RSA

Action and Research Centre

Scale to Change

Building inclusive neighboruhoods through London's largest new housing developments

by Jonathan Schifferes

March 2017

Contents

About this report

This synthesis paper reflects desk research undertaken by The RSA, and the outcomes of a workshop facilitated by The RSA on 14 December 2016.

The built environment both enables and constrains social opportunities, and therefore impacts on social integration. This study seeks to explore the unique challenges and opportunities of large scale developments, through housing and wider ingredients in place-making, to realise the positive potential of development for existing and future Londoners.

The report is structured in five parts. It provides background and context to the issues currently facing London: providing not just the housing growth to match population and economic growth, but creating mixed, balanced and inclusive communities within existing and newly-formed neighbourhoods. A summary of the assessed evidence on 'what works' in supporting such local communities follows. Subsequently, chapters discuss the motivations for change that arise from the limitations of prevailing policy and practice, and the opportunities for developers and others to intervene to improve social integration. The report concludes with a set of considerations for taking these insights forward on large-scale housing development in London.

Jonathan Schifferes is the lead author. Jack Robson and Jake Thorold contributed significantly to the research and drafting.

The **RSA** in
partnership with

British Land

"The built environment is an important determinant of people's health and quality of life, and of how well a society integrates. Effective planning and good design can help to bring people of different ages, ethnicities and socio-economic backgrounds together, and it can support a wide range of civic activities. I am going to include an Inclusive Neighbourhoods principle in the London Plan which will ensure that places are accessible to all, both young and old and from all backgrounds, something crucial for social integration.

The reality is that more people are going to be living in London, people from more diverse backgrounds, with different perspectives and experiences. A more socially integrated city – in which London's various communities not only live side by side, but really interact with each other as neighbours, citizens and friends – and lead genuinely interconnected lives – will be a safer, healthier and happier city."

Sadiq Khan, Mayor of London, A city for all Londoners, November 2016

Summary

London is growing at a rate that creates new housing challenges, particularly in terms of supply and affordability. Addressing these challenges is fundamental to the overall social and economic success of the city: from countering overcrowding, to ensuring quality of life and living standards, through to how people navigate across the city, avoiding excessive commutes and the breakup of local social networks. London's economic engine of high productivity in a breadth of sectors and occupations relies on successfully housing a growing workforce in places they want to live in.

This requires new approaches on a number of fronts; in recent years London has failed to meet the targets for housebuilding the city sets itself. Large-scale new development is part of the solution. Inevitably, this form of development comes with its own challenges and opportunities.

This research and report has sought to address the commonly held critique that developments too often result in socially polarised communities, split between market and affordable tenures. Drawing on the existing evidence base, we brought together stakeholder perspectives to highlight the intentions and limitations of existing policy which shapes housing delivery, and explore tactical and systematic solutions. In particular, we assess the potential benefit in new large-scale developments providing a broader range of tenures than policy stipulates, in order to facilitate a more mixed and balanced communities.

A mix of tenures within a neighbourhood is a proxy for attracting and retaining households across a range of incomes. Creating and maintaining income and age diversity through a broad housing mix helps existing social networks to sustain locally. New residents in new development are often existing residents in nearby neighbourhoods. Understanding population flows and considering the existing housing and labour market context is vitally important in any effort to pursue a mixed and balanced community. This report should encourage those with influence to shape places, through policy and development, to commission research focusing on these dimensions which shape places.

Large-scale developments are unique opportunities to orchestrate the amenities that neighbourhoods offer residents beyond their homes. Getting the housing mix 'right' should not be considered in isolation from investment in social infrastructure and civic institutions that facilitate social mixing. Diversity among residents can positively impact viability for a broader range of civic and commercial facilities, making a neighbourhood more attractive as a place to live, and more resilient to change. Schools and open space are identified as particularly powerful in bringing neighbours together. While quality design matters, the governance and management of community assets and facilities is an important driver of meaningful interaction, and shared identity in a neighbourhood.

In large new developments, the first generation of incomers shape norms locally, and each incoming household faces a powerful 'moment of change' in which the formation of new local relationships and lifestyle decisions are relatively more open to influence. This means early phases of social infrastructure are crucial, and the encouragement of active citizenship relates to confidence that the housing mix will support changing needs over the life course. Moving to a neighbourhood with the confidence that when your housing preferences change the neighbourhood can accommodate you encourages commitment to making roots and contributing to the community – thus giving you more reason to stay.

Without a considered and flexible housing mix, and support for the institutions and facilities which are vehicles for social mixing, large-scale housing development risks becoming one-dimensional (or polarised and two-dimensional) communities, rather than great places that build social capital locally – something that evidence shows is crucial to supporting life chances in the long-term.

The scale and nature of change in London's housing market in the last decade has meant that current policy, while well-intentioned, in many instances cannot keep up in delivering the social outcomes it was intended to secure. There are roles for planners, politicians, developers and the public in ensuring London's newest neighbourhoods are communities which reflect and add to the diversity of the city.

Future Londoners will demand that the current era of housing expansion doesn't undermine the city's traditional success in hosting socially integrated communities. In continuing the tradition of a city made up of diverse neighbourhoods and communities – places with special and unique local qualities – there are particular opportunities present through large-scale new development. This research has outlined where those opportunities are, and what developers, planning authorities and others can do to shape London's next generation of places and new neighbourhoods. The findings will be relevant to other UK and global cities, and should prompt further work to demonstrate how these opportunities are best realised in different local contexts.

Background and scope

London's population and economy is forecast to grow at rates which exceed those predicted at the beginning of the 21st Century. Demand for homes is likely to remain strong as people seek to move to London – from the UK and abroad – to live and work, and as London's families create a new generation of Londoners.

Creating additional homes in London will rely on a diverse range of supply – including expanding and converting existing building stock, and 'infill development' which builds on vacant and 'brownfield' plots such as industrial and former industrial sites. Perhaps most prominently it will include large sites, which afford the opportunity to create housing alongside other new uses, creating whole new residential neighbourhoods within the context of existing, neighbouring communities.

Under the headline figures for the city, strong and varied local trends are evident, between and within boroughs. In different parts of London, responses are emerging which will be more and less relevant to addressing the challenge of accommodating London's growing population. High housing costs create new pressures and market dynamics, with a rise in overcrowding and homelessness, a higher proportion of households renting privately, and higher density housing developments – including in Outer London. The relationship of housing costs to wages mean workers in *most* sectors of London's economy make significant compromises – between housing costs (and space), commuting costs (and time), and access to desired amenities[1].

Successfully addressing London's challenge is a responsibility shared by the city's political leadership, its housing associations and private developers, and communities themselves. The stakes are high: the quality and affordability of housing – and the amenities and quality of life available in London's many neighbourhoods – is fundamental to attracting and retaining the diverse workforce that powers London's strong economy. Housing is the *top* priority for both citizens and businesses in London, and has a fundamental influence on inequalities.

Poorly integrated city planning puts new housing at risk of being unpopular, a scapegoat for congested streets, polluted air and strained public services. And in many London neighbourhoods, the increasing speed and scale of property development, turnover among commercial establishments, and social and demographic change is inspiring a broader debate about how inclusive London's growth has been and will be, and who benefits from regeneration.

1. London First/CEBR (2016), *Extreme Housing Pressure*, accessed at http://londonfirst.co.uk/wp-content/uploads/2016/04/Extreme-Housing-Pressure-060416.pdf

The RSA, British Land and many others share a belief that mixed and balanced local communities are better for everyone. Diversity in a population, defined through several dimensions, is itself an asset that is valued by residents and businesses, contributing to the quality of a place.

In areas of large-scale development[2], the qualities of place are determined largely through the development activity, and we should think of this not only in terms of the design and construction of buildings, but the way in which occupiers, amenities and facilities interact – and the role of planning and design in facilitating interaction both between residents and with neighbouring communities and visitors.

