

Public-Common Partnerships: Democratising ownership and urban development



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Executive Summary

This report provides a detailed account of how Public-Common Partnerships (PCPs) - a diverse institutional design for collective ownership - can play a foundational role in shaping a commons-led approach to urban development. The report is aimed at policy makers, community activists and social movements, all of whom are essential to the implementation of PCPs.

The past three decades have been dominated by a cookie-cutter model of extractive urban development. Inwards private investment has been seen as a cure-all for everything from the provision of jobs and housing to the creation of nominally public space and 'cultural vibrancy'. Yet inevitably, as local and regional authorities have competed to appear attractive to developers and private investment - sometimes incorporating largely powerless processes of 'citizen participation' - the result has been to produce towns and cities that primarily reflect the needs of private finance.

When this model is supposedly working, we see Victorian-era hospital buildings converted into WeWork coworking spaces, 'regenerated' housing estates displacing former residents, small-traders priced out of their premises and replaced with dark-kitchens and food delivery warehouses, traditional markets demolished and replaced with unaffordable build-to-let housing units, and former cotton mills - once home to garment manufacturing, art studios and small breweries - redeveloped into 'boutique' student accommodation. Meanwhile, those places problematically framed as 'left behind' largely struggle to pursue a different pathway, as speculative capital sucks-up land and assets in anticipation of 'their turn' to profit from a development boom. In both cases, what is foreclosed is an approach to urban development that prioritises improvements to the well-being of existing residents.

Through an in-depth account of two contrasting cases (Wards Corner in Haringey, and Union Street in Plymouth), this report shows how Public-Common Partnerships can act as conduits for an alternative model of urban development. Responding to the specific context of each case, and drawing on existing ownership legislation in the UK, the report outlines two distinct models for how a Public-Common Partnership could deliver democratic community control of assets and the value generated through them. These models are then considered in the context of a wider approach to democratic urban development.

Both models work with an expansive understanding of economic democracy, moving beyond traditions of worker ownership and representation to explore the potential for wider democratic control of assets. They also confront limited understandings that exclusively equate 'democracy' with public institutions, instead demonstrating the opportunity and potential for new democratic spaces of urban development.

The report presents five key findings :

1. Collective control and ownership of assets and resources can address systemic injustices and crises. This includes, but is not limited to, the problem of escalating inequality, declines in democratic participation, assisting the post-pandemic recovery, and reversing decades of land and resource privatisation.
2. Meaningful democratic participation only becomes possible when communities

have control over assets and resources, but after over 40 years of privatisation premised on - and producing - atomised individuals, the existence of communities cannot be assumed. Rather, they must be built and sustained through democratic processes and institutions.

3. Participation in meaningfully democratic structures such as PCPs improves individual and community capacity for self-governance and democratic practice. Fighting for such institutions similarly develops collective capacities for self-governance.
4. Off the shelf models for commoning do not exist. Each PCP must be developed with its particular cultures, economies, and social dynamics in mind. This can only be done with the community's full participation.
5. The expansion of the commons, through PCPs or similar institutions, is a viable alternative to private and privatising development. This means that the decision of Local Authorities to pursue private investment is a political *choice* and not a pragmatic decision made under unfavourable economic circumstances.

1 Intro

The past three decades have seen a significant shift in the dominant approach to urban development across the Global North. A transition from industrial to post-industrial urban economies and concurrent shift from Keynesian to neoliberal economic conventions has pressed a “reorientation in urban governance away from the local provision of welfare and services to a more outward-orientated stance designed to foster and encourage local growth and economic development.” This outward orientation was further entrenched in the UK in the years after the 2008 financial collapse. Successive UK governments imposed an austerity agenda on local authorities and urban administrators, prompting many to adopt belt-tightening managerial strategies that were once the reserve of the private sector, such as “risk-taking, inventiveness, promotion and profit motivation.”¹ In brief, urban planning and development became entrepreneurial.

Though there are considerable variations in how these processes have manifested themselves, it is now common to see cities pursuing aggressive approaches to “place marketing”, with city administrators often enthusiastically scrabbling to claim their position as world leaders in everything from biotech research to modern art. At the same time, central government has defunded municipal governments and applied pressure on them to demonstrate their contribution to the UK's GDP. This has prompted councils to court large asset rich private developers. External investment, it is hoped, will create jobs, revitalise the urban environment, and boost the local council's ailing tax base. UK cities hoping to outcompete other urban centres offer private investors preferential tax treatments and routinely sell, or even gift, land and assets to private developers below market value.² Asset giveaways mean that the appreciation of urban land and property values are now captured almost exclusively by private investors to be put to work, as capital, in pursuit of further private gains elsewhere.

City centres and urban commuter belts across the UK have thus become safe havens for buy-to-let investors and large-scale property developers. Rather than being first and foremost places where people live and work, they have become a collection of private assets, a means of rental income and capital gains for private investors who wield the promise of development to secure access to land and property through opaque backroom deals or “commercial confidentiality” agreements.³ Towns and cities that have struggled to compete in this new environment have experienced a decline in their highstreets and city-centres, and with them, their capacity to finance essential public services. In cities that have succeeded, the model's fundamentally *undemocratic* character has transformed urban spaces beyond all recognition, stripping them of their character and increasing the cost of living for long-term residents.

In a recent high-profile example, in July 2021, Liverpool's docklands area was stripped of its UNESCO World Heritage Status. UNESCO cited Liverpool's pursuit of intensive development projects within the listed area as the reason for this decision. Liverpool's private-led development has jeopardised the dockland's authenticity and integrity.⁴

This tragic loss of character has its roots in Liverpool's assumption of an entrepreneurial model of development from the 1980s onwards. In the 1990s the city established the Merseyside Partnership to promote inward private investment to the region.⁵ At the same time, the city was one of the largest recipients of area-based grants and funding allocated by the central government. Both revenue streams were hit hard by the 2008 financial crash. In 2010 Liverpool was the most deprived local authority in England and Wales.⁶ When the Conservative and Liberal Democratic government reduced support for local authorities as part of its broad austerity agenda, Liverpool was the most heavily affected city in England. Between 2010 and 2011 the city lost £101 million in area-based grants, or 17% of its total funding. In response, Liverpool chose to pursue further private investment that not only conflicted with the city's character but with the needs, wants, and desires of its citizens.⁷

