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DEVELOPMENT PROCESSES

INTRODUCTION

Our research into the Bishopsgate Goods Yard site began as a response to the theme of ‘development processes’. In general, we interpreted this theme as suggesting two lines of inquiry. First, an inquiry into the ‘development processes’ typical of London, and second, an inquiry into how these specific processes relate to those of urban development more generally. This first line of inquiry implies a more technical analysis, requiring a focus on the details of the relationships between specific actors, policies, and observed outcomes. The second implies a more metaphorical line of reasoning, which addresses how different conceptions of development processes will inform the ultimate design of the city. On this second point, the extent to which we conceive of the city as an entity that is continuously in the process of being created becomes crucial to our ability to make comparisons between different proposals. Identifying where, when, and how the dynamic understanding of ‘urbanism as process’ is reduced physically and institutionally to that of the ‘city as a fixed thing’ is therefore crucial if we are to propose realistic alternatives.

Drawing from our shared planning background our research was initially more technically minded, focusing more on developing an understanding of the roles the various government agencies, developers, and other specific interest groups play in negotiating the formal construction of London’s built environment. In doing this, as an initial research question, we sought to understand the site in the context of the expansion of the financial city into its City Fringe. This required some organisation of our findings into ‘development models’, from which we draw comparisons of how the conventions in office development have shifted physically and procedurally, as the city has continued to encroach on the Bishopsgate site.

Having complied this information, the search for viable alternatives has also required some reflection on how ‘development processes’ might be understood in relation to the kind of thing a city is. While talk of process implies a strong temporal component, it must be remembered that processes are always implicated in space through their relations with things. As Harvey notes: “processes do not operate in, but actively create space and time and in so doing define distinctive scales for their development” (Harvey, 1996: 53). With respect to urban development, this implies that urbanisation, as a process, must inevitably ‘come down to the ground’.

At the same time, there needs to be recognition that while individual projects and buildings have a certain lifespan, the city as a larger entity, remains something that is always in the processes of being made and re-made. In this sense, attending to processes can help us see the limits of speaking about the city in terms of bounded spatial forms. As Kevin Lynch notes (perhaps, somewhat surprisingly):

“It is interesting to see how many of our ideal forms are rationalizations of what are only momentary stages in evolving urban landscapes. It is difficult for us to conceive of form-in-process as a prototype model” (Lynch, 1981: 381).

Accordingly, the need to define scale physically and procedurally – without resorting to prescriptive forms – is a defining feature of our proposal. In the end, this means that our proposal is less physically prescriptive, and more targeted at supporting the appropriate relations which we have come to believe are relevant to the future success of the site and the surrounding area.

“The issue is not one, therefore of gazing into some misty crystal ball or imposing some classic form of utopian scheme in which a dead spatiality is made to rule over history and process. The problem is to enlist in the struggle to advance a more socially just and politically emancipatory mix of spatio-temporal production processes rather than acquiesce to those imposed by finance capital, the World Bank, and the generally class-bound inequalities internalized within any system of uncontrolled capital accumulation.” (Harvey, 1996: 420).

URBAN DEVELOPMENT IN THE CITY FRINGE

Broadgate

The development of Broadgate on the site of the old Broad Street station began with a decision by British Rail in 1982 to realise the value of its vast railway landholdings. At Broadgate, British Rail teamed up with developers Stanhope Rosehaugh to create a masterplan and eventually build a 14-building office development. The new development would inject about a third of the 1 million square metres of IT-enabled office space expected to be required if London were to compete successfully with Tokyo and New York as a global financial capital. The general success of Broadgate can also be seen as rather fortuitous: it benefited from the rise in office rents triggered by financial deregulation in 1986.

Construction of the first four phases began in 1985 and ended in 1988, with the remaining 10 phases expected to be completed by 1992. However, Stanhope Rosehaugh became saddled with debts in the 1992 recession and the Broadgate development was procured by British Land in 1995 for £121.5m. The final two buildings – Broadgate Tower and 201 Broadgate were only completed in 2008.

This long period of development, stretching 23 years from 1985 to 2008, affords visual proof of how policy affects built form. The earlier phases built in the 1980s and early 1990s achieved modest heights of 8 to 11 floors at a time when such heights were considered more context-appropriate for the City of London. However, Broadgate Tower and 201 Broadgate, which received planning permission in 2005 under a Mayoral administration that favoured strategic and well-designed tall buildings, now rise 35 and 13 floors high respectively.



1–2 Images of Broadgate before and after the development.
Source: British Land

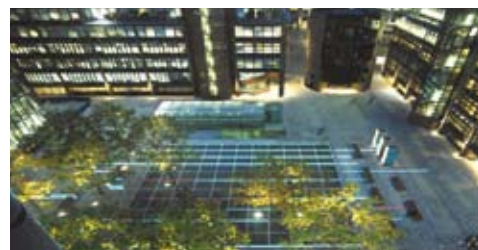
The Broadgate Model

Broadgate involved a distinctive model of development that hinged on several concepts. They include the groundscraper typology, a programme for public space and art across all 14 phases, and developer-led regeneration.

The groundscraper was akin to a skyscraper turned on its side. It was the product of the search for a balance between the need for modern, large floor-plan, IT-enabled office space and the disdain for tall buildings in the 1980s. While the groundscraper met these conflicting demands successfully, it also introduced large block footprints which were in contrast to the small urban blocks that were more typical of East London and London in general.

The development also paid special care to its public space provision, creating a system of connected public spaces across the 13-hectare site adorned with large works of public art. Public seating in these areas made them popular lunchtime spaces while seasonal uses, such as the ice-skating rink at Broadgate Circle attracted users from other London boroughs.

Lastly, Broadgate represented a classic case of developer-led regeneration. Across the vast 13-hectare site and its 23-year development history, only a single developer (Stanhope's stake in the development was bought over by British Land) and two architects (Arup Associates and Skidmore, Owings and Merrill) were involved.

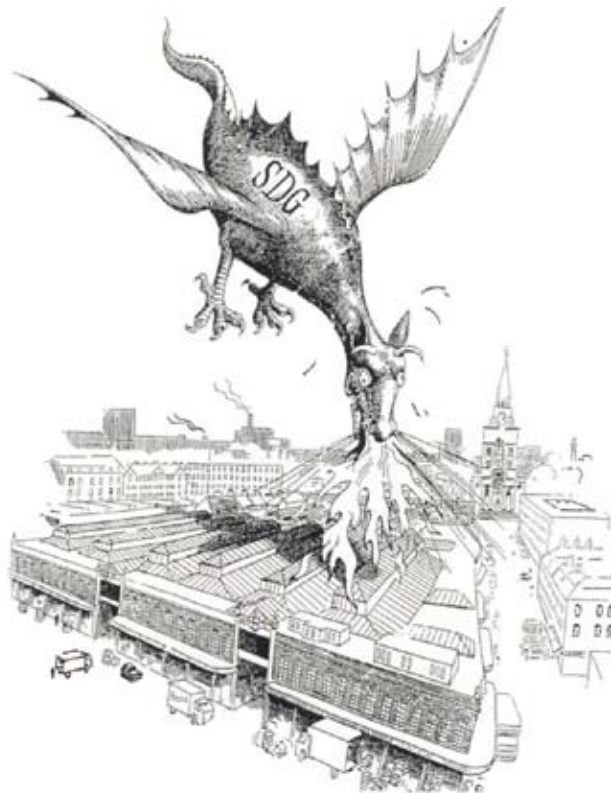


3–5 Images of the public space in the new developments.
Source: British Land

Spitalfields

Stretching over same 20-year period as the Broadgate project, the redevelopment of Spitalfields market tells a much more complex story, weaving together multiple developers, architects, local resident groups, and government agencies. What began in 1986 as a developer-led project was alternately resisted, publicly protested, voluntarily withdrawn, redesigned, resubmitted, and finally approved, such that construction on the market as it currently stands did not begin until 2002. Much of the reason for this delay can be traced to the multiple legal claims to the site held by different stakeholders. However, continual disagreement over how the local residents and business owners might best be served by the new development was frequently at odds with the developer's vision for the area, which further worked to delay the project.