There is consensus that recent large-scale housing developments in London are not (or at least, not yet) functioning as well-integrated, mixed and balanced communities. While such developments have provided much needed affordable housing for people on low incomes, this model entrenches polarisation by income, with neighbours living 'parallel lives'.

The risk to developers and to Londoners is that if development (unintentionally) serves to segregate residents of different social and economic backgrounds, the overall appeal of these new neighbourhoods – the quality of place, which underpins their long-term social, economic and financial value proposition – is diminished. In policy terms, social mobility may be undermined, and the management and quality of local public service provision may struggle to adequately serve the needs of the very rich and the very poor, simultaneously[3]. And the value that arises from community-based care and support, fuelled by the strength of local relationships, between neighbours and among local friendship and family networks[4], struggles to embed in a place when the local housing market makes people's commitment to and ability to remain in place over time very fragile.

On sites with significant housing delivery, there are challenges and opportunities which don't typically exist within other forms of housing growth. This study considers the opportunities – for developers, planning authorities and wider place-shaping forces – to create mixed and balanced local communities through large-scale developments, going beyond the binary approach to tenure splits set out in most planning policies, to consider how a broader mix of homes addressing a range of ages, needs and circumstances can achieve this aim.

However, masterplanned developments are never buildings on a blank canvas. Integration with existing neighbourhoods and communities and links to existing physical infrastructure and social amenities are as important as what is created within the 'redline' of a site. Nevertheless, when all the residents in the streets around you are new to their new homes, community-building has a different dynamic to community development within an established neighbourhood[5].

2. Defined here, in the London context, as Opportunity Areas and Intensification Areas designated by the Mayor.
3. See, for example, representations made by Bristol Mayor Marvin Rees to the RSA Inclusive Growth Commission, https://vimeo.com/188681225
4. See, for examples, the evidence collated by the RSA within *Community Capital – the value of Connected Communities* (2015), accessed at: https://www.thersa.org/discover/publications-and-articles/reports/community-capital-the-value-of-connected-communities
5. For a discussion of the social and economic value of community development, see New Economics Foundation/Community Development Foundation (2010), *Catalysts for Community Action and Investment*, accessed at: http://www.cdf.org.uk/wp-content/uploads/2011/12/SROI-Report-FINAL1.pdf

RSA Chief Executive Matthew Taylor articulated the challenge to be "how do we combine physical and social architecture to make it possible that all residents, regardless of tenure or background, feel they can contribute to and benefit from their neighbourhood?" Specifically, what are the changes to planning policy and developer practice which are most likely to ensure that London's new neighbourhoods are as inclusive and welcoming to all Londoners as possible? In this study therefore, we explore how place shaping forces – public, private and community – can deliver balanced and mixed communities at scale.

The RSA's research sought to address four core questions about large-scale development with significant housing delivery:

- What are the common defining characteristics of mixed and balanced neighbourhoods, across London's successful existing neighbourhoods and recent developments?
- Within developments with significant numbers of new homes, what are the most powerful factors which link the design of buildings and spaces, and the programming and phasing of their use, to social and economic outcomes?
- To what extent does public policy currently support and compel housing development to employ positive drivers for (and remove negative barriers to)creating successful new neighbourhoods?
- To what extent are developers able to implement effective solutions across tenures– within legal and financial constraints, and in the context of wider public attitudes?

This synthesis paper draws on existing research, as well as the outcomes of a half-day workshop facilitated by the RSA, which drew contributions from some of London's leading housing analysts and practitioners. Each chapter concludes with recommendations for policy and practice.

It is important to note that this project has looked at published research alongside feedback, contributions and ideas shared at our workshop. The conclusions from this study support the case for developers and planning authorities to reconsider the approaches used to pursuing social inclusion within large-scale housing development, beyond the existing and prevailing reliance on planning policy. While there are promising suggestions of other effective interventions emerging, further primary research – including a review of sensitive 'grey literature' across the sector, and site-specific research regarding local context – will support the effective implementation of any specific effort to foster social integration within large-scale development.

Summary of evidence

Mixed neighbourhoods have instrumental and fundamental value

There isn't a strong existing evidence base which links mixed neighbourhoods to better social and economic outcomes for individuals, despite a range of attempts to create that evidence. Most often, research has sought to question whether the outcome of mixed neighbourhoods is better for individuals, in order to see whether (top-down) policy should support this outcome. The driving factors are hard to isolate from the individual and household characteristics which influence social and economic outcomes. When studies successfully isolate other factors in order to show the value of 'neighbourhood effects', the picture is that homogenous neighbourhoods have some negative impacts on residents (as well as some positive impacts[6]) – but mixed neighbourhoods are not sufficient alone to drive positive outcomes.

However, mixed neighbourhoods are preferable to segregated neighbourhoods for a host of other reasons: theoretical, principled and empirical. Homogenous local neighbourhoods can create isolation among residents to the positive influences of wider society, with a range of serious consequences from poor health to political extremism and poor social mobility. The experience of diversity is fundamental to the social value of a city:

> "What is the human worth of living in a city? What is its cultural value?...a city is a place where people can learn to live with strangers. The practice of modern democracy demands that citizens learn how to enter into the experience and interests of unfamiliar lives. Society gains equally when people's experience is not limited just to those who resemble them in class, race, or ways of life. Sameness stultifies the mind, diversity stimulates and expands it.

> Cities are places where learning to live with strangers can happen directly, bodily, physically, on the ground. The size, density, and diversity of urban populations make this sensate contact possible – but not inevitable. One of the key issues in urban life, and in urban studies, is how to make the complexities and city contains actually interact."[7]

6. Cheshire, P. (2007), *Segregated Neighbourhoods and Mixed Communities: A critical analysis*, Joseph Rowntree Foundation, accessed at: http://www.lse.ac.uk/geographyAndEnvironment/pdf/segregated%20Neighborhoods%20and%20mixed%20communities.pdf

7. Sennett, R., 'Capitalism and the city', in Ed. Echenique, M., & Saint, A. (2001), *Cities for the New Millennium* (London: Routledge)

Mixed neighbourhoods, where civic space and amenities are shared locally among people of broad social backgrounds, represent a worthy outcome on their own terms: not just as an egalitarian goal (held by some), but also because value is created as resources are able to be used more efficiently, and diversity acts as insurance against vulnerability to change which afflicts any particular group of users.

The larger point is that most people, at least in an urban context, want to live in neighbourhoods that provide for many of their needs and aspirations locally, allowing for a healthy lifestyle, active social and cultural life, and access to wider economic opportunities in the wider urban area. An area with a local resident population skewed towards a specific demographic is less likely to enable this, and even when it does, social sustainability may be undermined if neighbourhoods fail to suit changing needs of residents through their life-course – relying on a stream of newcomers to replace those who outgrow the neighbourhood. This transience can undermine the social fabric, and a sense of belonging and identity.

This is not to say that neighbourhoods with high levels of resident population churn should be discouraged – they serve an important function within a city's housing market, and some people may prefer their character. Nor is it to ignore the economic prosperity and successful social support networks established by many groups – such as immigrants sharing language, religion, cultural and ethnic bonds – which have transformed existing urban neighbourhoods in London and many UK and global cities.

Rather, the evidence suggests that in the context of large-scale new housing development, a new residential population which is either highly transient, or relatively homogeneous in terms of social and economic demographics, will be less able to support the social and civic amenities, facilities and community networks which support newly-built neighbourhoods to be resilient to change in the long-term.

Put another way, the evidence suggests that mixed neighbourhoods are unlikely to prove as harmful, wasteful and fragile as segregated neighbourhoods have the potential to be. For this reason, mixed and balanced neighbourhoods are already supported by national, local and city-region policy.