A similar story can be told about Manchester city centre. A recent report conducted by researchers at the University of Manchester and Sheffield found that prime city-centre land had been repeatedly leased to developers for free or for a nominal fee of £1.⁸ Meanwhile, the city was paying up to nine times more to lease private land in gentrifying parts of the city than it was receiving as revenue on land in the same area. Despite Manchester City Council's stated commitment to ensuring that all city centre housing developments should dedicate at least 20% of their housing stock to affordable housing, multiple developments on public land have included no affordable housing at all. 'Oxygen', a recent £82 million urban development, featured a 32 story luxury apartment complex, a gym, a cinema, swimming pool and five star spa. The site was leased to developers for £1 and no affordable housing was included in the final development.⁹ Like Liverpool, Manchester's local authority was hit hard by the coalition government's agenda of austerity urbanism. Between 2010 and 2011, the city lost £284 per person in central government funding, the second most of any city in the UK behind Liverpool. But this is only a contributing factor to the city's direction of travel in recent years.

Manchester City Council has a policy of pursuing private developments like Oxygen, while describing their actions as an apolitical and “pragmatic” decision made to secure investment for the city.¹⁰ In thrall to the mythology that private developers are the only actors capable of delivering low-risk, profitable, urban development and obsessed with the goal of becoming a “global city”¹¹ Manchester City Council has so far elected to ignore alternatives that could democratise British cities and empower their inhabitants.

This report sets out one such alternative. Expanding on our previous work on Public-Common Partnerships (PCPs), it presents the PCP and commoning as a realistic development alternative for local councils and as an option for communities in search of neighbourhoods and cities that meet their needs, wants and desires. Rather than working with private developers who favour undemocratic, extractive, models of urban development, our research shows that councils can choose to collaborate with community enterprises to transform the UK's cities for the better.

As the name implies, a PCP is an instrument for commoning our cities. Starting with individual assets or resources, they empower communities to democratically determine the course of urban development by working in partnership with local authorities and relevant public bodies. Through two case studies, one in Plymouth and one in Haringey, London, this report shows that public-common partnerships are an economically viable institutional form for democratising urban development and empowering local councils and communities.

1.2

Public-Common Partnerships

First introduced in a 2019 report, Public-Common Partnerships (PCPs) were proposed as a radically democratic institutional model that moves beyond the simplistic binary of market and state. PCPs turn the failed model of public-private partnerships on its head by proposing that, rather than procuring private investors to develop key infrastructure and urban landscapes, councils and other public bodies can and should work with communities to design, manage, and expand the commons. Our initial report described how PCPs require co-ownership and co-governance of an asset by three distinct but mutually supporting groups: 1) relevant state authorities such as council representatives or land-owning public bodies; 2) a "Common Association" comprised of community members, residents, local business owners, and consumers; 3) project specific stakeholders such as union representatives and relevant experts.

From the perspective of public authorities, this governance model helps to mitigate political risk, addresses democratic deficits and reduces economic costs by enabling mutually supportive exchanges of finance, knowledge, and practice between PCP members. From the perspective of a Common Association, this model facilitates collectivised ownership and control over key assets and infrastructure, creating new spaces of commoning and democratising landscapes and economies.

The novelty of PCPs lies in their power to set in motion self-expanding circuits of radical democratic governance. Surpluses accrued through the profitable running of a PCP can be used to seed new PCPs elsewhere in a virtuous circle of commoning and democratic ownership. By serving as conduits for the commoning of cities, PCPs do two things. First, they help public bodies and communities to bypass the disciplinary mechanisms of private finance that so often hinder democratic visions of the city and common ownership models. Second, their very existence gives lie to the idea that only private investors have the skills, power, and knowledge to develop our cities. PCPs show that communities, working through common institutions, can and should be the ones making decisions about how cities are shaped and reshaped.

As noted in the first report, “rather than a mono-cultural institutional form applied indiscriminately and without connection to the needs and desires of different contexts, PCPs should emerge as an overlapping patchwork of institutions that respond to the peculiarities of the asset and the scale at which the PCP will operate”¹². PCPs were initially introduced as a broad proposal and model for action. Further work was necessary to demonstrate what a PCP may look like in practice.

In this report we focus on the common, democratic, administration of land and property in urban environments, but PCPs could also be used to govern a diverse range of assets, from rural projects, such as county farms, to municipal energy and water companies. Our aim in this report is to present two PCPs that have been designed with communities in Plymouth and Haringey, London. Both PCPs are place-specific interventions that speak to the needs of communities and local stakeholders, but we imagine many of the innovations presented here will be applicable to communities and local authorities elsewhere in the UK and beyond. The PCPs we outline in this report are proof of concept. They are evidence that local authorities no longer need to court private investors to ensure urban development. By implementing a PCP they can pursue a radically democratic alternative that expands the urban commons that rebuilds communities and puts them in control of where they live.

2 Wards Corner (Haringey)

Wards Corner sits at the busy intersection and underground station at Seven Sisters Junction in Tottenham, Haringey. Alongside numerous independent shops and terraced housing, Wards Corner is home to the Latin Village indoor market, one of the last remaining hubs for the Latin American diaspora in London. The market occupies the ground floor of the Wards Corner building, a former Edwardian department store that closed shortly after the opening of the adjacent Victoria line station in 1969. Both the building and the land it sits on has been publicly owned since 1973, when Transport for London completed the compulsory purchase of the site so as to ensure the structural integrity of the surrounding transport infrastructure.

Sitting disused for more than a decade, TfL began leasing the ground floor of the Wards Corner building in 1985 to independent operators, leading to its development into an indoor market. Initially serving the local Afro-Caribbean community, the market became increasingly important to Latin American traders and customers, and was soon established as an important economic and cultural site. Since 2014, the market has been recognised as an Asset of Community Value by Haringey Council.

The remaining floors along with the larger corner building have, however, been left disused and fallen into disrepair. In March 2020, just as the COVID-19 pandemic triggered a national lockdown in the UK, a major electrical fault rendered the market unsafe for use.¹³

The building remains in chronic need of investment before it can be reopened, and although lockdown restrictions have gradually lifted, the livelihoods of the market traders remain on hold. Though both TfL and Haringey Council had the option of supporting a community plan for the building's renewal at this early stage, Wards Corner was effectively left to ruin. The building's deterioration, despite viable alternatives, is illustrative of wider challenges facing Seven Sisters and the West Green Road area.