The redevelopment of Spitalfields market employed two different development models as various proposals were advanced. The initial series of proposals were presented between 1986 and 1989 following a developer-driven model. This model favoured plans for large, single-use, 'groundscraper' redevelopment, which were privately designed and were only presented to the public for comment as completed master plans. Following a sustained negative public response, these early developer-led projects were eventually withdrawn, and a more flexible, piecemeal development strategy was implemented. By breaking up the mass of the project into smaller phases, this second strategy attempted to respond to the demands of local residents, and further allowed for part of the original market structure to be retained. While ultimately successful, this second strategy was slow to be implemented as a result of financial costs accrued by the developer during the extended consultation process.



While there was some talk of closing the market as early as March 1985, real discussion of the potential for redevelopment did not begin in earnest until in June 1986 when the Spitalfields Development Group (SDG) publically announced their intention to purchase the market and relocate the market traders to an alternative site they owned at Temple Mill in Stratford. Formed through a coalition between the London and Edinburgh Trust, Balfour Beatty Ltd, and County and District Properties, the Spitalfields Development Group attempted to secure planning approval for their proposal by appealing to the conservationist interests of local planners and to certain politically well-connected residents. To this end, the support of The Spitalfields Trust – an association of early gentrifiers – was crucial to the tacit acceptance of any development proposal. In their initial bid for the land, SDG implicitly secured this approval by hiring Richard McCormack, who happened to be both a local resident and a founding member of the Trust, as the lead architect for the project. While the resulting 1987 plan was praised by both the local planners and conservationists alike, McCormack became increasingly uneasy with his role in the project, and resigned in 1989 shortly after SDG brought the US firm Swanke Hayden Connell on board in an administrative role. Following McCormack’s withdrawal, the Swanke Hayden Connell team increased the bulk and the amount of office space included in the proposal. These changes spurred the Spitalfields Trust to begin lobbying the Secretary of State for the Environment to open a public inquiry on the project. Confronted by ongoing opposition by local residents, the Minister granted the Trust’s request in 1989, and SDG withdrew the American scheme in an attempt to avoid additional costly delay. By the 1990s SDG was reportedly facing a debt of £165 million, and applied to operate the site for interim market and retail use until more favourable market conditions arose. While exact timing of financial agreements is not available, the City of London now maintains a 25% stake in present development on the site.



7 Early proposals for Spitalfields Development (1986)



8 Swanke Hayden Connell Spitalfields proposal (1988)



9 McCormack proposal (1987).
Source: Bishopsgate Institute Archives

10 Chart of key players

	City	Developers	Local Groups	Architects	Government
Developer-led Model (86-87)	City of London (Full Ownership)	SDG, Stanhope Priest Marian Holdings	Spitalfields Trust, Market Residents' Action Group, Market Traders' Association	Richard McCormack (lead for SDG)	City of London, UK Parliament
Community Reaction (88-92)	City accepts £60M bid from SDG for 150 year lease	SDG	Spitalfields Trust	Swanke Hayden Connell, design rejected, Ben Thompson (lead)	Tower Hamlets
Incremental Model (00-05)	City of London (25% Ownership)	SDG, Balfour Beatty, Hammerson	SMUT	Foster + Partners, EPR Architects, Foggo Associates	Tower Hamlets, GLA

ECONOMIC AND POLICY CONTEXT

It is interesting to note that when we consider the full sweep of time covered by the Broadgate and Spitalfields development models, it is closely bounded at both ends by impacts of financial deregulation. At the beginning, the combined effect of the opening of the London market to international investment, and the transition to electronic trading enabled by technological and organisational innovation, greatly stimulated expansion. At the end, the runaway growth in the financial sector, fueled as it was by circulation of derivatives, collateralised debt obligations, and other innovative forms of fictitious capital, eventually crashed, wiping out the demand for new office space.

Structurally, we might explain these relations with reference to Harvey's assertion that the built environment often serves as a spatial 'fix' to soak up excess liquidity and enable accelerated accumulation at a later date. We might also note that financial deregulation and Thatcherite reforms introduced in the UK as a solution to 'stagflation' were partially a reaction to the weakening of the Bretton Woods system, and the American willingness to relax financial controls domestically in exchange for improved access to foreign markets. The most recent period of growth and decline in the financial sector is implicated in a longer economic process, and periods of contraction in one sector are typically followed by periods of innovation in another.

At the most basic level, Harvey notes how these periods of crisis and expansion tend to accumulate around five 'moments' in the circulation of capital. These occur at any point where capital changes from one form into another, insofar as these points represent potential blockages to continued circulation. In this conception, innovation is not just a 'magic word' that creates growth, but rather is critically understood as a process that enters into the system in the service of circulation. Applying this understanding to the current economic situation, we can more systematically address the opportunities for further economic development. In the first moment, access to credit is currently depressed, as hard-hit investors and banks have become increasingly risk averse. Further, recent calls for increased regulation are driving innovative players from major firms as bonuses are slashed, as they either switch industries, or pursue employment in smaller firms. Coupled with recent layoffs in the City throughout the financial sector, there is little likelihood that we will see an early return of demand in Bishopsgate for the kinds of large spaces that typified the Broadgate development in the short-medium term.

Five 'Moments' in the Capitalist Circulation of Value, After Harvey, 2008

- 1 What are the means of mobilising capital?
- 2 How do we conceive society's relation to nature?
- 3 How is labour characterised?
- 4 What is the technological and organisational form of the production process?
- 5 How do we 'realise' the value generated through production?

In the fifth moment, the international implosion in equity among homeowners, and general high level of consumer debt suggest that there is little chance of stimulating new growth through consumer spending. Locally, in the third moment, London's position as a global city, with its highly mobile workforce, suggests that government intervention to raise wages is not a particularly feasible means of stimulating effective demand.

Future avenues for growth are likely to be through innovation in the second or fourth moments: either through technological or political reorganisation of the means of production, or some massive re-calibration of society's relation to nature. This in part explains recent policy for increased investment in the 'green' economy.

Policy Context

The Bishopsgate development is shaped by a number of policy actors and initiatives.

The London Plan: Identifies East London as a priority area for new development and regeneration, and promotes polycentric development to strengthen local identity. It identifies Bishopsgate/South Shoreditch as an 'opportunity area' for mixed use development and tall buildings. This area provides particular scope to underpin the clustering of creative industries.

Draft City Fringe Opportunity Area Planning Framework: Identifies the site's suitability for high density and mixed-use development and addresses the Mayor's vision for tall buildings. The site also has the potential to link with the green spaces in the wider area to increase biodiversity.

Interim Planning Guidance: The site should provide units for office and residential uses. There should be a clear transition of building heights across the site, with taller buildings to the west and smaller scale buildings to the east. A clear network for open space and pedestrian routes is also required. The historic structures should be revitalised in a way that enhances the area's character.

Local Policy Context

Unitary Development Plan: Both Hackney and Tower Hamlets have adopted Unitary Development Plans that allocate land for specific uses. Tower Hamlets' Unitary Development Plan was adopted in 1998, including proposals for the East London Line. Hackney's was adopted in 1995, and identifies the Bishopsgate Goods Yard as a site for development.

Tower Hamlets Local Development Framework: Develop major residential-led projects with office development on the western part of the site. Associated uses include provision of small-scale business and retail spaces, as well as green spaces. The development of tall buildings should conform to the policy, with building height decrease from the west to the east.