Pursuing the 'right' mix

The default tool deployed to pursue a successful mix of people (at local scale) has been a prescribed mix of housing units on a development site.[8] The 'right' housing mix to create a mixed and balanced community within a large-scale development will however vary depending on the context of the site in question – its position, role and function within a local housing market and its links to wider city and regional economies.

Efforts to create mixed and balanced communities as part of large-scale new development should include but not be limited to creating a mix of housing – type, size, tenure, price point. The physical mix should

---

8. Sauktina, E., Bond, L. and Kearns A. (2012), 'Mixed Evidence on Mixed Tenure Effects: Findings from a Systematic Review of UK Studies, 1995–2009', Housing Studies 27:748-782, accessed at: http://www.tandfonline.com/doi/full/10.1080/02673037.2012.714461?src=recsys&

address aspirations for demographic balance in the wider local area: eg dynamic housing requirements over the life-course and the nature of workforce required by the local labour market.

A desired local resident mix can be influenced through homes being reserved or allocated for specific types of resident, for example key workers, first time buyers, or households with other identified priority needs. Such approaches are typically justified in relation to serving the needs of demographic groups (eg across a borough, or across a city). In influencing social integration in a place with significant new development, the first generation of new residents are particularly important in setting the tone.

The viability of new local businesses, civic institutions and public services, within large-scale development, and the prevailing culture of social interaction and civic life, depends in part on the lifestyle, commitment and behaviour of new residents. This suggests that while more transient populations can be meaningfully engaged in the local social mix in the long-term, in early phases of development, there is a case for deliberately attracting and retaining residents who have existing local links such as a job with an existing local employer, or a family with children about to start at an existing nearby school.

Photo by Alan Denney / CC BY

Designing for social integration

We know that 'good' design has a range of benefits, for example on educational performance in classrooms[9] and workforce productivity in offices[10]. There is little existing evidence which has identified correlations, or interrogated causal mechanisms, which link design and programme to the social life of large-scale housing development.

In relation to residential development, studies have tended to focus on specific aspects of design and tightly defined outcomes – which are easier to measure. For example, well-designed communal open space within housing development has been shown to drive social interaction and well-being.[11] The data being generated by Berkeley Homes, measuring social sustainability through a range of primary and secondary methods[12], may offer further insights into the role for the mix of housing types and tenures, as the dataset grows to create a robust benchmark.

A review of studies exploring the effects of mixed tenure was ambivalent as to whether cross-tenure social interaction was a feature in new mixed tenure housing developments, yet pointed out that where schools and good quality public space were available, accessible cross-tenure social interaction was more likely to occur.[13] Primary schools provide parents with a shared interest and social occasions to interact. Communal open space drives well-being; key aspects of design are versatility, diversity of use and adaptability over time.

Another review concluded that bus stops, well-cared for parks, supervised play areas, local cafes and shops, and doctor's surgeries are key spaces that can prompt and play host to meaningful interactions and nurture relationships.[14] On large-scale development projects, such facilities are within the control of the developer and the influence of the permitting authority.

Over the inconsistent pace of change across life-course, and in response to unpredictable external events, individuals, households and families face a complex set of considerations in making decisions about where and what property in which to live. It is important to recognise that the drivers of decisions to *move in* – whether buying or renting – are different from the drivers of decisions to then stay. Therefore, developers of large-scale sites, interested in socially mixed and balanced communities

9. Barrett et al. (2015) 'The impact of classroom design on pupils' learning: Final results of a holistic, multi-level analysis', *Building and Environment* 89:118-133, accessed at: http://www.sciencedirect.com/science/article/pii/S0360132315000700

10. CABE (2005), *The impact of office design on business performance*, accessed at: http://webarchive.nationalarchives.gov.uk/20110118095356/http://www.cabe.org.uk/files/impact-office-design-full-research.pdf

11. Anderson, J. (2015), '"Living in a communal garden" associated with well-being while reducing urban sprawl by 40%: a mixed-methods cross-sectional study', Front. Public Health 173, accessed at: http://journal.frontiersin.org/article/10.3389/fpubh.2015.00173/full

12. The Berkeley Group (2012), *Creating Strong Communities: How to measure the social sustainability of new housing developments*, accessed at: http://www.berkeleygroup.co.uk/media/pdf/7/8/berkeley-reports-and-opinions-social-sustainability-reports-creating-strong-communities-part-one.pdf

13. Sauktina, E. et al (2012), 'Mixed Evidence on Mixed Tenure Effects: Findings from a Systematic *Review of UK Studies*, 1995-2009', accessed at: http://www.tandfonline.com/doi/full/10.1080/02673037.2012.714461?src=recsys.

14. Power, A. (2007), *Neighbourhood Renewal, Mixed Communities and Social Integration* Accessed at: http://eprints.lse.ac.uk/43819/1/Neighbourhood%20renewal,%20mixed%20communities%20and%20social%20integration(lsero).pdf

over the long-term, should expand their tools and approaches to appraisal, and their field of vision in regards to the range of housing and broader social infrastructure.

The most effective opportunities to engage residents themselves in their contribution to place quality vary greatly through time. Focusing attention and resources on key 'moments of change' across the life-course[15] ie when people are moving in, can allow for effective targeting to attract and retain residents. 'Moments of change' are points at which senses are heightened, habits and routines are being formed – such as the first time you commute to a new job. Such opportunities are valuable but ephemeral, and their importance is often missed in engaging residents in the life of their neighbourhood. In the context of providing a broad housing mix which supports resident continuity at a local level, this could mean specific housing products are marketed to those experiencing a 'moment of change', such as adults entering retirement, or couples in the early stages of preparing to add children to their household.

Neighbourhood infrastructure and institutions are key to integration

The evidence reviewed strongly supports the assertion that a broad mix of housing alone will seldom support the creation and maintenance of strong local communities. Our working thesis is therefore that it's not only about getting *the mix* right, it is about getting *the mixing* right. Understanding the interplay between physical and social infrastructure is a critical challenge for planning policy and the wide set of stakeholders who share responsibility in placemaking and stewardship[16]. A key distinction is that housing mix is typically a long-term commitment, which is required to be made – often across a development which may be executed over more than a decade – at the point of planning permission. By contrast, the wider opportunities to foster social mixing are dynamic, and subject to influences far beyond the applicant for permission and the planning authority.

Long-term property value is driven by the long-term economic relevance of an asset. Remaining relevant through change requires places to be adaptable. To thrive as local conditions inevitably change over time, residents, commercial tenants and other resources anchored in the locality need to be able to respond and evolve. This is inherently a dynamic social process. Businesses, charities, public services and other institutions evolve to best serve local communities, using the resources of that community – including the time and talent of local people, and assets (including property) that they control or have access to. Therefore, the structure under which property assets are managed, and the overall strength of governance, for a site's many institutions and stakeholders – the capacity to foster and incorporate community input and leadership – are critical factors in long-term social sustainability.

15. For a full discussion of 'moments of change' see New Economics Foundation/Defra (2011), *Moments of change as opportunities for influencing behaviour.*

16. The RSA (2017), *Inclusive Growth Commission: Making our economy work for everyone*, https://www.thersa.org/action-and-research/rsa-projects/public-services-and-communities-folder/inclusive-growth-commission

A place that provides people with meaning and fulfilment is likely to be one which encourages commitment among residents, and others who use the place, to shape their locality for the future. As the RSA concluded in previous work with British Land, 'socially productive places build community capacity to benefit from growth, increase resilience to shocks and support people's ability to adapt together to new circumstances.'[17]

In large-scale development, investing in establishing a distinct place identity, through the intelligent use of design, inclusive programming and activities which recognise tangible and intangible heritage, can reap dividends over time through deepening a sense of belonging among new residents.

With this in mind, a bottom-up and design-led approach provides a valuable counterpart to top-down policy and planning. This involves listening to what people say they want from their local neighbourhood, observing how their behaviour is a corollary to that stated preference, and a focus on what makes places and spaces— in combination with the organisations or event programming hosted— particularly good at mixing people of different backgrounds and lifestyles together.

