of affordable housing to meet the new mayor’s targets within the agreed viability range, the permitted density of the development was increased during negotiations. As the developer noted:

They realized that, in simple words, there is a pie; if you make the pie smaller, the piece will be smaller as well. I would say that the quantum of affordable package was very important and obviously still is; that was one of the supporting issues to the approval for higher densities (Property Developer 8, interview, 20 March 2018).

The planning authority was drawn to support denser and higher developments so as to extract politically acceptable quantities of affordable housing and to facilitate bringing forward developments at a very early stage, during which property values and thus viability were uncertain. Design quality (brick cladding, for example, now ubiquitous in new London developments) became a relatively low bar to ensuring some public acceptability of the development’s impact, as part of wider design practices promoted by the GLA and the current mayor to encourage higher buildings (Design Council, 2011; GLA, 2017). On the basis of this mix of developer and state motivations, local residents’ and heritage bodies’ concerns were largely sidelined (transcript of planning committee meeting, 5 April 2017; OONF, 2017).

However, in a second Scrubs Lane development, the OPDC pressed the developer to provide local social infrastructure and community facilities. Questioned about how they might decide which issues to pursue in negotiating a planning application, one of the planners commented:

We try and focus on the kind of issues that people feel most strongly about. So if, you know, we get 100 representations and 80 out of 100 people are raising issues about height and design, then we take particular care, we pay particular attention to those issues in the committee report. It really depends, I think, on the types of issues raised and the strength of feeling ... we have to try and weigh everything up and take a view in the round, basically. It can be quite tricky (OPDC Officer 2, interview, 20 August 2017).

Wider public concerns might therefore informally influence the positions planners adopt in confidential negotiations—or help them strengthen their public arguments in favour of the solution they wish to promote. However, this case exposes how the need to raise finances for development from the territorially circumscribed area of each development—in the context of a wider infrastructure-heavy project with no secure funding streams from government bodies—forces significant choices to ensure ‘balancing priorities’. A small site on Scrubs Lane occupied by a popular church
delivering community services, including a nursery, homework clubs and social activities, to a predominantly black and poor community had previously been owned by the church. The planned new development in the area enabled the bank holding the mortgage to profit considerably from the quick repossession and resale of the site in a time of financial difficulties.21 With strong support from the planners, the development proposals that developers came forward with included a re-provision of the church and its related social activities and church businesses as part of the new development.22

However, in the context of multiple competing policy and financial priorities, all primarily dependent on planning gain extraction from the specific development, the re-provision of the church came at the cost of meeting other public priorities: after ensuring that the affected community services would be accommodated, the planning gain that could be directed towards affordable housing was only sufficient to support high-cost ‘intermediate’ housing (see footnote 9). In addition, the desire to protect the church-related facilities and the political obligation to keep the affordable housing offer at 35% of the total habitable rooms led the planning authority to endorse a level of development intensification they had condemned during initial meetings with the developer team.23 Although the proposal was passed by the planning committee, the discrepancy between local housing demand for housing at social-rent levels and the low proportion of more affordable housing secured by the officers led three elected council representatives on the planning committee to vote against the development. The sitting Labour Party MP submitted a strong objection too, despite the obvious community benefits of protecting the church.

The strong reliance on planning gain to finance the wider OPDC project and to realize planning policy objectives has resulted in decision makers having to consider on a site-by-site basis not only how to maximize planning gain extraction by increasing height and density, but also what to prioritize. Thus, stark choices presented themselves: a substantial road crucial to the wider development over adequate play space and social-rent-level housing in the first case, and in the latter case, saving community uses over providing lower-cost affordable housing and achieving an appropriate scale of development. Indeed, the members of the planning committee were very aware of this: ‘[we are] being asked to weigh one piece of social good against another piece of social good’.24

Conclusion: state interests in urban development

In developments across London, developers’ teams and state actors are seeking to produce and capture as much value as possible from the built environment. This to some extent explains the discrepancy between what might be expected from a state tasked by policy frameworks to meet welfare and redistributive needs (Mayor of London, 2019) and the outcomes achieved in developments across this city. In assessing of London’s development outcomes, displacement of poorer residents and destruction of small businesses need to be placed alongside the exaggerated densities, reduced public space provision and limited affordable housing we have commented on in this article (Raco and Tunney, 2010; Lees, 2014; Flynn, 2016). We confirm that there is strong evidence, including that from our case studies, that developers push the boundaries of planning obligations to enhance their profit share (Flynn, 2016; Colenutt, 2020). But developers also have a variety of qualitative goals. Thus, even as requirements regarding capital returns and income streams inform the design of the buildings, public norms and

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21 The Kingdom Bank made a profit of £898,000 from the reselling of sites in the Willesden and Wrexham areas in 2015, which contributed significantly to its overall valuations (Report and Financial statements, 2015—available on request at www.kingdom.bank).
22 OPDC planning committee agenda, 11 October 2017.
23 From a pre-application advice note of 16 March 2016.
24 OPDC planning committee, transcript of meeting, 21 October 2017.
expectations for housing and community facilities drive the market for the built form: developers have an interest in seeking to meet these, not least to ensure the success of their product. At times, then, the state’s interest in value extraction, and in realizing higher overall housing targets and densities, can significantly undermine, or even terminate, a developer’s project, as we saw in the case of Old Oak North.