Tower Hamlets City Fringe Area Action Plan: Identified Bishopsgate Goods Yard as an 'opportunity site', which has the potential to link its surrounding areas through mixed-use development.

Tower Hamlets Core Strategy: Contains policies to assess the appropriate location for tall buildings on the site.

Hackney Local Development Framework: Bishopsgate Goods Yard has the potential to intensify existing employment in the area by generating activities with a particular focus on creative/cultural, food and printing industries.

Hackney Draft Core Strategy and South Shoreditch Supplementary Planning Document: Identifies the western part of the site as an opportunity area for tall buildings.

Physical Constraints

Prospective development on the Bishopsgate Goods Yard site is constrained by existing infrastructure above and below the ground, as well as view corridors that limit the heights of buildings on site.

Above ground – historic structures and East London Line

- The East London Line extension is currently under construction and is expected to open in 2010. It will transform the site into a new transport node.
- The listed structures, including the Braithwaite Viaduct, can support another six storeys building on top. It gives a character to the site and offers a unique space for activities.

Below ground – rail, underground lines and BT tunnel

- The main line and suburban rail tracks (red) run 5-6 metres below ground. The main line tracks are uncovered, and the suburban line aligns to London Road.
- The Central Line (green) runs 18 metres below ground level.
- A BT telecommunications tunnel (blue) runs roughly beneath Wheeler Street.

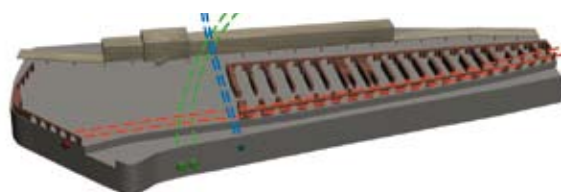
Building heights on the site is regulated by the London View Management Framework, which includes two protected vistas to St Paul's Cathedral.

12 Physical constraints above the ground

13 Physical constraints below the ground

14 Protected vistas

Protected vistas from Westminster Pier and King Henry's Mound, Richmond restricting building heights.



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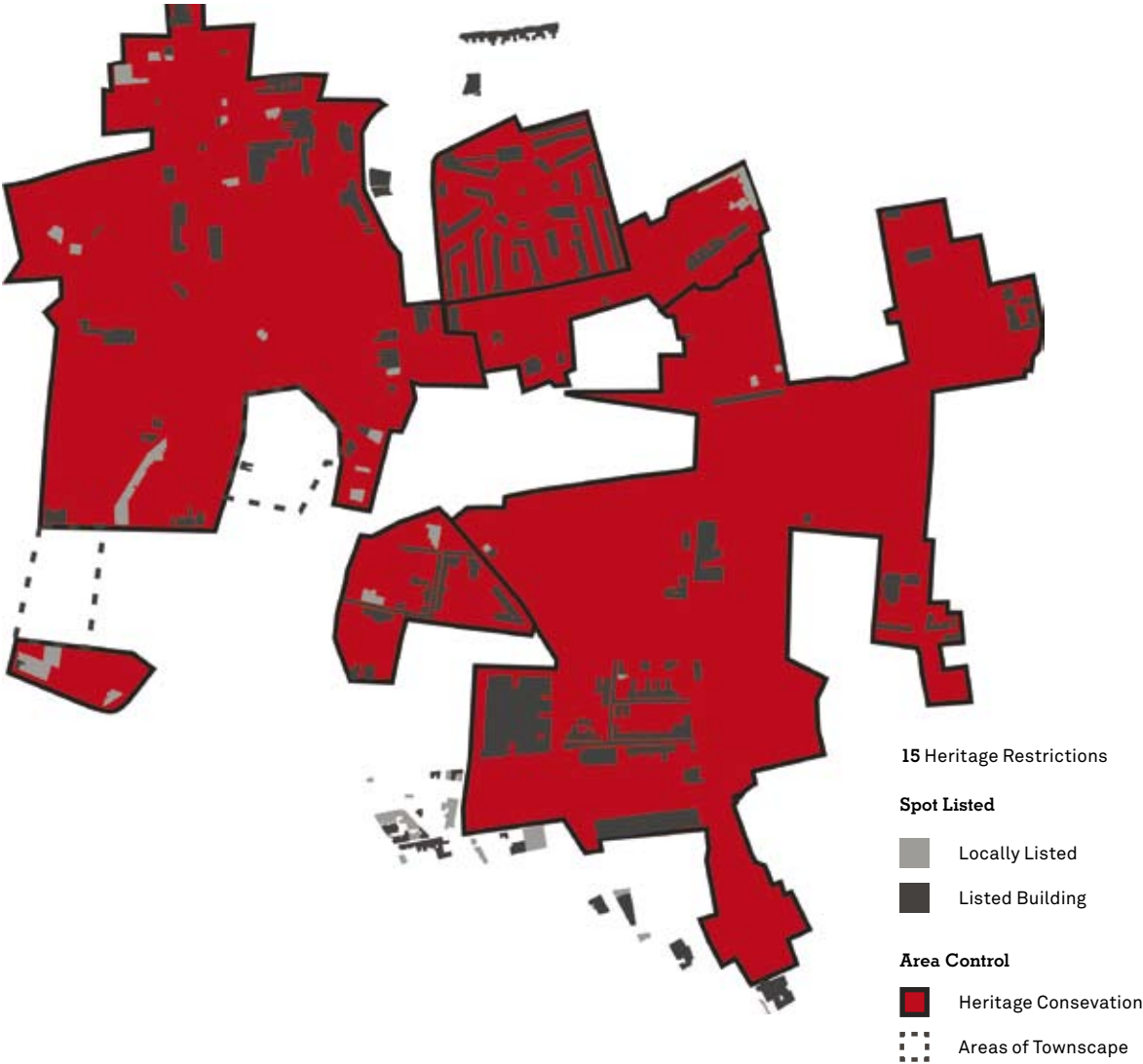
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Heritage Policies

Much of the area immediately surrounding the site is included within heritage conservation areas established by the local authorities of Tower Hamlets and Hackney. Within Tower Hamlets, there are four conservation areas in the immediate vicinity, including the Elder Street Conservation Area to the southwest of the site, the Redchurch and Boundary Estate Conservation Areas to the north of the site, and the Brick Lane and Fournier Street Conservation Area which wraps around the site from the northeast and to the south. Within Hackney, the two closest areas include the Shoreditch High Street Conservation area, which abuts the western boundary of the site, and the South Shoreditch Conservation Area which covers much of the area to the west of the site. Within each of these areas are a number of spot listed buildings.

These buildings and boundaries are shown in the Heritage Restrictions map below. While these heritage restrictions provide a general sense that little will change in the area following the completion of the new station, a more detailed review suggests that the heritage policies anticipate the potential for the area to redevelop, and identify a number of areas where major changes are more appropriate than others.

The Development Potential map is based on a detailed reading of the aforementioned policy documents. While this does not reflect specific planning applications or developer intentions, it can be read as identifying what degree of change is likely to be deemed permissible by the local heritage committee. Of particular interest are the areas shaded in orange, which indicate sites that could potentially be redeveloped as tall buildings, and the areas shaded in green, which have no specific heritage restrictions. The potential for change in these areas has direct bearing on the Bishopsgate site. Other changes in the area anticipate or follow the redevelopment of the Goods Yard. The combined effect will potentially alter the character of Shoreditch High Street and Bethnal Green Road.