Photo by Jim Linwood / CC BY

17. The RSA (2014), *Developing socially productive places: Learning from what works: lessons from RSA – British Land Conference*, accessed at: https://www.thersa.org/discover/publications-and-articles/reports/developing-socially-productive-places

Key takeaways

Our review of research has found consensus on key findings which should inform approaches to augment the potential of new housing within large-scale development to foster social integration:

- The breadth of housing mix, including tenures, and the breadth of community facilities and social infrastructure, plays a critical role – however the causal mechanisms are often poorly understood or simply unclear.
- The 'right' housing mix to create a mixed and balanced community within a large-scale development will vary depending on the context of the site in question – its position, role and function within a local housing market and its links to wider city and regional economies.
- The physical mix should address aspirations for demographic balance in the wider local area: eg dynamic housing requirements over the life-course and the nature of workforce required by the local labour market.
- As part of large-scale new development, efforts to create mixed and balanced communities should include but not be limited to creating a mix of housing – type, size, tenure, price point. Housing mix alone is not sufficient.
- On large-scale housing developments, the challenges of avoiding segregation are amplified, and the mix of tenures prescribed by planning policy is likely to be insufficient to create socially integrated communities. However, there are particular opportunities afforded within large-scale development which are not feasible or viable on smaller sites[18].
- A mixed and balanced community is more likely to be able to support the viability of a broad range of social and civic amenities, facilities and community networks. Shared resources, including public services are able to be used more efficiently. Resident diversity mitigates a neighbourhood's vulnerability to change which afflicts any particular group of users, including encouraging the retention of residents across the life course.

See the final chapter for additional discussion on putting these insights into action.

---

18. Existing neighbourhoods with a high number of smaller sites in development may experience challenges of social integration through the cumulative impact of development; nevertheless the options for policy to influence delivery are constrained by the size of individual developments.

The limitations of existing policy and practice

Aligning policy incentives with evidence

At present, the policy which governs the built environment in London – principally planning policy – endorses social interaction as an intentional outcome, and prescribes several characteristics for the component features of (and covenants on) physical development which aim to facilitate social mix on development sites and within existing neighbourhoods. However, our review of evidence indicates that the policy environment is not currently incentivising or compelling developers adequately to pursue the range of actions and interventions which are most likely to deliver mixed, balanced and inclusive neighbourhoods.

For example, London's supplementary planning guidance on housing states that

'communities mixed and balanced by tenure and income should be promoted across London through incremental small scale as well as large scale developments which foster social diversity, redress social exclusion and strengthen communities' sense of responsibility for, and identity with, their neighbourhoods. They must be supported by effective and attractive design, adequate infrastructure and an enhanced environment.'[1]

The current London Plan (subject to revision in 2017 and 2018) further emphasises that 'welcoming and easily accessible communal spaces' are fundamental to healthy, supportive and inclusive neighbourhoods.

1. Mayor of London (2016), *The London Plan*, (Policy 3.9 Mixed and Balanced Communities), accessed at: https://www.london.gov.uk/what-we-do/planning/london-plan/current-london-plan/london-plan-chapter-3/policy-39-mixed-and

The urgent need to provide additional affordable housing inevitably, legitimately, but sometimes unhelpfully, takes precedence over the wider placemaking considerations which support the same desired outcome in the long-term. And the focus on three tenures of 'affordable', (social rent, affordable rent and shared ownership) has created polarised communities; especially in high value new developments without sufficient facilities and institutions to foster social interaction and shared experiences within the neighbourhood.

This is an unintended consequence, not foreseen. Policies to promote such tenures were designed before the current economic cycle in which the housing market both reflects and generates greater income inequality within London, making 'intermediate' tenures less accessible and mobility between tenures more difficult.

At a time when Mayor Sadiq Khan is developing an inclusive neighbourhoods principle in his forthcoming housing strategy for London, alongside wider innovation in housing policy (such as London Living Rent as a new category of affordable housing), further policy research could explore the scope for London boroughs to experiment with outcomes-based commissioning for large-scale development sites – as has taken hold in other public services. This would mean that developers sign-up to obligatory conditions attached to planning permission relating to the mix of individuals and households who end up living in the neighbourhood[19]; in return, developers have greater freedom to innovate in their provision of different housing products. In short, the *end goal* is specified in legally-binding policy, rather than planners and councils prescribing the housing delivery mechanism that is assumed to deliver that same goal. This policy approach is the corollary to housing being understood as a place-based social policy arena, rather than a category of physical infrastructure projects alongside transport and utility schemes, as argued by the RSA's Inclusive Growth Commission.

London's system for housing growth is producing unintended consequences

The provision of affordable housing in London has been largely left to the regime established by planning authorities, in the context of diminishing affordable housing grant from central government. A policy-prescribed housing mix within polarised provision of tenures means market housing subsidising affordable housing within site boundaries and project budgets. This has become a dominant, singular model for providing adequate and affordable homes for a proportion of the population on low incomes.

This represents a rational approach to maximising private sector contributions to maximise affordable stock at the scale of the local housing market, and, notably, many housing associations are essentially engaged in the same nature of activity as private sector developers. But the model inherently depends on rising values in the broader housing market – providing developers with financial surpluses to allocate.

On the principal objective of seeking to create a socially integrated community, within the parameters of the housing market, an *optimal* investment profile would likely increase investment in *mixing* – which would support quality of place, civic engagement and social integration at the scale of the site, to the benefit of all future residents.

It has been long identified that poor quality physical design, poor social infrastructure, and poorly-endowed civic institutions represent the rational investment decisions of a financing model for housebuilding

19.   This could include objective metrics such as how long residents stay in a home within the neighbourhood; the affordability of their rent or mortgage relative to their income; or the engagement with local institutions such as schools and health care facilities.

rather than placemaking[20]. The issues of social integration and inclusion are inseparable from the question of how to provide housing to people on low incomes, but planning and development represent – unless they were to function drastically differently – inadequate systems to reconcile the two in London at present.

Photo by Alan Stanton / CC BY

20.   Falk, N. (2008), 'New Communities – looking and learning from Dutch experience', *Town and Country Planning*, accessed at: http://urbed.coop/sites/default/files/Looking%20 and%20learning%20from%20dutch%20experience.pdf

Motivations to pursue new approaches to fostering social integration

The most powerful motivations to capture are those of the public, who make decisions (within varying constraints) about where to live, work and play. This chapter therefore serves to highlight how developers, within the context in which they develop, and other actors in the built environment can act to influence and leverage the actions of the people and institutions which breathe life into the built environment, determining the social integration and inclusion within the local community that evolves. We then reiterate why developers, and local planning authorities, should care about this socially valuable outcome, and how it relates to the values that drive the business of development.

What kind of place do Londoners want to live in?

The social mix of a neighbourhood is not often explicitly rated as a priority in surveys, but it may in fact be the mechanism which unlocks the potential of other place-based benefits. Favoured attributes of place vary between demographic groups and between the same groups in different UK cities:

- There are several qualities of place for which a broad consensus across the population exists, including minimal crime and litter and certain common design elements[21].
- Previous RSA research supports the idea that having a strong and positive identity associated with where you live provides people with meaning and fulfilment.[22]
- Research from Centre for Cities shows that access to public transport was a significantly more important reason to Londoners compared to those in the rest of the UK.
- The cost of available housing in an area was also more important for those in London, although to a lesser extent. Londoners seemed to be less concerned with the size or type of their residence; access to green space within their neighbourhood was less of a priority.