The territorial fragmentation of institutional and financial arrangements in London has a significant effect on efforts by state actors to balance competing planning priorities and fulfil their different roles. Thus, built environment outcomes are pressed into service of a dysfunctional, fragmented form of development financing in which each development must pay for itself, with very little central state support. We have outlined the emergence of a ‘London style’—an emergent vernacular (Hatherley, 2014; Urban Design London, 2015) of both built form and development process; a communally reduced built form and a highly territorially fragmented politics of extraction orchestrated through the governance of large-scale development projects, scattered across the city in Opportunity Areas and reliant on direct negotiations with developers. This brings to the fore insights that address two key issues. First, local political debates about London’s sometimes disturbing developments are often looking in the wrong direction—blaming developer greed and overpowering globalized actors rather than interrogating and seeking to challenge and change localized regulatory practices, planning cultures and the territorialized financial architecture of urban government and development. Secondly, in a strategic sense the stakes of the politics of the urban future, while high, and constrained by pro-development national legislation (Colenutt et al., 2015; Canelas, 2018), are within grasp of London’s democratic processes.

Contesting hidden or confidential aspects of the planning process is a core concern of local residents’ groups (Lees, 2014; Just Space, 2018), who have had some success in opening these up to closer inspection (Flynn, 2016). A long history of community engagement in planning continues to exert some influence (Brownill, 1999; Lipietz et al., 2014) and an infrastructure of local political representatives potentially informing planning decisions is intact (Mace, 2013). The consequences of hyper-fragmented territorial forms of value extraction from urban development could be inserted into current debates on finding new ways to finance metropolitan local government, and are to some extent already under discussion (London Finance Commission, 2017; Transport for London, 2017; Beswick and Penny, 2018). Aggregating planning gain at a strategic metropolitan scale could make some difference to balancing strategic investment in infrastructure with implementing planning policy (UK Government, 2018). This kind of arrangement has already been used to part-fund the east–west Crossrail line. In the longer term, the extension of the reach of land value capture to encompass long-term benefits to developers, landowners and investors, as well as homeowners, would relieve pressure on the design of the built environment to fund urban development (Transport for London, 2017; Just Space, 2018). We suggest that rather than adopting relatively defeatist post-political perspectives (Swyngedouw, 2005; Raco, 2014), conducting a nuanced analysis and debate about the politics of urban development across London, in concert with building coalitions beyond numerous isolated community struggles, could help shift attention to the potential for transformation in state practices (Brown et al., 2014; Lees, 2014; Lipietz et al., 2014).

More generally, we place our case study within a wider conversation, which draws insight from, resonates with and potentially sits alongside wider analyses of urban development politics. In an age where extraction of urban value has not only become a significant component of global capitalist accumulation (Harvey, 2010; Aalbers, 2016), but in many contexts has also come to provide the political and financial stakes for many different actors, across scales from the individual to the geopolitical (see, for example, García-Lamarca and Kaika, 2016; Cain, 2017), how do we characterize urban development politics? Our analysis brings one set of dynamics into view that
concerns the interests of the state associated with extracting value directly from developments in the context of London. But building a new conceptualization of urban development politics open to the diversity of global experiences will require sustained conversations across many different contexts. Two insights in this regard emerge from our case. First, state interests are multiple and conflicted, providing openings for political contestation. This much conventional theories of the state convey (Miller and Rose, 1990; Jessop, 2007; Mann, 2012). In London, local and metropolitan state ambitions to retain welfarist features of the built environment come into sharp conflict with the specific path-dependent reliance on the capacity to extract value from the built environment to fund urban development. Secondly, state agency in urban development entails highly specific configurations of territorial regulation and regimes of urban value extraction. State interests emerge across historically sedimented, complex, transcalar and differentiated institutions, interests and processes (Allen and Cochrane, 2007; Jessop, 2007; Schmid, 2015). New rounds of conceptualizing urban politics, then, cannot afford to either privilege predetermined wider processes (neoliberalization or financialization) or rely on a restricted range of configurations of state interests, as earlier analyses did that drew on the US case. A reconceptualization of urban politics will require navigating the full diversity and specificity of territorializations of urban development.

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