16 Development Potential

Degree of Control

- Potential Tower Site
- No Specific Restriction
- Demolition control
- Adaptive Reuse
- Controlled Refurbishment
- Locally Listed
- Listed Buildings



MULTIPLE OWNERSHIPS

The size and location of Bishopsgate Goods Yard at the confluence of three borough boundaries in the City Fringe area is key to understanding and projecting its development potential. The vast site remains idle within an otherwise dense and economically active area, situated in what Sennett might call a 'border condition'. Such zones of interaction are not necessarily spaces of positive exchange and coexistence. Our study of development history in the City Fringe has shown the increasingly contested nature of development in this border area, brought about by the perceived imbalance of power between the expanding City of London and the residents and businesses of the surrounding areas.

The City and the business sectors it represents is not the object of opposition per se. It is the nature of this expansion – the unfettered invasion of the City in its specific architectural guises, the seeding of gentrification with each development, and the mismatch between new City-focused developments and the existing residents, businesses and urban form of the City Fringe – that is opposed. The expansion of the City into the area can be seen as a form of 'symbolic violence' that local groups like OPEN Shoreditch and the Spitalfields' Small Business Association are keen to address. The concept of 'symbolic violence' was coined by the French sociologist Pierre Bourdieu to describe the implicit forms of cultural and social domination that people are exposed to in daily life – in this case the hegemony of financial capital generated by the City which means land values in the City Fringe (as in Bishopsgate Goods Yard) come to be measured against the potential profits derived from Grade A office developments. The expansion of the City into its fringe is premised on this measure of highest (monetary) return value.

17 Developer's vision for the area
Source: Hammerson



The Many Values of Bishopsgate Goods Yard

Different value judgments have driven development and its opposition in the City Fringe. Understanding the different values attached to a location is the first step to reconciling them within the development process.

Economic Value

Economic value derives from the characteristics of the site that can be monetised as land rent and business profit. In the case of Bishopsgate Goods Yard, its prime location in the City Fringe, high transit accessibility and the growing demand for office space before the credit squeeze accords a premium to any development on the site. Developers enjoy higher rents, businesses higher footfall and more prestige from its location, and any homeowners higher resale prices. Local authorities may monetise the value of the site by leveraging higher Section 106 contributions from potential tower developments, as Hackney Council did in the case of Bishops Place Tower. Monetising the value of the site justifies maximising the floor area and heights of development on the site and limits social or community land uses as economically less lucrative.

Heritage Value

The heritage value of a site derives from its historical urban morphology, scale and architecture, land uses and its position as a locus of collective memory. It may be expressed through conservation areas, listing of historical buildings, perpetuation of a particular fine urban grain or preserving the traditional scale or sectors of businesses in an area.

Use Value

The use value of the site is the value that one gets from using the site, which is directly contrasted to its exchange or economic value. It is related to the innate characteristics of the site rather than fluctuations in market demand and supply that govern the economic value of the site. Use values of the Bishopsgate Goods Yard site may include improved access to the London rail network via the new Shoreditch High Street station or maximising development densities around such transit nodes in order to encourage more transit use and less dependence on cars.

18 Proposed tall buildings on City Fringe

Source: OPEN Shoreditch



Other Conceptions of Value: Who is excluded?

The dominant conception of value is challenged by those for whom the financial value generated by City development in the City Fringe has had limited benefits. This conception obscures the competing values that other agents attach to this area of East London. Neglect of the way that other stakeholders value the site and its environs threatens the goodwill that local stakeholders might have for new development if approached more constructively. In an interview, respondents from Spitalfields Small Business

Association (SsBA) claimed that they understood why the City had to develop in the fringes but were frustrated when such development delivered little value to local workers and in effect sought to exclude them.

SsBA opposed the redevelopment of Spitalfields Market because, although it understood the need for the City to compete with Canary Wharf, the old food and vegetable market was important as a rent buffer for the area; as soon as the old market was redeveloped and ‘gentrified’, commercial rents rose within the vicinity. The new market and offices did not serve or employ many of the local Bangladeshi population, who were invisible in the new environment of Spitalfields Market.

The Second Public

Comparing the prolonged battle over the redevelopment of Spitalfields Market and the more recent challenge to the development of Bishops Place Tower, we see a more organised and effective opposition to City Fringe developments, based on a broad composition of local groups. OPEN Shoreditch’s success in halting the development of Bishops Place is both a warning and opportunity for future developers – failure to appreciate and accommodate the different ways that local residents and businesses value a site and envision its redevelopment is costly. More importantly, it introduces a ‘second public’. Where the local authorities can be regarded as the defender of public interests in the planning process, their perceived weakness in the face of the ‘march of the city’ has spawned a second public – local groups that have mobilised to protect what they value in these fringe areas against the onslaught of speculative development. The major stakeholders in any development appear as a triad: the developer, the bureaucratic public (local authorities and GLA) and the specific public (local interest groups organised around narrow interests such a heritage preservation or affordable housing provision).

19 Matrix: How different stakeholders may value the site

	Economic Value	Heritage Value	Use Value
Developer	Hammerson: Office rents, asset on property portfolio		
Bureaucratic Public	Network Rail: Land rent for site GLA: Preserve and enhance London’s status as a financial capital LBH/LBTH: Section 106 contributions, increase in tax base	GLA/LBH/LBTH: Conservation Areas	GLA: Maximise development around transit nodes TFL: New Overground station LBH/LBTH: Affordable housing and a new medical centre
Specific Public	Office space for SMEs that service the City, jobs for local residents SsBA/ST: Asset base, preservation of fair rents SHA/ISHA: New asset base (affordable units) SsBA/ST: Preserve local employment and businesses	OPEN: Opposition to Bishops Place Tower, continuation of fine-grain development SsBA: Historic immigrant neighbourhood with small locally-owned businesses and workshops	OPEN: Reuse of Braithwaite Viaduct SsBA/ST: Preservation of fair rents Residents: Access to new station at Shoreditch High St

There are a range of stakeholders and values to be accommodated in a new development model.

Developer

Hammerson: A major European real estate company that develops and manages commercial property in UK and France, including retail parks, shopping centres and office space.

Bureaucratic Public

Mayor of London / GLA: The Mayor guides development in London through the statutory London Plan (2008), on which local authorities are required to base their Unitary Development Plan (currently being replaced by Local Development Frameworks).

Local authorities – Hackney (LBH) and Tower Hamlets (LBTH): These are the two main planning authorities involved in the Bishopsgate Goods Yard Redevelopment. They produced the Unitary Development Plan/Local Development Frameworks and the Bishopsgate Goods Yard Supplementary Planning Guidance (2008) to guide development on the site. Planning applications and contributions (S106) are negotiated with the councils' planning departments, although the Mayor of London has veto power over developments of London-wide significance, including tall buildings.

Transport for London (TFL): TFL is the main authority in charge of the East London Line extension.

Network Rail (NR): Network Rail is the current landowner of the site, having inherited the title deed from British Rail and then Railtrack. As in developments over Liverpool Street Station (i.e. Broadgate) and behind King's Cross Station, it is seeking to commercialise the value of air rights over its vast track system in London.

Specific Public

Spitalfields Small Business Association (SsBA): SsBA was formed to improve the condition of workspaces in the Spitalfields area and to offer spaces at fair rents to local businesses and manufacturers. It does not work in any specific ward or borough. Currently, it has tenants and property in Brick Lane, Spelman, Deal, Princelet and Hanbury Streets, in an area with a large Bangladeshi population.

Shoreditch Trust (ST): ST is an award-winning regeneration agency that manages the government's New Deal for Communities (NDC) investment in the Shoreditch area of Hackney. Since NDC funding expires in 2010, it has built up an asset base of workspaces and social enterprises (e.g. eco-restaurants) to sustain its community business model in the long run.

Islington & Shoreditch Housing Association (ISHA): ISHA is a community housing association developing and managing affordable housing for people in housing need in Hackney, Islington and adjoining areas. It is a member of the North River Alliance, which is a 'preferred development partner' of the Housing and Communities Agency (HCA).