21. Prince's Foundation for Building Community (2014), *Housing Communities: What People Want* http://www.housing-communities.org/Housing-Communities_DIGITAL.pdf
22. The RSA (2016), *Networked Heritage.* Accessed at: https://medium.com/networked-heritage

- People's living preferences evidently change as they get older.
  - Younger people more often prioritise being close to their place of work and the availability of cultural activities.
  - Older people are more likely to want access to the countryside and green spaces.[23]
  - Households with children more commonly value proximity and availability of good schools, as well as the size and type of accommodation. Evidence from the US suggests it is more common for neighbourhoods to retain income diversity over time among households without children[24]. This means that to include families with children – who we've seen above are beneficial in terms of realising the potential of schools as key institutions that activate mixing - developers of neighbourhoods need to focus particular effort to providing the profile of housing mix, local amenities and quality education facilities that are likely to fulfil the changing needs and aspirations among households raising children.

These preferences are key drivers of residential churn, as neighbourhoods evolve towards integration or segregation.

The importance of social networks

One key benefit of a broad housing mix evidenced within neighbourhoods is that it allows for kinship and friendship networks to endure over time, as new households are able to form and remain close to their family.[25] Strong social networks are a positive influence on people's health and well-being, as evidenced in data collected recently at the local level by the RSA's Connected Communities programme, and at a macro scale, historically[26]. This suggests, sensibly, that good health is underpinned by interactions with people, especially those in our community who are neighbours, who care: providing emotional support and other practical support. And there is now consensus that social norms, made visible through the networks of people we know, are hugely powerful in driving behaviour; for example in obesity and smoking cessation[27]. The composition of our neighbourhoods matters in all this.

23. Thomas, E. et al. (2015), *Urban Demographics: Why people live where they do*. Centre for Cities/DAC Beachcroft. Accessed at: http://www.centreforcities.org/wp-content/uploads/2015/11/15-11-02-Urban-Demographics.pdf

24. Where US neighbourhoods became more segregated by income between 1990 and 2010, it was typically the movement of households with children, between neighbourhoods, which accounted for this change in the composition of neighbourhoods of households of different incomes. Owens, A. (2016), 'Inequality in Children's Contexts: Income Segregation of Households With and Without Children', American Sociological Review 81 (3): 549-574, accessed at: http://journals.sagepub.com/doi/abs/10.1177/0003122416642430

25. Sauktina et al. (2011), *Mixed Evidence on Mixed Tenure Effects*.

26. Wilkinson, R. (1996), *Healthy Societies: The Afflictions of Inequality*. (London: Routledge)

27. Christakis, N. and Fowler, J., (2013), 'Social contagion theory: examining dynamic social networks and human behavior', *Stat Med* 32 (4), accessed at: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3830455/

> Social relationships are essential to subjective wellbeing and life satisfaction – indeed, our research suggests that social connectedness correlates more strongly with wellbeing than social or economic characteristics such as long term illness, unemployment or being a single parent. In the course of our primary research we found increases in the wellbeing of participants who strengthened their social networks through community-led initiatives. In a survey of 2,840 people, the variable most consistently associated with having higher subjective wellbeing was 'feeling part of a community', and the variables most negatively associated with wellbeing were identifying something or somewhere locally that you avoid or something that stops you from taking part in a community.
>
> **Community Capital – The Value of Connected Communities, The RSA (2015)[28]**

Furthermore, care networks are also critical in allowing many people to fulfil their productive potential in the economy. When parents of children are in work, between 60 percent and 80 percent of parents in the UK rely to some extent informal and unpaid childcare. It is grandparents who are most commonly carers, and those on low and middle incomes who rely most on informal care.[29]

Tenure mix is important in large part because it is a proxy for housing availability against a range of income levels, including those on retirement incomes. The ability of neighbourhoods to host a diversity of housing products is crucial to enabling people to stay local – nearby their friendship and kinship networks – as their housing needs change.

Conversely, there are also negative feedback loops in fostering the motivation of residents to engage in the social and civic life of their neighbourhood. In London, pressures on housing costs accentuate a self-fulfilling scenario: if people feel that when their housing requirement changes they will need to move neighbourhood, they are less likely to invest their time and talent in local social and civic life. This in turn makes it even less likely they will remain in their neighbourhood.

The influence of housing provision

Large-scale development is more capable of creating a sufficient mix of housing to address identified gaps in the local housing supply so that when people need to move into a new type of property, their ability to move within the local area is enhanced by greater availability.

For large scale new developments, this means offering a breadth of types of housing, employment, commercial and amenity on site. But most importantly, it means developments – if they are seeking to achieve a mixed and balanced community to underpin their long-term value proposition – should look to 'round out' the neighbourhood housing market and provision of local amenities. This means providing the homes, and space for the facilities and services, that are currently under-represented locally, and therefore contributing to an imbalance which means

28. https://www.thersa.org/discover/publications-and-articles/reports/community-capital-the-value-of-connected-communities

29. Nuffield Foundation/Bryon Purdon (2012), *The role of informal childcare: A synthesis and critical review of the evidence*, accessed at: http://www.nuffieldfoundation.org/sites/default/files/files/The_role_of_informal_childcare_FULL_REPORT.pdf

the neighbourhood cannot accommodate an inclusive mix of residents and businesses throughout the life-course (and across business growth trajectories).

The value proposition for a developer boils down to this: a neighbourhood with vibrant social and civic life is an obvious and yet under-appreciated driver of preference among residents, businesses and visitors making decisions about where to locate. Particularly for developers with long term income generating assets, this attribute is vital to maintain the vitality of the area and demand for floorspace. Efforts to support social integration, within a wider place-making agenda, support this. Changing the character of a place is a profitable endeavour, because land values reflect, to a large extent, quality of place. But London's contemporary challenge is the extent to which rising land and property values undermine social integration, and concentrate financial benefits in a shrinking pool of residents who can afford to access them.

Key Takeaways

- Improving quality of place by supporting social integration and civic life is a compelling value proposition for developers. But the planning regime, in seeking affordable housing subsidy from the development process, at once enables local socio-economic diversity and fuels polarisation, in a system where surpluses from market transactions collected are the ultimate source of subsidy.
- There are many ways in which residents benefit from strong social networks and vibrant civic culture, and this value to residents motivates both developers and local authorities.
- When place leadership includes meaningful roles for a diversity of local people and organisations, this is likely to be evident through businesses, community groups and key anchor institutions within the local community being better able to successfully adapt through the local change which large-scale development brings.
- Developers and permitting authorities need to acknowledge some risk, but also design and build in a way that allows for experimentation, learning, iteration and adaptability over time. Both developers and local authorities are subject to short-term incentives which undermine the investment case for social integration interventions which may take a decade or more to show results.
- Ultimately, the mobilisation of the motivation among residents is the most effective course of action in pursuing the social mixing that characterises inclusive communities. Focusing efforts to mobilise at key 'moments of change' in the life course is likely to prove more effective, establishing 'social norms' in early phases of development which set the tone for future incoming residents.

Opportunities for developers and others to create a positive impact on social integration

Building on success

Part of what defines successful neighbourhoods in the London context is the ability, over time, to successfully accommodate and retain different demographic groups within society: young and old, those on low and high incomes, and those from different ethnicities and nationalities. Resilient London neighbourhoods have also typically offered employment and enterprise opportunities in a range of sectors for local people and others commuting in. We shouldn't, however, assume that London's 'traditional' neighbourhoods were the result of organic processes beyond the influence of planners and developers. Many, from Becontree to Belgravia, were masterplanned by landowners and developers. Success in new large-scale development is, to a large degree, the creation of successful neighbourhoods at a quicker pace than has emerged in London's older existing neighbourhoods.

It is notable that *most* of London's neighbourhoods are among the most successful in England at promoting social mobility throughout a person's life.[30] Looking at the parliamentary constituency level, these include areas dominated by recent development and wards without significant recent development. London has systems that work: it generally has good schools and the city's depth and diversity of employment opportunities allowing for faster and/or more enduring career progression over the life-course.[31]

However, working to ensure every London neighbourhood reflects the incredible diversity of the city as a whole, across a myriad of social and cultural dimensions, is an impossible goal. Looking at the scale of a city like London, differences in character and profile between neighbourhoods – new and old, in inner and outer London – are inevitable and desirable; just as each city is indeed unique from others.