2.1

A 'new deal' for the community?

With Haringey identified as one of the 10% most deprived communities in the UK, the Seven Sisters/Wards Corner site was designated for regeneration in 1999 as part of the second phase of the 'New Deal for Communities' programme (NDC).¹⁴ The NDC programme intended to disseminate around £50 million of central government funding to each of the NDC areas over a ten year period, with a focus on 'regenerating' the area. The council earmarked Wards Corner (including an adjacent council office building, Apex House, and Seven Sisters underground station) for redevelopment in 2003 with a stated vision of creating 'a landmark development that acts as a high quality gateway to Seven Sisters'¹⁵.

In 2007, a development agreement was signed between Haringey Council and the UK-based developer Grainger PLC, followed by the granting of planning permission for Grainger's proposed redevelopment in 2012. By 2020, Grainger had acquired the formerly council-owned site of Apex House (sold to them for a questionably valued £3m) and built two towers offering 163 private build-to-rent apartments, including some at 'affordable' rates. Yet plans for the Wards Corner site - which included 196 additional build-to-rent units solely at market rate, commercial restaurant and cafe units, and a smaller replacement market - were opposed from the outset by many of the market traders, local businesses and community groups.

Most imminently, Grainger's plans posed an existential threat to the market itself. A 2017 review by UN human rights experts condemned the redevelopment on the basis that 'the destruction of the market and scattering of the small businesses to other premises would not only seriously affect the economic situation of the people working there, but it would also make this cultural life simply disappear'¹⁶. The Grainger development plans typified the extractive model of urban development. They would fail to meet the needs of existing residents or users of the area and would fuel wider gentrification while ensuring profits were extracted from the area.

2.2

Towards a Community Plan

Just as the council understood the site as a 'gateway to Seven Sisters', a coalition of community actors saw the potential for Wards Corner to act as the nucleus of a broader community-led and community-owned revitalisation of the area. Starting in 2007, this coalition of actors began work on the iterative development of four community plans. Ostensibly a plan for the Wards Corner building, the West Green Road/Seven Sisters Development Trust -

an organisation integral to the development of the plan - saw this as the lynchpin in a broader strategy for community directed development.

The most recent community plan incorporated a detailed business plan forecasting an £880,000 annual turnover for the market alone and included a housing study that demonstrated the potential for up to 200 housing units on the wider site.¹⁷ Through community control of this turnover, the Wards Corner development could become a vehicle for democratic revitalisation, ploughing profits into further projects in the area and further afield. The plan received planning permission in November 2019, proving the practical viability of the community-led alternative.

Following the appointment of the then Momentum National Coordinating Group member, Joseph Eijofor, as leader of Haringey Council in May 2018, a move that saw Haringey dubbed the first 'Corbyn Council', there were hopes the local authority would intervene in favour of the Community Plan. Yet despite opportunities to legally exit from the contract,¹⁸ the Council leadership remained committed to the delivery of the Grainger development. Following the final unsuccessful crowd-funded legal challenge led by the Second Sisters Market Traders Association (SSMTA), a local authority compulsory purchase order was approved by the Secretary of State in October 2019. The local authority's purchase from TfL was conducted on behalf of Grainger and marked what looked like the end of more than fifteen years of campaigning for the site's residents and traders.

Yet in March 2020, Grainger circulated an investor presentation that detailed the development start date would be pushed back until at least 2024. On the 7th April 2021, more than 12 months since the UK entered its first national lockdown, and with average London rents reportedly falling by 6.9% through to October 2020, Grainger PLC wrote to market traders informing them that "an in-depth review of the wider Seven Sisters regeneration project... has identified significant challenges to the project's viability". Finally, on the 5th August 2021, Grainger announced the cancellation of the development, noting how "numerous legal challenges... the complexity of the site and the changing economic environment" had rendered the development unviable.

2.3 A Public-Common Partnership for Wards Corner

Whilst Grainger stalled on their development, advocates for the Community Plan met with representatives of the Mayor's Office (including Sadiq Khan) in October 2020, petitioning the Mayor to support the immediate development of a temporary replacement market and to further intervene in favour of the delivery of the Community Plan via a "Public-Common Partnership approach". With the confirmation of Grainger's withdrawal from the scheme, the new leader of Haringey Council - Cllr Peray Ahmet - announced the council was "*supportive of the Trust's Community Plan to bring the existing historic building back to life for the next generation, with Seven Sisters market, popularly known as the Latin Village, at its heart*".¹⁹

The purpose of a PCP for Wards Corner is to establish the Wards Corner building as a community controlled asset that will function as the motor of a wider democratic revitalisation of the surrounding area. The model embodies the principle that community *led* must also mean community *owned*, and that meaningful partnerships between public bodies and communities