Spitalfields Housing Association (SHA): SHA was formed as a cooperative to improve housing conditions and provide large-size family housing for the mainly Bangladeshi population in the area in 1980. It is a registered social landlord with the HCA.

OPEN Shoreditch (OPEN): OPEN advocates for the quality of the built environment, the preservation of heritage, the provision of transportation and amenities and to ensure that changes in an area consider the needs of residents and local businesses.

20 The triad of developer, bureaucratic and specific public

Developer

e.g Hammerson

Specific Public

e.g Shoreditch Trust

Bureaucratic Public

e.g Hackney Council

A NEW DEVELOPMENT MODEL

So how do we conceive of a new development model for Bishopsgate Goods Yard? The multiple ownerships approach requires us to reconfigure the relationship between the different stakeholders and their value judgments of the site. The current proposal by Hammerson, echoed in the Supplementary Planning Guidance, merely reiterates the old development trajectory that fuelled the real estate boom. It was a model based on 'continuously rising land values, relatively big and rapid returns on capital and high dependence on turnover and easily available credit' (CABE 2009). Buildings were regarded as wealth generators with less attention paid to the social value that users attach to urban form and space. Under this approach, it was easier to justify commercial development than residential or community uses on the prime land in the City Fringe. However, the focus on the commercial returns on developing land in this area has been increasingly problematic. By returning to the triad of values and stakeholders, it is possible to create a more equitable approach to development and perhaps forestall some of the rising tensions that have characterised recent developments in this area.

Reconsidering the Current Model: Implications of the Financial Crisis

The current credit crisis means that the old model of speculative development in the City Fringe, with its dependence on readily available credit, a growing financial sector and concomitant service sectors, is unlikely to continue. The City's chief planning officer, Peter Rees, estimates that the City is unlikely to see any new tower developments over the next two decades. This is due to weakening demand for office space, the move to downsize, and the fact that three-quarters of the City's building stock have already been renewed since the Big Bang. "It doesn't require more redevelopment unless there is a need for more floor space. But if companies are downsizing and the trend is do more with less people, then I don't envisage that there will be a need" (Henley, 2009). Our discussion with British Land, the owners of nearby Broadgate Tower, confirmed the view that speculative tower developments are unlikely to happen given current market conditions.

The challenges to the current development model have major implications for redeveloping Bishopsgate Goods Yard:

- Alternative sources of funding: Limited credit availability means the likely funding to trigger development on the site will come from the public sector. This may include funds from various levels of government including local authorities, the Housing and Communities Agency (HCA) and European Regional Development Fund.
- Alternative means of securing public gain in any development: A breakdown in the old model of development in the City Fringe also means that traditional means of funding public and community infrastructure through Section 106 planning contributions become liabilities to private sector developers. According to CABE, infrastructure and affordable housing due to be delivered through Section 106 contributions are unlikely to happen since developers report that such contributions are crippling the viability of projects (CABE, 2009).
- Alternative economic generators: The retreat of City businesses is an opportunity to develop and strengthen an alternative economic base in the area, one that taps into local economic strengths and builds its competitive advantage for the future. It also allows us to respond to the critique of past development models where jobs have traditionally not benefited local residents.

The need to reconsider various aspects of development given the current economic situation is a perfect opportunity to introduce a new model based on multiple ownerships of the site. It provides at least 3 strategies for us to begin with:

Strategy 1: Leveraging Public Sector Market Power

The public sector should leverage the increased market power it has from funding the Bishopsgate Goods Yard development to work with a wider range of stakeholders. Rather than functioning as a planning safeguard for a private-led development as in the previous models we studied, it should engage with organisations of the ‘specific public’ – housing associations, small business associations, development trusts – as well as developers to deliver a more equitable development that justly considers the multiple ways that people value the Bishopsgate site. It can do this by using its market power to increase the asset base of the community-based organisations highlighted above through the transfer of property, such as housing units or workspace, into the ownership of such organisations. This allows these community enterprises to either offer local residents housing or workspace on the site or leverage the prime location of the site to generate a sizeable income stream to fund their activities offsite. This model of cross-subsidisation – where businesses generate profits on some parts of their site to fund the more expensive ‘social programmes’ like key worker housing elsewhere – was successfully used in the Coin Street development.

Cross-Subsidisation by Developing an Asset Base **Coin Street Community Builders**

CSCB is a cooperative housing scheme in South London that successfully employs the cross-subsidisation model to sustain itself. All members of CSCB must live in the area and so understand local opportunities and challenges. The organisation is ‘limited by guarantee’ which means that all profits from operations on the site is ploughed back into public objectives rather than to shareholders.

The original £1m loan to purchase the site was borrowed against a host of temporary uses for the land that would generate an income to repay the loan. However, as the site developed further to host more permanent revenue streams, loans for future developments such as the Neighbourhood Centre were made against this commercial income.

Currently, the site generates income in several ways. Its cooperative housing is self-sustaining and rented out ‘at cost’ – currently, a 2-bedroom apartment rents for £98 per week without council taxes. CSCB manages to offer such affordable rents by not charging a land rent, which is basically a premium for occupying such prime land and not related to the actual cost of housing and service provision. This in turn is made possible because it owns the land and does not pay land rent to an alternative landowner – highlighting the importance of property transfer in helping community enterprises develop a self-sustaining asset base.

Further income is generated by its OXO Tower Wharf development. Harvey Nichols Restaurant pays £1m annually to occupy the top floor of the building with splendid views of the north bank of the Thames. The ground and first floor also offer retail and gallery space, some of which are offered on a non-profit basis to emerging designers. Elsewhere on the site, a new parking garage beneath the Coin Street Neighbourhood Centre and Iroko Housing Cooperative is let commercially.

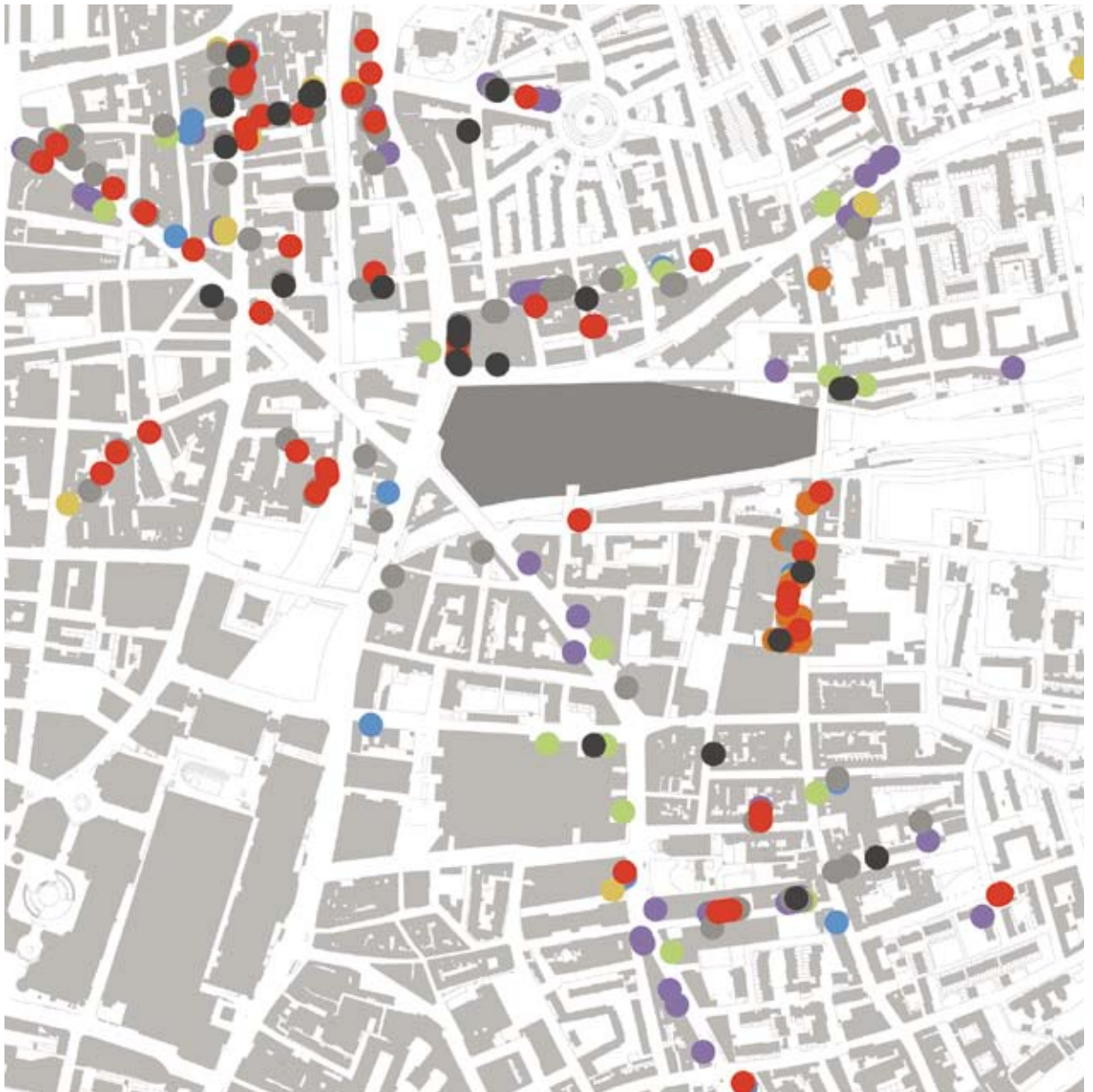
Strategy 2: Leveraging Local Economic Strengths