30. Sutton Trust (2015), *Mobility Map: How does your constituency compare?*, accessed at: www.suttontrust.com/researcharchive/interactive-mobility-map/

31. Champion, T., Coombes, M. and Gordon, I. (2013), 'Urban Escalators and Inter-regional Elevators: The Difference that Location, Mobility and Sectoral Specialisation make to Occupational Progression', *SERC Discussion Paper* 139, accessed at: http://www.spatialeconomics.ac.uk/textonly/serc/publications/download/sercdp0139.pdf

London's neighbourhoods are intimately connected to one another, and to towns beyond London. On different timescales, people move through the housing market, with commuting and shopping patterns extending beyond local and city boundaries. Analysis of such urban complexity requires new approaches.

Contemporary London neighbourhoods are best considered as *dynamic spaces* which host flows rather than *static places* that are home to fixed stocks. Desired social and economic outcomes might be reinforced or undermined by the existing roles and function of a place within a city. Large scale development can support or disrupt existing patterns, but the impact of development will always be contextualised within them.

In simple terms, there is a strategic decision (for both a developer and the permitting authority): to either 'go with the flow', or attempt to transform a neighbourhood's existing role and function in to something else. Only large-scale development and significant infrastructure investment has the opportunity to do the latter (and the economics of place do not always provide the motivation for this transformation). In fostering mixed, balanced and inclusive communities, housing mix, broader land use mix, design characteristics, and the provision and operation of wider facilities and amenities are all important considerations, as seen from the evidence summarised above.

This chapter provides guidance to help developers and planning authorities appreciate and respond to the neighbourhood dynamics within which new large scale development of housing is almost always situated. The potential routes for developers to pursue extend beyond bricks, mortar and landscaping – to engaging in local collaboration, building institutions and fostering community leadership. Planning and designing successful interventions will look different between sites, and we identify the primary importance of responding to the context of, and the relationships between, the site and the city.

Understanding population flows

London's 33 boroughs are home to myriad successful neighbourhoods – which have evolved to serve different functions and roles, serving the diverse needs of the UK population (and beyond) for housing, employment, education, leisure and facilitating travel between them.

In Inner London boroughs, residential population churn is the highest in the country. Excluding international migration and all under 25s (who move frequently for education), RSA analysis of ONS internal migration data shows that between 9 percent and 15 percent of the adult resident population within a borough is replaced each year. The figures for Outer London boroughs vary between 5 percent and 10 percent annually.

Neighbourhoods with high rates of inflowing residents (as a proportion of total population) and high rates of outflow, may be transient, yet stable, especially if it is people with similar demographics characteristics and lifestyles who are moving in and out. Neighbourhoods like Earls Court, Elephant and Castle, Camden Town and Whitechapel have long played this role – though not to the exclusion of playing a more long-term role for other populations. Neighbourhoods can be in imbalance when the type of households moving in compared to those moving out are very different, thus changing the social and economic composition of residents in aggregate.

The existing housing market in a place usually sets the tone for the function that new housing takes on in the local community – the existing housing supply and demand are the strongest influence on prices, and existing demographics (and patterns of household moves) send a signal to potential arrivals in new housing. In an urban context, it will be rare for even the largest scale developments to significantly alter or override, through additional supply, the prevailing role and function of a set of housing products in an established location, within wider city-wide housing and labour market patterns and flows. The exceptions are most likely when a type of housing is built that was previously absent, such as private housing on the Isle of Dogs in the 1990's, or where significant new transport infrastructure associated with development transforms the accessibility of the neighbourhood to other parts of the city, or where a site was entirely isolated from residential use.

Creating a place which residents want to stay in is key; the question planners and developers need to ask is how much effort should be put into influencing the flow, and which available tools are likely to be effective?

Key Takeaways: housing provision

Developers and local authorities should work in partnership in planning large-scale development to:

- Consider the local context and housing market, analyse gaps or need in order to develop the offer.
- Engage realistically through consultation with the community on potential types of housing and range of tenure options.
- Learn from existing and established nearby local communities to understand the factors influencing people who stay.

In the development of a broad housing offer, developers and local authorities should be confident in the potential of housing products to:

- Facilitate a balance and retention of residents across the life course, using scale and shared management across tenures to facilitate transition.
- Provide units with flexibility to expand, contract and adapt over time to different patterns of household form and formation.
- Accommodate a change in composition through progressive phases of large-scale development over time, in response to interim reviews of social integration and wider social and economic outcomes locally.

Our research also suggests that understanding motivations, and the dynamics of social engagement, are hugely important. By implication, social and economic diversity among residents alone, which providing a mix of housing tenures tends to support, will not guarantee social inclusion.

Taking action beyond the home

This evidence reviewed suggests that for developers optimising their total investment profile so as to maximise social integration, investment in shared amenities, facilities and public education – with benefits to existing, neighbouring residents to development – should play a role alongside directing cross-subsidised financial flows within housing provision, for example from private to affordable tenures.

Optimising investment for social integration should take place across the development phasing, not just in relation to the finished output. Where large-scale development seeks to transform the character, role and function of a place, temporary uses are important 'research and development' experiments that should inform emerging longer-term plans, commitments and investments. The RSA's work on the links between heritage, identity and place emphasise the strength of community belonging which engagement projects can support, drawing on the history of a place[32].

Temporary housing offers the potential to combine meanwhile and meaningful in a different way, by offering homes to potential 'pioneers' of the area[33]. While there are important safeguards to navigate and challenges to overcome there is an important role for such pioneers to play in establishing social norms and supporting the growth in community amenities, and trialing certain ways of living differently.

Temporary uses designed to foster interaction and integration

In recent years, urban regeneration in London has seen a growing emphasis on 'meanwhile' and pop-up temporary uses during physical redevelopment. Such initiatives are characterised by low barriers to entry and start-up costs for small and new businesses and social enterprises to establish, increasing the likelihood that a pop-up use will be unique, independent and locally-rooted. Mixed use developments can then seek to ensure there are pathways created for successful meanwhile uses to inhabit more permanent space.

Giving people from across the city motivation and an excuse to visit builds awareness and potentially more material connections with existing nearby communities. One way of describing these is 'neighbourhood magnets': 'points of attraction that draw people in and hold people together'. One recent 'natural experiment' in Manchester city centre showed measurable and significant increases in the types of personal public interaction most closely linked to high individual well-being, in response to a small temporary 'pocket park' specifically designed (at low cost) for this purpose. Creative installations can encourage interaction in public in part based on how unusual they are.[1]

1. Anderson, J. et al. (2016), 'Lively Social Space, Well-Being Activity, and Urban Design: Findings From a Low-Cost Community-Led Public Space Intervention', *Environment and Behaviour*, accessed at: http://journals.sagepub.com/doi/abs/10.1177/0013916516659108

---

32. RSA (2016), *Networked Heritage*
33. Examples include residential guardianship of pre-existing properties, temporary housing units (eg in converted shipping containers), and plots sold or endowed in trust for rapid self-build and custom-build homes.

Support for local communities in transition can be explicitly offered in the form of community development activity. In an effort to facilitate mixing and socialising amongst residents in new development, commitment to community development can take many forms. At South Quay Plaza on the Isle of Dogs, Berkeley Homes, for instance, has pledged to fund the salary of a professional community organiser, help establish a community organisation and online forum, and create a small grants fund to invest in projects proposed and led by residents.   In King's Cross, one of London's largest development areas, a social enterprise focused on heritage engagement (Historypin) has attracted external funding (Heritage Lottery Fund) to fund two community officers, with partnerships lined up with Network Rail, a local secondary school and newly established gallery locally. In Peterborough, the local Citizen's Advice Bureau has used central government funding to pro-actively undertake community development initiatives in recently-built housing development were social networks have been slow to establish.