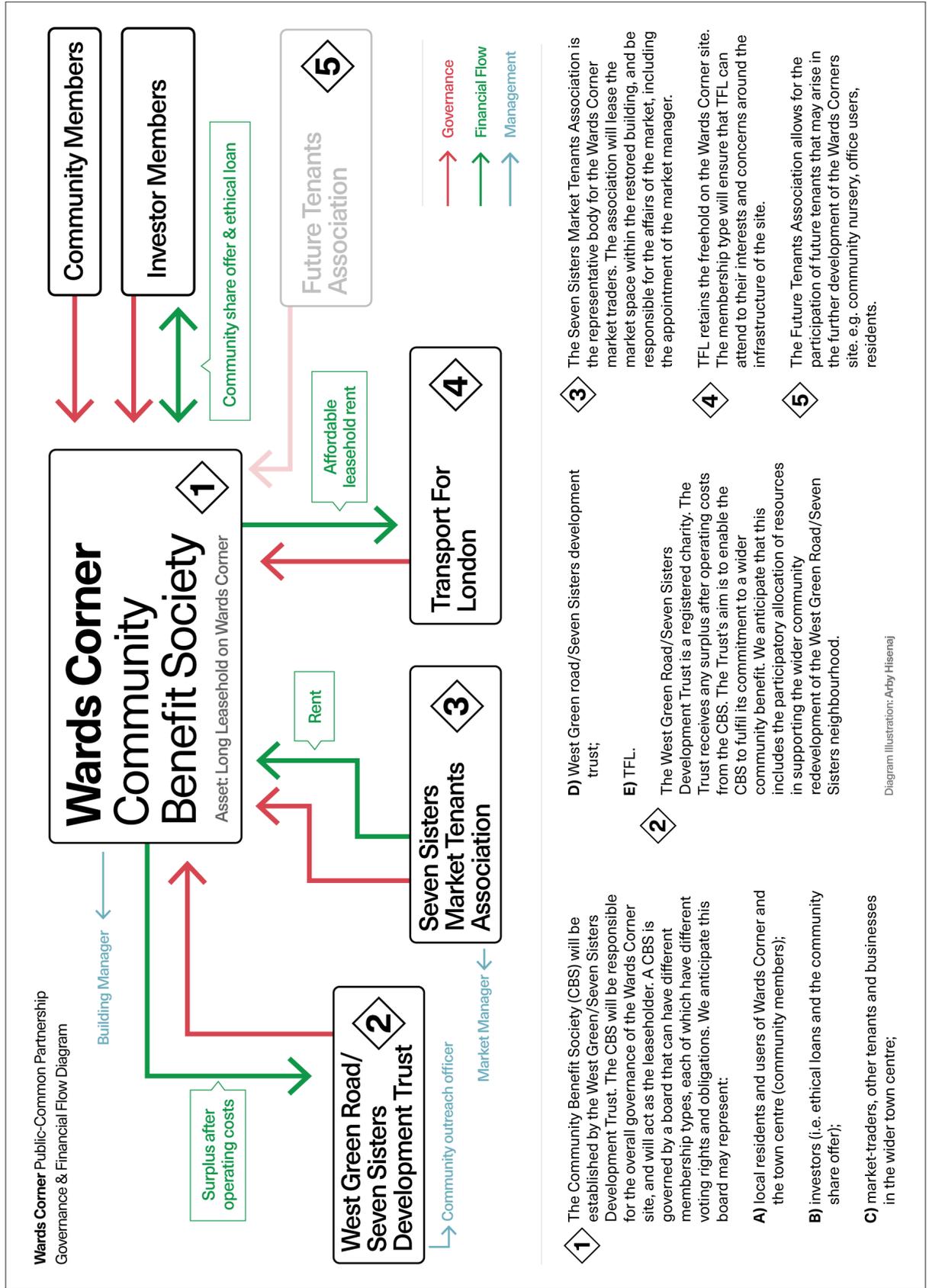


Figure 1

cannot be built on “dialogue” alone. Furthermore, it recognises that “the community” is not a predetermined object, but rather something constantly *built* and *enacted* through the creation of spaces of democratic debate. The Wards Corner PCP is not just about the governance of an asset, it’s a strategy for creating and strengthening relationships embedded in the long-term development of the area.

Diagram Illustration: Arby Hisenaj

i. Wards Corner Community Benefit Society

At the core of the Public-Common Partnership is the Wards Corner Community Benefit Society (BenCom).²⁰ Introduced in the 2014 Co-operative and Community Benefit Societies Act, a BenCom is a business model where all profits must demonstrably be used for community benefit. Whilst TfL will continue to hold the freehold on the site - acting as the public partner - the BenCom will become the long-term leaseholder on affordable terms, and will be responsible for managing the Wards Corner development.

A BenCom has a democratic membership-based structure. Wards Corner BenCom is composed of five different share types: Community Members, Investor Members, Transport for London,²¹ the Seven Sisters Market Tenants Association (SSMTA), and West Green Road/Seven Sisters Charitable Development Trust (the Trust). Eligibility for a share is defined within the rules of the BenCom, and each shareholder member has a single vote regardless of how many shares they own, known as “one member, one vote”.

For example, Community Member shares (typically available for £1) may be made available to anyone that lives within a defined geography, such as a postcode (e.g. N15) or combination of electoral wards. Likewise, the SSMTA would access shares exclusively for market traders, and so on. On an annual basis, shareholders elect a specified number of representatives for their share type to the board. This approach ensures that specified types of interest, from investors to market traders, are always represented on the board.

ii. Expanding democracy

Acting as a deliberative space engaging multiple different interests, the Wards Corner BenCom provides a democratic forum for governing the development of the Wards Corner site. Yet from the outset, this space is one of competing and potentially contradictory interests.

Certain issues may be resolved through assigning specific obligations or exclusions to different share types.²² For example, the TfL share may hold veto power over any decisions regarding the physical infrastructure on the site, which is essential to ensuring the surrounding transport infrastructure remains uncompromised. The Development Trust may hold veto powers regarding any changes to the rules of the BenCom, preventing any constitutional changes that would compromise the overall operation of the PCP. Meanwhile the SSMTA, acting as the market operators, will have exclusive decision-making powers regarding the operational aspects of the market, including the hiring of market management, something traders have been denied by TfL in the past.

In acting as the steward of profits generated by the BenCom, the charitable Development Trust's objective is to act as a participatory democratic body in directing these funds towards the expansion of democratic ownership initiatives in the wider West Green Road/Seven Sisters area.²³ The surpluses of these future initiatives, which may include additional PCPs, would also feed into the Development Trust, producing a self-expansive dynamic for the extension of economic democracy. Through creating an institutional separation between the Trust and the BenCom, the decision-making processes of the former are insulated from some of the contradictory interests of the latter, in particular from the disciplinary effects of finance capital. In practice, this should allow for different cultures and temporalities of decision-making to occur, underpinning a development approach where financial return is secondary to the needs of inhabitants.

Finally, the SSMTA acts as a crucial site of workplace democracy. The SSMTA effectively works much like a worker cooperative embedded within the broader BenCom model, ensuring the market's operational issues are addressed by the market traders themselves. Represented on the board of the BenCom, the SSMTA also plays an active role in contributing to the broader governance of the development.

iii. Financing renovation

The Wards Corner PCP provides an innovative approach to financing the redevelopment of the Wards building, with a forecasted cost of £11.7 million.²⁴ Working with the housing and property consultancy Altair, the community plan developed a series of cash flow models, modelling how this cost could be met through a mix of community investment, grant funding and ethical investment.