In Jane Jacobs' *The Economy of Cities*, she proposes that all economies begin around a local resource or make use of some local advantage. Crucial to our project, Jacobs differentiates between 'expansion' (increasing the existing specialisation either locally or abroad) and 'development' (diversifying the local economic base). She invokes comparisons to natural ecosystems to suggest that policies that encourage diversification increase economic resilience, while policies for expansion weaken resilience to external shocks (Jacobs, 1970). Likewise, the current financial crisis has exposed the brittleness of an economy that is based primarily on financial services. This area of East London is known for its rich mix of small and medium-sized creative enterprises and as part of our investigation, we began to map the existing enterprises around the site and propose the development of this local economic base as desirable economic diversification and a necessary bulwark against further City expansion.

Justifying the Creative Sector Approach

One of the biggest lessons that London has learned from the current economic crisis is that the city's economy should not be over-reliant on the financial services sector. Right now is an opportunity to reconfigure London's economy into a more flexible structure before the next upturn.

GLA Economics (2002) has identified the creative industry as one of London's core sectors on the basis of its high growth rate in both output and employment. The creative industries have a strong concentration in London (Freeman, 2007). As of 2000, the economic output of creative industries in London was second only to business services. Output for the financial services sector, traditionally at the core of London's economy, only ranked third. In 2006, exports of services by the creative industries totaled £16 billion, which equated to 4.3% of all goods and services exported (DCMS, 2009). We are proposing creative industry as a short-term economy driver for the Bishopsgate Goods Yard site, given local capacity in the creative sector. As mapped on the facing page, the site's surrounding area is characterised by a concentration of creative SMEs (small and medium scale enterprises). There is substantial potential value in creating a centre that links businesses together and encourages spin-offs.



21 Developing the local economic base:
SMEs in the Bishopsgate area.

- Fashion
- Engineering/Construction
- Furniture/Repairs/Mechanics
- Music/Theatre
- New Media/Web/Film/Software
- Advertising/Photography/Graphic Design/Publishing
- Architecture/Planning
- Art Studios and Galleries

Strategy 3: Formalising Participation of the Specific Public

The Bishopsgate site belongs to an area with several established community-based organisations with very specialised interests, be they providing fair rents for small and medium-sized local businesses, developing and managing social housing, community regeneration or campaigning for more equitable and sensitive development in the City Fringe. However, because each of the groups is quite small, there is a need to propose a more sustainable structure for a coalition that can offset the greater influence of the developer and the bureaucratic public. Our interview with Spitalfields Small Business Association identified the lack of a large coalition as the main challenge in opposing Hammerson's current proposals for the Bishopsgate site. In outlining a new development model in this context, we consider the structure and function of business improvement districts and development trusts, and propose a hybrid as a potential way to formalise the participation of community interest groups.

Existing Development Partnerships on the City Fringe

1 Canalside Works, Hackney

Shoreditch Property Company, the property arm of Shoreditch Trust, partnered with the City of London Corporation to deliver Canalside Works in Hackney. Canalside Works provide 12 units of SME workspace totalling 17,000 sq ft across 5 storeys. The units range from 750 to 1600 sq ft in size. It is targeted at SMEs struggling to find office space in the City Fringe and offers affordable rents (£15/sf) with flexible leases.

2 The City of London SME Workspace Initiative and Shoreditch Trust each met half of the £4.2m needed to buy the 99-lease for the site, which unlocked £1m of regeneration funds from the EU Regional Development Fund. Eventual cost division was £2m from the Corporation of the City of London under its SME Workspace Initiative, £1m from Shoreditch Trust and £1.2m from ERDF.

3 SsBA and SHA, Tower Hamlets

The Spitalfields Housing Association (SHA) was created in order to access public funds for regeneration of housing and workspaces. This was possible because most property in Spitalfields in the early 1980s was mixed use, with ground floor retail use and housing above. According to their business model, SsBA would purchase a property, lease the upper residential floors to SHA who would access Housing Corporation funds to renovate the residences. The premium SHA paid to lease the residential floors made it possible for SsBA to fund the renovations of the ground retail area, which it then rented out at fair rents to local businesses.

What Development Model? Looking at BIDs and Development Trusts

The strategy to both develop the local economic base of creative SMEs and formalise the participation of the 'specific public' in the development process requires the creation of a entity that can develop a unified vision and economic development agenda for this area of the City Fringe across borough boundaries, lead local branding efforts to attract companies of different sizes, offer business development services to local businesses, advocate for the locale in the planning process and address broader social and environmental concerns in addition to its economic agenda. In order to achieve these aims, we consider the properties and functions of business improvement districts and development trusts and propose a hybrid model that fulfils the requirements of the area.

The Structure and Functions of a BID

Business Improvement Districts (BID) aim to promote local business development and interests in a defined area. BIDs are regulated under the Local Government Act 2003 and are formed after a successful ballot of all businesses in an area. Within the BID boundaries, all non-domestic ratepayers pay a BID levy (as per the BID agreement) that is collected by the relevant billing authority, in our case the London Boroughs of Hackney and Tower Hamlets. BIDs can operate for a maximum of 5 years before requiring a further ballot.

BIDs enable projects to be carried out for the benefit of those who live, work or carry out activities within the district. The vision and agenda of the BID is published in the original BID agreement and influenced by the needs of member businesses. As such, a BID allows corporate social responsibility (CSR) to be discharged within the community in accordance with a predetermined agenda, such as local transport improvements or volunteer programmes (e.g. Better Bankside and London Bridge BID), rather than individual businesses spending their money in disparate ways. Some BIDs, for example Waterloo Quarter Business Alliance, specialise in the promotion and development of areas with a larger number of small and medium-sized businesses (though not excluding large businesses present in the area). It is this model that we intend to replicate on and around our site.

