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Sale of public land as a financing instrument. The unspoken political choices and distributional effects of land-based solutions

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ABSTRACT

In recent years, the sale of public land has become a fairly widespread financing solution: capital gains obtained from the sale and redevelopment of public land, and secured through the planning system, are employed to fund new public infrastructure or facilities. While this is often presented as an optimum solution for hard-up public authorities, this paper draws on the sociology of policy instruments to shed light on the unspoken political choices and uneven distributional effects of land-based financing. These choices concern the aims of public land use (where financial uses are prioritized over redistributive/productive uses), the roles played by public authorities (whose role as speculative landowner is prioritized over that of land use regulator), and the coordination of both land sales and redevelopment (where market coordination is prioritized over political coordination). Based on a case-study of the Ministry of Defence Estates London (MoDEL) project, this paper shows how these choices have been institutionalized into binding financial calculations and contractual agreements that actually limit the use of public land, overlook alternatives, drive up land values and exacerbate exclusionary effects.

Keywords: Public financing Public land sales Privatization Land-based instruments London Political sociology of policy instruments

1. Introduction

Funding is one of the key obstacles to building new public facilities and infrastructure in cities. While needs are more and more pressing, government actors look for new and ‘innovative’ financing mechanisms and instruments (Peterson 2009; Ingram and Hong 2012; Merk et al. 2012; O’Brien, O’Neill, and Pike 2019). The sale and redevelopment of public land and buildings¹ is increasingly being used to deliver new infrastructure (urban public transportation systems, airports, etc.), facilities (cultural venues, museums, etc.), neighbourhood regeneration projects, or even new towns (see Batt 2001; Bon 2015; El-Nagdy, El-borombaly, and Khodeir 2018; Mathur and Smith 2013; Muñoz Gielen 2011; Peterson 2009). Using these financing instruments, capital gains from the sale of public land are used to fund a new public facility (or at least part of it). These capital gains arise from higher land values generated through the planning system (by securing development rights), the privatization of land/buildings and their transformation into new real estate developments.

While this is not entirely new, the sale and redevelopment of public land as a financing tool has increased in popularity in recent years for a number of reasons, including the ‘debt crisis’ and austerity where governments seek ‘new ways’ of achieving public policy objectives (Beswick and Penny 2018), rapid urbanization and infrastructural needs in emerging countries (Peterson 2009), and the promotion of the instrument by international organizations as part of ‘good urban governance’. The types of public facilities that need to be built, the sales used to finance them, land markets and public finance systems can differ enormously from country to country. However, the sale and redevelopment of public land as a financing instrument presents certain recurring features:

- i) it is a market-led instrument based on land values uplift: a value increase is generated through public land privatization and redevelopment to cover the costs of new public infrastructure and facilities. It is therefore a one-off financing solution where capital gains cover up-front costs (Connolly and Wall 2016).
- ii) it is part of a broader set of land-based financing instruments where land value is enhanced and then ‘captured’ by the public sector to generate revenues that will feed into public investment (Alterman 2012; Peterson 2009).² These instruments accompany and sometimes replace other more traditional instruments such as taxes, loans, intergovernmental transfers, grants, user fees, etc. (Alm 2015).
- iii) it is facilitated by a broad wave of reforms in several countries that incentivize the sale of public lands and buildings by both central and local government (Adisson and Artioli 2020; Artioli 2012, 2016; Christophers 2017, 2018; Whiteside 2019). These reforms are underpinned by a financialised vision of public land to be sold and redeveloped. Public land is not considered in terms of its operational and use value, but as an asset valued primarily for the capital gains it may generate (Adisson and Artioli 2020). Such reforms highlight the growing importance of financialized real estate strategies for governments (for a discussion of the state and the financialisation of public land see Christophers 2017);

¹ The term ‘public land’ is used to indicate both the public land and the public buildings on it.

² A non-exhaustive list includes tax on land and property; betterment charges; developer obligations; land value capture taxes; sale of development rights; sale and leasing of public lands.

- iv) at the same time, this financing instrument also produces concrete new spaces: the sale, transformation and development of public land are essential for the viability of the new facilities or infrastructure to be funded. New developments may either be on the same site as a new public facility/infrastructure (e.g. housing developments on public land which also hosts a new metro station), or off-site, where land redevelopment in one place is explicitly used to finance a new infrastructure in another place. Consequently, various types and processes of urban change are tied to each other through financial relationships;
- v) given the localized nature of land as an asset, this financing instrument can be used in circumstances where it is easy to create the conditions for land sales, redevelopment and value uplift. Prime urban real estate is therefore preferred over more remote or unattractive locations;
- vi) finally, public authorities play an active role in generating the value uplift that underpins this financing instrument. Although land-based instruments often popularize the idea that real estate market value uplift is 'captured' by the public sector, this uplift is directly sought after and facilitated by the public sector itself, especially the planning authorities. Indeed, through the combined actions of selling lands, modifying planning rules, and delivering building permits, public actors shape real estate markets and their uplift, from which value is 'captured' for public investment.