A Community Share Offer is expected to raise between £750,000 and £1m, providing investors a small return on their investment whilst providing them with a vote as an investor member. As with all members, investor members receive a single vote irrespective of the number of shares purchased. With grant funding expected to provide between 25-50% of the total cost, the remaining cost, between £4.8-8m, is to be raised through debt financed from pension funds (e.g. the London Pension Fund Authority) and ethical banks (e.g. Triodos). As the public partner in the BenCom, TfL is able to act as guarantor on these loans, facilitating access to otherwise unobtainable debt financing. This suggests a significant role to be played by public agencies or local authorities in *enabling* the financing of initiatives whilst providing limited direct funding.

Whilst financial modelling suggests that it will take anywhere between 17-28 years to repay the costs of redevelopment, this is inclusive of an internal rate of return that would generate a utilisable community fund from the third year onwards. With a cascading loan repayment schedule, all profits generated by the BenCom will - from the end of the second year onwards - be transferred to the Development Trust. As the loans are paid down, the operating profits made available to the Development Trust increase correspondingly.

iv. Developing the Commons

If the BenCom acts as the "joint enterprise", it is the Development Trust that fulfils the crucial role of the "common association" in the PCP. The Wards Corner development provides a geographical focus for the cultivation of overlapping communities of interest, some tied to the process through physical proximity (community member shares) and others through value-based commitment (investor members identified through the community share offer). It is this community of interest that provides the critical mass from which the Development Trust can begin to implement direct participatory processes of urban development.

The precise nature of these participatory processes cannot be fixed *in utero*, although there are many precedents. The co-creation of a "common plan" for the urban development in the immediate surroundings of Seven Sisters - akin to the common plan discussed below for Union Street - can provide medium-term direction without placing unrealistic demands on participation. Meanwhile digital platforms such as *Decidim*²⁵ can help support in-real-life dialogue and decision making.

As we note in the original report, it is vital “to emphasise the importance of thinking of PCPs not in isolation, but as part of a self-expanding circuit”. If the Wards Corner PCP maps out an internal structure, the Development Trust is the conduit to a wider circuit of the commons. Whilst this will likely mean addressing the immediate area of the West Green Road and Seven Sisters at first, the horizon of this circuit is not geographically limited. It is precisely this capacity of a PCP to “scale out” that positions it not simply as a local intervention, but as a politics of the common that can intervene *across scales*.

Grainger’s withdrawal from the site on the day the development agreement expired was a major achievement, demonstrating that the tireless campaigning of market traders and their supporters had a real impact on the viability of extractive development models. Their victory shows that it is not inevitable that our cities must be defined by the profit margins of developers, and that the future of our cities is a political decision. Yet the task of creating a community-owned and community-led model of development has only just begun.

The Wards Corner PCP model proves that existing forms of ownership in the UK can be combined to create a democratic vehicle for urban development. Yet the model is not finalised, and many of the finer details must still be decided upon through negotiation and additional legal expertise. As we’ve seen recently, the specifics of the case are open to quite sudden change, with public actors such as Haringey Council or the GLA liable to shift their position on how far they will support the development. Whilst the model will develop, it demonstrates a clear and realisable aspiration to implement a Public-Common Partnership in Haringey.

3 Union Street (Plymouth)

Union Street in the Stonehouse district of Plymouth links the city centre to the Devonport naval base and Millbay docks. Running East to West it separates residential areas to the North from more mixed, but predominantly light industrial and commercial areas to the South. Originally built as a location for upmarket residences, the street’s proximity to the dockyards led it to become first a centre for entertainments like theatre and cinema, and later the focal point for the city’s nightlife. The long-term decline of the street was accelerated in the mid-00s when the closing of several nightclubs displaced the night-time economy from the area. As a result, the street is in considerable disrepair with many privately owned vacant properties, a good deal of which have been empty for over 15 years.²⁶

Previous efforts to revitalise the area have followed regeneration models familiar to many other cities over the last thirty years. Like Haringey, the nearby Devonport area was the location of a New Deal for the Community project in 1999. The subsequent redeveloped plan for Stonegate adopted by Plymouth council in 2007 and intending to run until 2021 aimed at “using the redevelopment sites around the water as a catalyst to further regeneration throughout the

area. This will lead to the creation of a unique high quality environment attractive to investors”.²⁷ The key waterside development in question is Royal William Yard in nearby Millbay. The developers, Manchester based Urban Splash, represent a mode of development previously favoured by the council, who for instance, sold Plymouth’s Civic Centre to Urban Splash for a nominal £1.²⁸ Yet, despite decades of “action plans”, the Stonehouse area continues to be underdeveloped with parts of it in the 4% most deprived areas of the UK, whilst the central focus of redevelopment plans - Union Street - remains characterised by shuttered retail premises.²⁹

3.1

The Emergence of Nudge

An alternative, bottom-up model for the development of the area began to emerge in 2016 when a community group called Stonehouse Action bought 96 Union Street, commonly known as Union Corner, and developed it into a community centre. In 2017, the now experienced alumni of Stonehouse Action established Nudge Community Builders to buy an ex-pub on Union Street called The Clipper and develop it into a community market and café. Nudge’s next move came in December 2019 when they took over 80-84 Union Street. This site has since been renamed The Plot and developed into an alternative shopping arcade and a site for small community businesses and services. Finally, in September 2020 Nudge bought the Millennium building on Union Street in partnership with the development group Eat Work Art.³⁰ This much larger building, which has previously been a cinema, nightclub, and bingo hall, was purchased with support from the National Lottery-funded Power to Change and the philanthropic Rank Foundation.

Nudge Community Builders is a community benefit society (BenCom) with an eight person board elected by members who have joined the BenCom through the purchase of community shares. At least two thirds of the board must live within Stonegate. There are currently 165 investor members built up through community share issues. Their first share offer, which closed on the 25th September 2018, raised £205,000. Beyond direct community investment it is their embeddedness in the community that allows Nudge to grow. Indeed, Nudge’s buildings and projects help give structure to the community allowing an abundance of community activity. This is the real source of increasing wealth that underlays any subsequent rise in asset values.

3.2

A Bottom-up Development Plan

These considerable achievements are not the limit of Nudge’s ambitions. Their stated aim is to turn Union Street into the “first street in the country with more than 50% of buildings being community owned and 75% of businesses being social enterprises or purpose led businesses – a national example of what a future high street can achieve”.³¹ There are, however, a number of problems presented by such a target.