The Structure and Function of a Development Trust

A development trust or a community land trust is established for the purpose of furthering the social, economic and environmental interests of a local area by developing and managing an asset base that may include land, office space, housing stock and community-owned businesses. The income generated by the asset base is used to sustain the trust and reinvested in servicing a specific local need. For example, the rental income of Spitalfields Small Business Association is reinvested in providing affordable workspaces in the area while that of

Shoreditch Trust is reinvested in a wider range of regeneration efforts in the Shoreditch area. Development trusts may be legally registered as trusts (a legal definition of Community Land Trust in England was included as an amendment to the Housing and Regeneration Act 2008) or may function as 'limited by guarantee' businesses like the SsBA and SHA, whose constitution ties them to reinvesting profits back into the business.

Creating a Hybrid: The Braithwaite Incubator Trust

There is currently a gap in the spectrum of community enterprises and development trusts in the area. Amongst the organisations we have considered, activity tends to be divided along borough boundary lines and sector of interests (housing v. small business development v. heritage preservation). In order to function as a stronger advocate for the specific publics in the area, we need a new entity to bring together existing groups across boundary lines and interest groups. We propose the creation of a new umbrella entity – the Braithwaite Incubator Trust (BIT) – that will be physically anchored in the redeveloped Braithwaite Viaduct incubator space. The new body will function as a hybrid of a BID and a development trust. Its main functions will be:

- 1 To develop a vision and agenda for the area in consultation with existing community organisations
- 2 To function as a coordinating body for the existing community-based organisations across boundaries and interest groups, thus strengthening the position of the 'specific public'
- 3 To advocate for the interests of residents and local businesses of various sizes when new development in the area is being planned
- 4 To provide business development services
- 5 To protect and increase the stock of affordable and flexible workspaces in the area by working with existing community organisations in this field, i.e. SsBA, Shoreditch Trust
- 6 To direct investment along a pre-determined vision and agenda for the area
- 7 To brand the area as a hub for creative SMEs
- 8 To focus efforts beyond business development to look at social and environmental challenges in the area, including the need for affordable housing and workspaces in line with the work of existing community organisations operating in the area



22 Potential catchment for the Braithwaite Incubator Trust (BIT)

- Potential BIT area (Tower Hamlets)
- Potential BIT area (Hackney)

CONCLUSION

The Creative City: Small/Medium/Large
Bishopsgate Goods Yard’s location on the city fringe is such that it should embrace the alternative condition that naturally exists there and develop a site for thinking creatively.

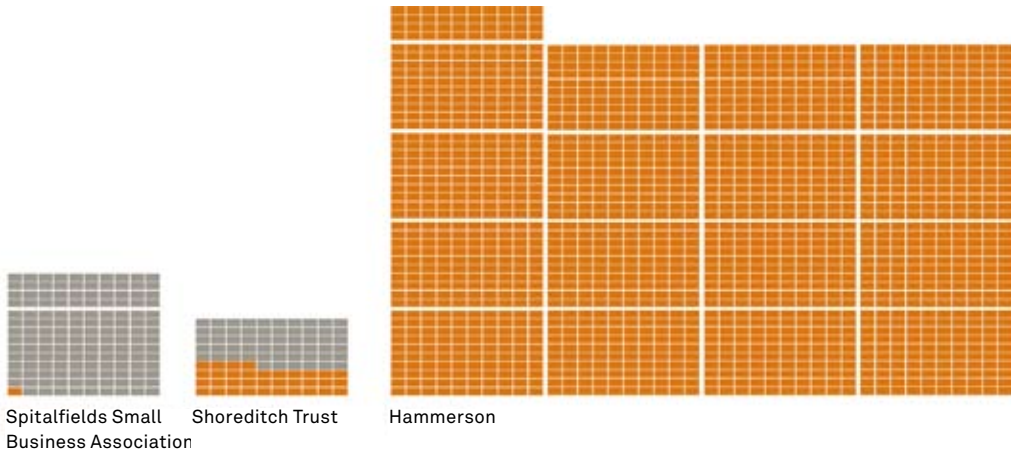
The London Plan suggests that collaboration across different industries can support emerging dynamic sectors of growth and innovation: “in an environment where high productivity and creativity are at a premium, dynamic emerging sectors, which could help sustain the capital’s economic success and extend its scope for growth are important. They include e-business related activities...the creative industries, and the environmental industries” (GLA, 2008: 3.1611). Our development for Bishopsgate Goods Yard aims to follow the London Plan’s objective and understanding of the role that collaboration across a spectrum of innovative industries can play in the city’s economic future.

The development will create spaces throughout the site, which will create opportunity to “increase vitality, raising levels of use, participation, transaction and interaction to thresholds which allow activity to take off” (Landry, 2008:111).

The development is not composed of over-specified spaces but rather spaces that can accommodate a variety of industries.

In our development model, small, medium, and large refers to different scales of the development: the small medium and large industries that will exist in the site; the small, medium, and large grain of the buildings; the small medium and large divisions within the buildings.

23 Scale, use and value



Sector Focus	Local retail and SME workspace	SME workspace	Office and retail
Total Area	70,000 ft²	45,000 ft²	15,000,000 ft²
	Brick Lane shop	Canalside Works	Bishop's Square
Sector	Local retail	Creative SME workspace	Office and retail
Area	500 ft²	17,000 ft²	820,000 ft²
Rent	£10-15/ft²	£15/ft²	£47/ ft²
		£1m (Shorditch Trust)	
		£2m (City of London)	
		£1.1m (ERDF)	

Small, Medium, Large is a format for developing relationships that ensures creativity in the use of the urban space. As it is applied to the Bishopsgate development site, the interaction of the different scales will promote what Landry calls a 'cycle of urban creativity'. This is "a mechanism to assess the strengths and weaknesses of creative projects in a city at various stages of their development" (Landry, 2008: 224).

The cycle of urban creativity has five stages:

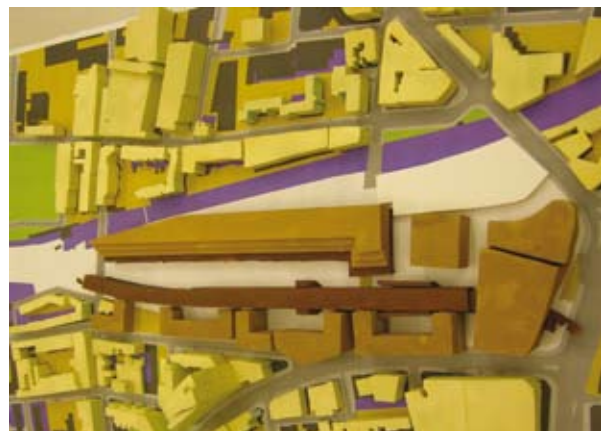
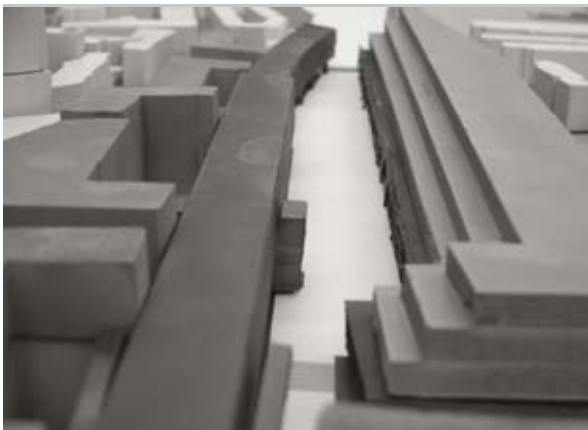
- 1 Helping people generate ideas and projects
- 2 Turning ideas into reality
- 3 Networking, circulation and marketing ideas and projects
- 4 Delivery mechanisms such as cheap spaces for rent, incubator units or exhibition and showcasing opportunities
- 5 Disseminating results to the city, building markets and audiences so that new ideas are generated

The development of Bishopsgate Goods Yard will utilise this process of creative checks and balances to ensure that the site is creative and productive and able to sustain that creativity. The organisation of the development and the different people that it will attract will foster the cycle of urban creativity. To understand how they interact it is important to understand the physical organization of the development site.