Anchoring integration through schools and young people

As a much-cited quotation from the former mayor of Bogota put it: "children are a kind of indicator species. If we can build a successful city for children we will have a successful city for all." In terms of social integration, interactions between young people are particularly powerful, in part because they are compelled to interact within and around the (compulsory) school environment. The integration of young people in an area into education provision, alongside the creation of new education facilities as part of large-scale development, is under-explored. London's schools are some of the most diverse institutions in the world. The degree to which individual school demographics reflect their catchment is a key data indicator to suggest whether social mix is translating into social mixing.

Schools are 'anchor institutions' at the neighbourhood level, an institution which many local households have a stake in, and with formal community governance mechanisms in place. And primary schools, in particular, by bringing together parents who live locally at the school gate and through occasions and events (parents evening, performances, sports and fundraising events, for example), serve to broker interaction between adults who may not meet in other areas of their life. Evidence from longitudinal studies in the US suggests that greater ethnic diversity in primary schools is associated with higher pupil achievement[34], but the positive link between attainment and student diversity at secondary level is less clear[35].

Since large scale development with significant housing almost always impacts on educational provision, developers and planning authorities should place primary importance on how provision evolves over time, and where the development process can bring new strengths to schools as institutions, as well as providing new facilities and buildings.

34. Benner, A. and Crosnoe, R. (2011), 'The Racial/Ethnic Composition of Elementary Schools and Young Children's Academic and Socioemotional Functioning', *American Educational Research Journal* 48 (3), accessed at: http://journals.sagepub.com/doi/abs/10.3102/0002831210384838

35. Crosnoe, R. (2009), 'Low-Income Students and the Socioeconomic Composition of Public High Schools', *American Sociological Review* 74 (5), accessed at http://journals.sagepub.com/doi/abs/10.1177/000312240907400502

Inclusive open space

The literature also emphasises high quality green spaces as assets promoting feelings of community. Effective design of these spaces within housing development is vital, however – extending to the diversity of uses and adaptability over time, from play to gardening.[36] Children playing outside unsupervised are a key proxy for feelings of community safety in a neighbourhood, but most simply, open space is of universal relevance: all residents navigate between their homes and wider city amenities. Parks are the most used public service after the NHS, and the most used council service.

One challenge is that small open spaces within dense development need to serve multiple purposes, but this can alienate residents and mean that they can be underused – being designed for everybody can means designed for nobody. Research suggests that intelligent segmentation of open space can help.[37] This means designing space with an explicit purpose, including to address explicit acute needs. For example, small things often make a big difference for older residents, including well maintained pavements, accessible toilets, adequate street lighting and plenty of benches.[38] These things also make a neighbourhood more pleasant and liveable for others.

Designing neighbourhoods and a public realm to address the needs of the most vulnerable can often provide 'early warning' of approaches that can benefit all, across the life-course and for people with a range of physical capabilities.[39]

A final consideration is that design of certain masterplan elements can and should be more iterative and experimental, rather than seen as permanent. Open space design should be capable, to an extent, of retrofit and refurbishment, based on user feedback or as needs change and emerge over time. Flexibility in how space is managed, governed, and iteratively reconfigured in response to changing or unanticipated local need is desirable.

36.   Cowan, R. et al (2005), *Start with the Park: Creating Sustainable Urban Green Spaces in Areas of Housing Growth and Renewal*, accessed at: http://www.designcouncil.org.uk/sites/default/files/asset/document/start-with-the-park_1.pdf

37.   Caistor-Arendar, L et al. (2016), *L&Q shared outdoor space: what works?*, accessed at: http://www.social-life.co/publication/shared_outdoor_space_what_works/

38.   Ibid.

39.   Waterman, L. and Schifferes, J. (2017), 'Health and the Built Environment', *Perspectives in Public Health* 137 (1), accessed at: http://journals.sagepub.com/doi/full/10.1177/1757913916680149

Key Takeaways: beyond housing provision

The potential of large-scale new development relates not just to the scale of homes and other facilities created, but the opportunity for development to catalyse new forms of local collaboration, to build institutions, and foster community leadership. Specifically:

- Temporary uses are important 'research and development' experiments that should inform emerging longer-term plans, commitments and investments. These are strongest when linked to local heritage.
- Schools are fundamentally important to social integration. The development process can bring new strengths to schools as institutions, as well as providing new facilities and buildings.
- The quality of open space has a high impact on social integration, as a visible expression of inclusivity in its use. Successful design principles include specifying purposes and a high level of service for those with impaired mobility or challenges navigating the public realm.

The most important factor in whether local social and civic life will be inclusive is the dynamics of the population itself. In addressing this, developers, planners and community groups should understand and seek to influence behaviours and social norms at the key 'moments of change' which development prompts; most notably the arrival of new residents.
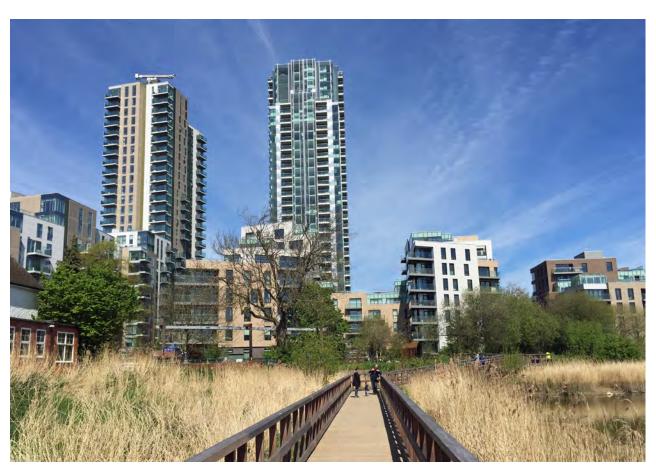

Photo by Diamond Geezer / CC BY

Scale to change: putting insights into action within large-scale housing development

Understanding the value drivers in the system

The RSA convened over 30 experts in London's housing policy, development, policy design and community action at a half-day workshop in December 2016. The workshop was facilitated in a way so as to map the system for delivering large scale housing, define challenges to the creation of mixed and balanced communities, and generate ideas that are likely to work effectively both *within* and *to change* the dynamics of the system in which developers, local authorities and community interests operate.

There was consensus that both developers and local authorities struggle to account for the complex nature of value creation. Economic value is closely related to social value in the long-term. Maximising social value requires a consideration of the process of place making and stewardship, rather than *necessarily* maximising the immediate financial value of what is built – whether to maximise income to developers and investors or the local authority seeking the largest possible number of units of affordable housing built.

It was acknowledged that securing long-term commitment from developers more often relied on trust rather than legally-binding agreements. In a corporate context, planning and development teams are answerable to the assessments made by the board and management of the company, answerable to the financial bottom-line. But planners and officers in local authorities, working on the plans for the area, are likewise subject to meeting the aspirations of council members and council managers who are answerable to political imperatives, in turn informed by public opinion on what kind of development to stipulate and permit. The two 'sides' would often sit around the same table in their day jobs, but rarely on terms that engage with the fundamental drivers of behaviour in the housing and planning system; this was the value of the process employed by the RSA.

Capturing value for the community, and from the crowd

There are a number of assets and institutions that can contribute to meaningful interactions and social action between different people and groups. To be successful, however, a developer must provide adequate resources and energy to make these initiatives successful. In the early phases of settlement, developers should actively lead and commission initiatives, until residents feel embedded enough in the community to take responsibility for activities and assets themselves. At Kings Cross, developer Argent has made the case for maintaining overall control and discretion of on-site activities on a number of large development sites across the neighbourhood. In later phases, this transition has been successfully supported by transferring assets into community ownership, to endow community groups with a revenue stream while giving developers an 'exit strategy'. Others suggested that community land trusts and local partnerships endowed with ownership and stewardship of community assets could be funded by a potential levy on developments. Milton Keynes Parks Trust is an example of this – commercial activity feeds back capital into maintenance and development.