The first difficulty concerns the scale of transformation the street requires. Nudge is a relatively small organisation. Running three buildings while developing a fourth is pushing the

limits of their current capacities. It would not be possible for Nudge, at least in their current shape, to take on the development and governance of all the properties requiring renovation on Union Street. Beyond the problem of capacity there is the question of the legitimacy of the plans. Nudge is clear that despite being strongly embedded in the community they have no wish to unilaterally impose their vision for the street on the community.

The second key problem is one shared with Wards Corner in Tottenham, and indeed, any other community led development. How can you improve your area while avoiding community regeneration which “displaces the community it set out to support... As Nudge and others invest in the street, the people who stand to benefit as land values increase and the market improves are the people who have left their buildings empty and neglected for so long”.³² To address these problems Nudge began investigating the idea of a land bank or land exchange which would de-commodify the land on the street and make it affordable for the community to develop for themselves. In this way any increase in value brought about by community led regeneration would be banked for the community. In early 2021 Nudge established a group of interested parties and advisors to investigate the feasibility of, and potential structure for, a Union Street land bank or exchange.³³

3.3

A Public-Common Partnership for Union Street

Initially, Nudge favoured a land exchange rather than a land bank, with the idea that while assets needed to be purchased as they become available the ownership could be quickly passed on to others with community use ensured through covenants. Such a model is one way of addressing the problem of Nudge’s limited capacity to develop and run more buildings. It would, however, leave several problems unresolved. The first is the difficulty of deciding who gets to own those assets passed on by the land exchange if the decision isn’t mediated through the market. The second is the question of who gets to decide how assets are used. Yet even more problematic is the possibility that the assets will move out of common ownership and back into private ownership. Indeed, even community usage of the assets can’t be guaranteed over the medium to long-term as the positive covenants guaranteeing this will lapse when those assets are resold. With a land exchange the displacement of the community through rising asset prices could be merely delayed rather than counteracted.

In contrast, a land bank based on a Public-Common Partnership would aim not just to build and retain wealth within a community while avoiding its displacement but also to capture some of the increase in wealth, using it to trigger a self-expansive dynamic of common ownership in which the income from one asset can support the purchase of new buildings. This form of democratised common ownership of assets prevents the benefits of that development falling to landowners who have banked and underdeveloped the assets, and it also helps inoculate the community against the extraction of wealth through rentier business models more generally. In addition, a PCP approach aims to build the capacity to govern assets by involving community members in democratic processes for which, due to the related asset ownership, there is a lot at stake.

While there are similarities in the problems faced in the development of Union Street and Wards Corner there are large differences in the context within which the projects operate and to which the specific PCP must be adapted. Wards Corner is owned by TFL, a public or pseudo-public body, whereas the assets on Union Street, outside those already acquired by Nudge, are privately owned. This gives a quite different and less predictable temporality to the project because properties must be acquired as they come onto the market. The role of the public body in a Union Street PCP is therefore less immediately obvious. Indeed, despite Plymouth council's adoption of an action plan aiming to double the size of the cooperative sector in the city by 2025,³⁴ Nudge has, until recently, found the council a reticent interlocutor. It is only since Nudge took on the Millennium building, a much larger undertaking than previous projects, that the council has appeared to be more open to partnership. These factors mean that the role of the public body features less centrally in our design for a Union Street Public-Common Partnership than in the design for the PCP at Wards Corner.

assets on Union Street as they become available and are given the leeway to act quickly in that regard. The USC, by contrast, functions in a participative and democratic manner. It has different membership types with different rights and obligations. These are used to structure the operation of democratic deliberation within the commons, ensuring that each party's specific interests are attended to. The USC is tasked with developing, in a participative manner, a common plan for the development of the area. The USC also works with the local council to draw up a neighbourhood plan, which would align with the common plan and be lodged with the council to guide its planning decisions.³⁶ The common plan would be more than a neighbourhood plan because it can directly decide on the usage of the assets it controls. We hope this ability to directly participate in designing the evolution of the neighborhood in a cohesive and strategic manner, and where those plans are realised through the collective ownership of assets, will attract the level of community participation that the project's credibility depends on. Nudge is currently considering the Union Street Public-Common Partnership diagram as they decide on their next steps.

The self-expansive dynamic built into the design of a Public-Common Partnership aims to build community power, avoid the displacement of the original residents and increase its capacities for democratic coordination over the long-term. This means that PCPs will increase in size and potentially change shape as they develop. Nudge's plans are at a different stage of development to those of Wards Corner; they don't yet have the equivalent of the Wards Corner community plan to guide their medium term direction, yet they already have a series of assets. This means the Union Street PCP diagram above represents a snapshot of its potential structure without directly addressing the process through which it will emerge. It is quite possible, for instance, that Nudge could play the role of the Union Street Commons in the immediate term allowing assets to be purchased as they become available and allowing democratic structures to be created, populated and developed according to a timescale appropriate to the task.

4 Conclusion

The Covid-19 pandemic has changed behaviours in ways that are likely to last. As a result the spatiality of towns and cities is changing along with the uses to which high streets and city centres can be put. The scale and nature of the government interventions provoked by the pandemic around the world also represent a huge change of direction in macro-economic policy, which will impact municipal policy. If, as economic historian Adam Tooze has argued, the dominant policy framework of the previous 40 years sought to “depoliticise distributional issues”, then with Covid-19 it appears that “a turning point had been reached”. Economic decisions are always politically structured, but they are increasingly being repoliticised in a direct and overt manner. It's important to recognise that this new “willingness to make political choices about resource distribution and priorities at every level” can either take a democratic or a clientelist form.³⁷

The likelihood that the trends for working and shopping from home will continue past the pandemic is creating uncertainty over the future of commercial property rents. This in turn is putting into doubt the viability of urban development models driven by rising city centre asset prices and operationalised by large, wealth extracting developers. It is also likely that the changing economic policy framework mentioned above will leave such models increasingly vulnerable to accusation of clientelism. Indeed, this mode of development is implicated in, and has exacerbated, many of the key problems and crises of our time, such as astronomical levels of wealth inequality, chronic social, and generational divides around asset ownership, and falling participation in our democratic institutions.