Physical Form of the Development

The buildings on the site are divided into three different groups. The Brathwaite Viaduct to the south, the new East London Line to the north, and the large open space to the west. The built interventions are divided into different physical forms around these buildings. The Brathwaite Viaduct is heritage protected and will remain as the first floor to the incubator. The incubator spaces will be a large building that spans three quarters of the site. The area below and around the East London line will take a similar form as the physical space of the surrounding area on Brick Lane. The buildings will retain a small grain and recreate the rhythm of the organic development of the surrounding streets. The large development will be divided into two areas: the south-west section is reserved for rafting over the railway. The north-west section will retain a similar scale to the recently completed Tea Building across the street.

24 View of massing model



Relationship: With The Public Realm and Street Rhythm

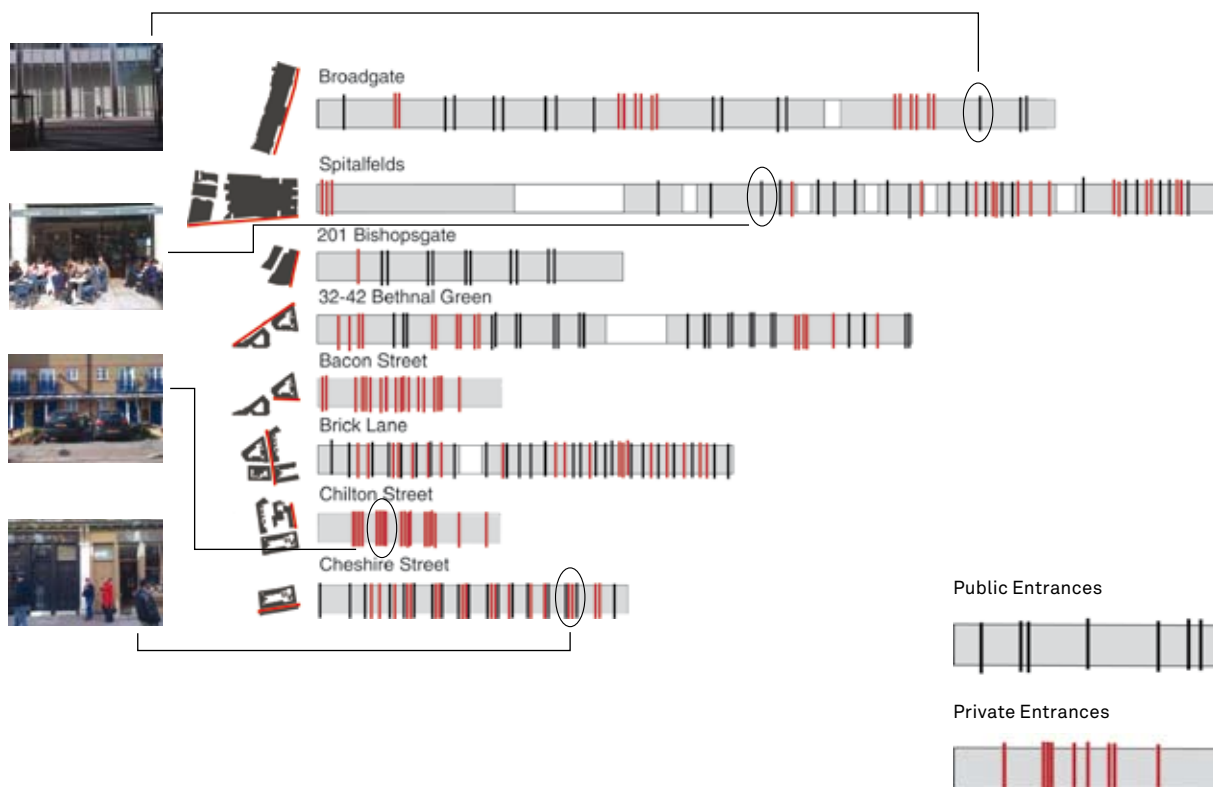
While the pedestrian realm is often represented spatially, our understanding of streetscapes is also structured through the temporal experience of simply walking down the street. The frequency with which we encounter new architectural features, or are presented with opportunities to take an alternative route, while easily mapped, are not particularly meaningful unless there are considered in the context of what has come before, and what will likely follow. In this sense we may speak of a kind of rhythm of the street.

The diagram below is an attempt to capture the difference sense of rhythms of some of the streets in the vicinity of the site. Here the particular ‘moments’ of focus are the various public and private entrances that line the street wall. A public entrance is typically open, and might be associated with a restaurant or a retail space. A private entrance is typically closed – a private residence or an office. The degree of interaction or mixing between the public and private reveals a more or less complex field of interactions.

Comparing Brick Lane with Cheshire Street, for instance, we can see that both have a high degree of intermixing of public and private entrances, and both are quite ‘dense’ in the number of opportunities they present to the passing pedestrian. Both streets function as lively commercial and residential streets. We suggest that this pattern of mixing and density of opportunity be continued along the northern edge of the Bishopsgate site to complement the character of Brick Lane. This contrasts with the approach taken by Foster + Partners in the ‘middle section’ of Spitalfields, which attempted to copy only the local scale, while separating the public from the private. As a result, the character of this section of Spitalfields market has a very different feel from the adjoining heritage building, despite similarities in aesthetics and proportion.

“The city provides the possibility for interactivity which force feeds the exchange of information, ideas and projects” (Landry, 2008: 33-34). This site will create public spaces along the pedestrian focused street and exhibition spaces in the viaduct that will foster interactivity

25 Public realm and street rhythm



Relationship: Between the Buildings

In a time where it is possible to access people from across the world without leaving your desk, it is even more important to develop space that fosters interface that is both attractive and accessible. Landry (2008: 34) explains that this interface is so important: “despite the proliferation of virtual communication, face to face interaction, networking, and trading remains vital.”

The site will develop a forum for interface between different industries. The physical make-up of the site is reflected in the small, medium, and large spaces of the intervention. The plan below shows the large space in blue, the medium in red, and the small in black. The different physical scales reflect the type of tenants that each of the buildings will house and their proximity to one another.

The large building accommodates larger office spaces. The medium spaces are the incubator spaces for businesses between one and fifteen people. The small-scale office space will be for retail and small workshops, similar to the stores and restaurants on Brick Lane. Our aim is to attract a mixture of occupants and clients, and prevent the site from becoming simply an extension of the business district.

Relationship: Within the Buildings

The interior space is crucial to fostering collaboration between different industries to increase creative productivity. The incubator spaces on the southern section of the site will be the central forum for developing innovative approaches to the various industries that will locate there.

The incubator will be composed of spaces for different sizes of small businesses. These again are divided between small, medium, and large. Small is for businesses between one and five people, medium for six to nine, and large for ten to fifteen. The focus of the space, as with the entire site, is the flexibility of the space for a variety of uses and a focus on the interaction and interface that the site can foster. The incubator space will provide a venue for interaction between small businesses with innovative ideas. They will be able to pool resources within a space of collaboration. The site will be able to respond to the different needs of the businesses as they transition in and out of the incubators. The floor plates are flexible and open so that there is no over-specification limiting the uses of the space. The design of the space is crucial to fostering an interface between the different businesses within the incubators. The model for the incubator site is one we call the ‘creative collaboration’ model.



26 The creative collaboration model

An incubator for SMEs

- Fashion
- Engineering/Construction
- Furniture/Repairs/Mechanics

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