One emerging model, identified as promising by workshop participants, is the creation of joint ventures between public and private sector developers. In these arrangements, public sector land and property assets of significant scale provide the financial capital leverage to overcome the short-term focus that local authorities face in maximising short-term revenue. Simultaneously, joint venture agreements can guarantee the long-term investment horizon of private sector developers, for example restricting the ability to 'cash out' of the joint venture. Joint ventures might also prove useful vehicles through which developers experiment with newly designed tenures, or through which local authorities can lock-in long-term deals to access social care accommodation and temporary accommodation – both areas of growing and acutely costly expenditure[40].

> Crowdfunding platforms are growing in importance for community-scale initiatives, and they offer a platform to connect local residents to one another as well as a means of coordinating resourcing. The Mayor of London has invested £600,000 in 37 local projects suggested on crowdfunding platform Spacehive, while nationwide Spacehive has formed other partnerships with housing associations, public service contractors such as Greenwich Leisure Limited and Veolia, and philanthropic foundations. In Plymouth, the Council has allocated 25 percent of Community Infrastructure Levy funds to invest in local initiatives via the Crowdfunder platform.

40. The RSA (2016), *Designing Solutions to London's Temporary Accommodation System*, accessed at: https://www.thersa.org/discover/publications-and-articles/reports/designing-solutions-to-londons-temporary-accommodation-system-workshop-outcomes

Elevating the public debate on housing

There was an acknowledgement at the workshop that despite policy support, planning committees never ask for a social sustainability report or similar, or rarely ask developers questions around how they are planning to foster social integration and successful communities. If they did, it would force developers to give this consideration and influence the way they programme development and propose more innovative solutions, within masterplans submitted for permission to build. Enhanced recognition for successful developments, and those which make plans and commitments to social integration at application stage, would further incentivise the sector to prioritise these outcomes.

A macro challenge is that the built environment has little relative political currency – with no one individual seen as directly responsible for outcomes. The approaches taken by local authorities within London are highly varied. Would it be possible to shift debate to make it something that was important in election pledges? Could you get a mandate on design? There is some evidence that public preferences on housing design can be codified, but need facilitation to be articulated[41].

However, there was an acknowledgement that inherent tensions exist far beyond politics – in part driven by the gap between the choices we make as consumers and the choices that would appear objectively preferable in the long-term. The homes that people are drawn to buy are more likely to conform to a societal notion of what makes a good home; yet as consumers we do not have the foresight to anticipate what the lived experience of a neighbourhood will be, which is a predictor of how long we will stay in that home. For example, a combination of cognitive biases serve to systematically under-estimate the demonstrable negative well-being impact of long commuting times[42]. Developers have a potential role in enlightened marketing and education, through estate agents and lettings agencies for example. Housing finance in the UK has not yet innovated to provide location efficient mortgages which reward smarter commuting patterns, as has been trialled in major US cities[43].

A longer-term unifying goal for civil society could be to organise, with support from public policy, the provision of housing solutions at scale, for Londoners who don't want house prices to rise, or don't want to (or can't afford to) take on this risk when they commit to borrowing money to purchase a home. A YouGov poll in October 2016 estimated that 40 percent of Londoners wanted house prices to fall, compared to 21 percent wanting a rise[44]. Solutions are likely to involve the vast assets, resources and activity of housing associations, and several community land trusts in London have already initiated schemes where house buyers benefit from below-market prices but are restricted in their resale rights for property.

41. Prince's Foundation for Building Community (2014), *Housing Communities: What People Want*

42. ONS (2014), *Commuting and Personal Well-being*, accessed at: http://webarchive. nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/dcp171766_351954.pdf

43. Krizek, K. (2003), 'Transit Supportive Home Loans: Theory, Application and Prospects for Smart Growth', *Housing Policy Debate* 14 (4), accessed at: https://www.innovations. harvard.edu/sites/default/files/10960.pdf

44. 26% of respondents wanted stable house prices, and 12% didn't know. Note that across all age brackets and income brackets, support for house prices going up did not exceed support for house prices going down. See https://yougov.co.uk/news/2016/11/09/what-do-londoners-most-and-least-about-living-lond/

Place-responsive planning and development, through new forms of collaboration

Taking Matthew Taylor's injunction at the workshop to 'think like a system and act like an entrepreneur', we have drawn together the most promising recommendations to address the challenge of ensuring large-scale development creates mixed and balanced communities. These are of relevance to developers, local authorities and an array of community groups and interests, in shaping the next generation of London's neighbourhoods.

When planning large-scale development with significant housing provision developers and planning authorities should share an informed and enhanced understanding, at the local scale, of the desirable site-level response to local social need and broader market conditions. This means considering through the lens of tenure, alongside other dimensions of housing mix, in relation to a specified housing market geography. Catering to housing demand in the context of the anticipated needs of local employers is under-explored.

The most fundamental driver of housing value is proximity to jobs, and the qualities and pay offered by those jobs across a breadth of sectors and occupations. Large-scale development sites offer the opportunity to balance the need for additional homes and additional space for employment. The presence of a daytime working population alongside a resident population has the potential to further diversify the range of social and economic groups in a neighbourhood, boosting opportunities for mutually beneficial interaction – for example volunteering opportunities.

Developers should recognise that demand for employment space locally can also be stimulated by new housing, and that mixed use developments can enhance place quality, because an aggregated customer base from local residents and workplaces means a wider range of retailers, food and leisure businesses can be commercially viable.

Local authorities could consider whether Neighbourhood Plans, Area Action Plans and Local Plans sufficiently account for the achievement of affordable housing targets across a whole borough, rather than seeking the same threshold within every planning application for major development. Though issues of fairness and viability are hard to justify under the court scrutiny to which planning decisions are ultimately subject, the counter argument is the evidence that different neighbourhoods within the same borough play different roles and functions within wider housing and labour markets.

Developers and borough councils can have adversarial relationships, a culture fuelled by the structure of the planning system. But more often than not the interests of developers and local authorities are aligned, and the process of placeshaping is understood as a shared responsibility. For the private sector, understanding the long-term value proposition created by large scale development is challenging – for example, landowners, developers, investors and estate agents may have inconsistent views on how to attract and retain retailers which maximise the overall value of the development. This divergence reflects different values and different incentive structures for individuals within firms. Surfacing this explicitly makes it more likely that differences will be able to be reconciled and opportunities optimised.

Specifically, the resources and skills within local planning departments have declined sharply in recent years, and some progressive thinking is needed to meet the challenge of accommodating London's growth. Ideas to incentivise new forms of collaboration include:

- A team with experience in partnership and negotiation for large-scale development, shared across London. Contributions could be pooled, from boroughs, GLA, DCLG, developers themselves (eg through CIL) or from professional institutes, learning from initiatives such as the Advisory Team for Large Applications. GLA is currently scoping a potential 'Public Practice' professional development and placement scheme along these lines.
- A collective scheme among boroughs to insure against the costs of lost planning appeals.
- New policies and covenants which ensured that those obtaining planning permission for development maintain a long-term stake in the value of the development. One impact of leaving the EU will be the need to replace repealed legislation which covers procurement by the public sector and the formation of public-private partnerships.

The RSA (Royal Society for the encouragement of Arts, Manufactures and Commerce) believes that everyone should have the freedom and power to turn their ideas into reality – we call this the Power to Create. Through our ideas, research and 28,000-strong Fellowship, we seek to realise a society where creative power is distributed, where concentrations of power are confronted, and where creative values are nurtured.

RSA
Action and Research Centre

www.thersa.org