The explosive emergence of new municipalist movements and policy across many different countries in the 2010s was provoked by these crises. Public-Common Partnerships are part of that wave of new thinking, addressing those problems head on. We can situate PCPs even more precisely within the strong recent trend towards public-community collaborations.³⁸ PCPs also draw on the wider field of community-led development, but as the designs for both the Wards Corner and Union Street PCPs show, we don't assume that an appropriate community is already in existence. We conceive of "communities" rather as something that must be actively constructed and sustained through democratic association. Such communities are not neutral, but rather become endowed with values (whether reactionary or progressive) through the shared practices that constitute the community's activity.

Moving beyond the simplistic binary between state-led (aka "public") or market-led (aka "private") approaches to urban development, common associations form the institutional fabric of the kinds of communities able to undertake deliberative democratic planning of the development of their areas. Indeed, the design aims to insulate these democratic bodies from financialisation. This allows the community to structure development around their needs and desires rather than the needs of the bearers of financial capital. We can see this element of the PCP design as a mirroring or reversal of the neoliberal trend, seen in central bank independence for instance, of insulating decision making bodies from democratic pressure from below. PCPs are therefore at the cutting edge of new municipalist thinking. They are a transitional institution that not only produces the community necessary for their own functioning but also helps to produce the conditions for a more engaged and deliberative public on a wider scale.

While the broad features of the Wards Corner and Union Street PCPs could be applied in many other examples and contexts they cannot be copied exactly. Instead, the two examples in the report indicate how the idea of a PCP in its abstract form can be altered and applied to the specificities of particular contexts. In the past, local authorities have found it difficult to avoid partnering with large private developers but, post-Covid, the problems with that model have reached a crunch point. This report shows that community led developments based around the expansion of the commons are viable alternative partners for public bodies.

4.1

Five Key Findings

1. Collective control and ownership of assets and resources can address systemic injustices and crises. This includes, but is not limited to, the problem of escalating inequality, declines in democratic participation, assisting the post-pandemic recovery, and reversing decades of land and resource privatisation.
2. Meaningful democratic participation only becomes possible when communities have control over assets and resources, but after over 40 years of privatisation premised on - and producing - atomised individuals, the existence of communities cannot be assumed. Rather, they must be built and sustained through democratic processes and institutions.
3. Participation in meaningfully democratic structures such as PCPs improves individual and community capacity for self-governance and democratic practice. Fighting for such institutions similarly develops collective capacities for self-governance.
4. Off the shelf models for commoning do not exist. Each PCP must be developed with its particular cultures, economies, and social dynamics in mind. This can only be done with the community's full participation.
5. The expansion of the commons, through PCPs or similar institutions, is a viable alternative to private and privatising development. This means that the decision of Local Authorities to pursue private investment is a political *choice* and not a pragmatic decision made under unfavourable economic circumstances.

4.2

Future directions for PCPs

While this report has presented two examples of how a PCP can operate in urban contexts, it is important to note that PCPs are not just an option for urban communities and councils. We have argued that PCPs are a way to put common associations, rather than private developers and speculators, in control of assets, resources, and planning. This shift in ownership changes who decides how an asset or resource is used and who benefits from their future appreciation. Such issues are as relevant in rural and peri-urban areas as they are in urban ones. Agricultural land, for instance, has appreciated in value more than six-fold in 30 years. In 1992, agricultural land sold, on average, for £1,000 an acre. Today it sells for roughly £6,500 an acre.³⁹ This not only makes rural land unaffordable for all but the wealthiest rural inhabitants but appeals to investors looking to secure safe rental incomes and asset appreciations. As Guy Shrubsole writes, it has also prompted Local Authorities to sell off their agricultural landholdings, such as county farms, with the short-term aim of plugging holes in their budgets.⁴⁰

County farms are agricultural lands owned by Local Authorities and intended as a means to help people enter the farming industry. Since 1977 the area of land occupied by county farms in England has plummeted from 426,695 acres to just 215,155 in 2017. Yet county farms, run as PCPs, could provide a good source of long-term rental income for Local Authorities and open space to experiment with farming practices that can challenge existing ecologically destructive

farming systems. Imagine, for instance, a county farm managed by a rural collective along ecologically restorative, agroecological, lines. Such a farm could provide a revenue stream to rural authorities, repair Britain's ecologically damaged landscapes, and provide local food and employment to rural areas. Profitable farms could channel some of their surplus into seeding the expansion of other rural PCPs elsewhere in the country, expanding the circuit of the commons and putting an end to the enclosure of the countryside.

While the issue of land would be present in most PCPs the model is certainly not restricted to land based assets. In cities, towns, villages, and suburban areas, PCPs could be used to run local renewable energy companies that provide affordable energy to Commons Association members and incentivise fitting housing stock with high efficiency insulation.⁴¹ The UK has some of the worst insulated housing stock in Europe, with domestic gas boilers and electric heating systems contributing around 15% of the UK's greenhouse gas emissions. Retrofitting housing stock, through surpluses delivered by common energy companies, would decrease energy bills for members and tackle the climate crisis. This is possible because unlike private energy companies, which are incentivised to maximise domestic energy use to boost profits and shareholder value, commonly owned energy companies could be run as a common good, redirecting their surplus into retrofitting housing and assisting a just transition towards renewable energy sources. As we discussed in our first report for Common Wealth, the German town of Wolfhagen's cooperative energy partnership can provide a partial model for this.⁴² Shareholders in the cooperative receive an annual dividend (4% in 2016), while the energy cooperative's remaining funds each year are channeled into energy saving initiatives to support its members.

PCPs aim to capture surplus value for use in capitalising new PCPs or other projects of commoning. The institutional form incorporates the anticipation of a self-expanding circuit of the commons. The Wards Corner and Union Street PCPs include plans to capitalise other projects of common ownership in their immediate area as part of a coordinated and democratic development plan. There is no reason, however, that such relations of mutual support couldn't cross different geographical regions or sectors of the economy. There is nothing in principle preventing Nudge Community Builders, for instance, entering such a relationship with Plymouth Energy Community, a charitable, cooperative enterprise who work in partnership with Plymouth council to establish community owned energy infrastructure and housing.⁴³ As PCPs become established around the country it will become possible to establish national and even international, self-supporting circuits of the commons, allowing more and more areas of life to be brought into common, democratic ownership and control. No doubt, this is an ambitious proposition. But this scale of ambition is demanded by the scale of the multiple ecological and social crises that confront us.

Endnotes

- 1 https://journals.sagepub.com/doi/abs/10.1177/030913259602000201?casa_token=35AVk6ivVdIAAAA_A:vmth6j22x7Ti9hyuR5oJTcO2KmhfeUFzzGq6YeMLWzww9AKIlt-9KNxjkQJhMRcdryJ95sQgTN0
- 2 <http://www.gmhousingaction.com/wp-content/uploads/2021/05/Who-Owns-The-City-v1.9.pdf>
- 3 <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1467-8330.2010.00819.x>, p.363
- 4 <https://whc.unesco.org/en/list/1150/>
- 5 https://www.sciencedirect.com/science/article/abs/pii/S0264275113000395?casa_token=hpWu0AZOKNMAAAAA:f1kDEKQvCTUQbGF2tCSmoiPAvJiif4guWIE8GwHXJ_el9F9cM8EBPSP7_shJKA4RsUKg0-XbbIM
- 6 <https://academic.oup.com/cjres/article-abstract/7/1/137/364544?redirectedFrom=PDF>, p138
- 7 <https://academic.oup.com/cjres/article-abstract/7/1/137/364544?redirectedFrom=PDF>, p.143
- 8 <http://www.gmhousingaction.com/wp-content/uploads/2021/05/Who-Owns-The-City-v1.9.pdf>
- 9 <https://www.manchester.ac.uk/discover/news/researchers-question-council-land-sales-in-manchester/>
- 10 <https://www.manchestereveningnews.co.uk/news/greater-manchester-news/manchesters-1-land-deals-luxury-20563046>
- 11 https://secure.manchester.gov.uk/news/article/8792/council_appoints_new_strategic_director_of_growth_and_development
- 12 <https://www.common-wealth.co.uk/reports/public-common-partnerships-building-new-circuits-of-collective-ownership>
- 13 <https://savelatinvillage.org.uk/covid-19-latin-village-timeline-of-events/>
- 14 See page 11 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/414648/NDCevaluationphase2_0315.pdf
- 15 See page 4 Haringey Council (2004) Wards Corner/Seven Sisters Underground Development Brief https://www.minutes.haringey.gov.uk/documents/s22489/wards_corner_seven_sister_underground_development_brief1%202.pdf
- 16 <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?LangID=E&NewsID=21911>
- 17 Wards Corner Community Plan (2019) Wards Corner Community Plan. https://pdfhost.io/v/DyoOdsKV6_190820_Wards_Corner_DAS_RevA.pdf
- 18 See <https://www.newstatesman.com/politics/uk/2019/10/why-corbyn-council-haringey-seven-sisters-latin-village-property-developers-local-market-traders>
- 19 <https://n15developmenttrust.com/2021/08/06/joint-statement-with-haringey-council/>
- 20 The Wards Corner CBS assumes the role of the “joint enterprise: as introduced in the 2019 Public-Common Partnerships: Building New Circuits of Collective Ownership report.
- 21 An alternative route to membership for TfL is to have guaranteed board seats written by contract. This provides the opportunity for a time or interest-limited role on the board, rather than TfL’s engagement being written into the rules of the CBS.
- 22 The specific details (e.g. drafting of the rules of the CBS, along with specific weighting of membership types, responsibilities and exclusions etc) of the PCP are in development, and require negotiation between partners. These details have not been set out in this report.
- 23 The Development Trust assumes the role of the ‘Common Association’, as introduced in the 2019 Public-Common Partnerships: Building New Circuits of Collective Ownership report.
- 24 The redevelopment cost has been provided by Robert Lombardelli Partnership quantity surveyors. The final cost will be affected by broader trends in the prices of materials.
- 25 <https://decidim.org/>
- 26 ‘Transforming Union Street Together’, Nudge Community Builders internal strategy document, 2019

- 27 <https://www.plymouth.gov.uk/sites/default/files/CoreStrategyChapter%205DevonportMillbayStonehouseCityCentreUniversityHoe.pdf>
<https://www.plymouth.gov.uk/sites/default/files/CoreStrategyChapter%205DevonportMillbayStonehouseCityCentreUniversityHoe.pdf>
- 28 Interestingly, this civic centre development has recently been altered to reflect the new post-pandemic context for urban development. The proposed 144 flats in the development will now be for rent rather than purchase. Indeed, some flats could be rented by the day to accommodate visitors to the proposed new conference centre which is also part of the new plans.
- <https://www.plymouthherald.co.uk/news/plymouth-news/bold-new-future-proposed-plymouths-4334011>
- 29 <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>
- 30 <https://eatworkart.com/>
- 31 Nudge Community Builders 2019: 5
- 32 Nudge Community Builders 2019: 3
- 33 The authors of this report were invited into this consultation and the Union Street Public-Common Partnership proposal below developed in iterative fashion out of it.
- 34 <https://www.plymouth.gov.uk/pledge10>
- 35 “A Community Interest Company (CIC) is a limited company, with special additional features, created for the use of people who want to conduct a business or other activity for community benefit, and not purely for private advantage.” The main features of a CIC of note in Nudge’s context are the ability to implement an asset lock, its ability to use these assets as collateral, and its commitment to act in accordance with its Community Interests Statement.
- <https://www.gov.uk/government/publications/community-interest-companies-business-activities>
- 36 The council would therefore play a key role in negotiating the accordance of the Common Plan with the council’s Local Development Plan.
- 37 Tooze, A. (2021) Shutdown: How Covid Shook the World’s Economy, Allen Lane p.11
- 38 <https://www.tni.org/en/publication/democratic-and-collective-ownership-of-public-goods-and-services>
- 39 <https://www.savills.co.uk/landing-pages/rural-land-values/rural-land-values.aspx>
- 40 <https://whoownsengland.org/2018/06/08/how-the-extent-of-county-farms-has-halved-in-40-years/>
- 41 Or PCPs could fit as the core democratic element in a ‘nested’ model as suggested in Labour’s 30 by 2030 report, raising the potential of PCPs operating as part of scaled, nested models of ownership. See:
- <https://labour.org.uk/wp-content/uploads/2019/10/ThirtyBy2030report.pdf>
- 42 <https://www.common-wealth.co.uk/reports/public-common-partnerships-building-new-circuits-of-collective-ownership>
- 43 <https://plymouthenergycommunity.com/community/community-ownership>