Inspired by the political sociology of policy instruments, the purpose of this article is twofold. First, it seeks to analyse the political trade-offs that underpin public land sales and redevelopment as a financing instrument. This instrument is often seen as 'efficient' because it capitalizes on underused or 'surplus' publicly-owned land and buildings and thus avoids 'burdening' public balance sheets. It is also seen as 'effective' because it provides the cash flow to fund public infrastructure and facilities. However, drawing on the contributions of political sociology to the understanding of public policy instruments (including funding and spatial planning instruments), this paper seeks to shed light on the unspoken political choices and distributional effects inherent in the sale of public land for facilities/infrastructure development. These choices are *political* because they reflect alternative collective preferences in terms of goals, use of resources, authority and collective action. They concern the goals of public land use (financial uses versus redistributive/productive uses); the roles played by public authorities (speculative landowners versus land use regulators); and the manner in which both land sales and redevelopment are coordinated (market versus political coordination).

Second, the paper illustrates these choices and their implications using the 'MoDEL' project (Ministry of Defence Estate London) as a case-study, where the sale and redevelopment of six publicly-owned military sites was used to fund new military facilities in London (RAF Northolt). It shows how the binding calculations and agreements on which this financing instrument is based actually limited the choice of uses for public land and contributed to driving up land values and exacerbating exclusionary effects. The case of MoDEL exposes how land-based financing instruments have implications both for wealth distribution, the allocation of public resources and power relations in collective action (who decides, who is accountable). Therefore, while they are often presented as a neutral choice and an optimum solution for hard-up public authorities, they actually reshape the priority of the sale and redevelopment of public land in a very selective way. The study uses data collected in 2015 and 2016, first through 7 semi-structured interviews at the central and local level with civil servants in charge of the defence estate, local authority officers (GLA, London Boroughs) and property developers; second

through the in-depth analysis of policy documents - including departmental reports, audit reports, planning documents, development applications and the London development database.

The paper is organized as follows. The first section discusses the political sociology approach for analysing public land sales and redevelopment as a financing instrument. Second, it presents the case-study of the sale and reorganization of military real estate in London, especially the MoDEL project. Third, it scrutinizes the public-private contractual agreements and the planning processes that delivered MoDEL and, finally, it discusses the political choices reflected in this type of land-based financing solution and their social and urban implications.

2. A political sociology of land-based financing instruments

While demand for public facilities and infrastructure grows and evolves, huge attention is devoted by both national and international organizations to financing them using various instruments, including land-based solutions and combining public and private funding (see, among others, publications from both OECD and the World Bank officials: Merk et al. 2012; Röttgers, Tandon, and Kaminker 2018; Peterson 2009; Delmon 2017). These approaches aim to deliver infrastructure through land-based financing and they take a functionalist approach to various instruments, whose opportunity, effectiveness and efficiency are examined and assessed. In the field of public transport economics, academics have also focused on the application of land-based financing across different countries (Mathur and Smith 2013; Medda 2012; Olsen and Fearnley 2014; Sun et al. 2017). However, researchers from the fields of planning and geography generally adopt a more critical – political economy – perspective: in various case studies, scholars focusing on Europe and North America argue that the emergence, consolidation and success of financing solutions based on public land and real estate is embedded into the restructuring of urban political economies in line with neo-liberalisation and austerity (Besussi 2016; Beswick and Penny 2018; Olsson 2018; Raco 2018). In other words, these land-based financing instruments reflect the transformation of the role of the state in both capital accumulation and public service provision. Following a similar approach, and drawing on Anne Haila's seminal work (Haila 1988; Hyötyläinen and Haila 2018), others have carefully documented the reforms that have driven the commodification and privatization of public land and buildings in various countries (Adisson and Artioli 2020; Christophers 2018; Vitopoulou and Yiannakou 2020; Whiteside 2019). It has been demonstrated that these reforms reveal a financialised vision of public land and have been accompanied by organizational changes in public land management that are key to using these assets as levers to fund the development of new facilities.

Complementing these strands of research, this paper takes a political sociology approach to policy instruments to discuss the political trade-offs inherent in the sale and redevelopment of public lands as a financing instrument. Political sociology has produced a vast amount of research about instruments during the last fifteen years (Halpern, Lascoumes, and Galès 2014; Lascoumes and Le Galès 2005, 2007), linking up to broader sociological reflections about governmentality (i.e., the rationalities, mentalities and techniques of government) and the historical development of government techniques, population control devices, counting and public statistics. This work provides useful insights for a critical analysis of land-based financing instruments, their success in spatial planning and their socio-economic and political consequences.

To start with, the sociological approach to public policy instruments challenges the functionalist view of the existence of a box of 'neutral' and autonomous instruments from which strategic policymakers can select the most effective and efficient solutions to policy problems and achieve clearly defined goals. In contrast, it assumes that neither instruments nor their selection, uses or outputs are neutral. Policy instruments are in fact devices that are both technical and social: they organize specific social relations between the state and those it governs, according to the representations and meanings they convey (Lascoumes and Le Galès 2007, 4). Following this line of thought, policy instruments are socio-political institutions that incorporate specific state knowledge and convey and exercise government constraints. As such, they contribute to the coordination of collective action, which they both enable and constrain. They are selective and form part of the allocation of resources between different groups, and thence of the political regulation of society (Halpern, Lascoumes, and Galès 2014, 31). On this basis, the social and political outputs of policy instruments can be deliberate, but instruments also produce their own effects *beyond* explicit policy goals and actors' strategies and expectations (Lascoumes and Le Galès 2007).

The use of land-based financing instruments to deliver public facilities and infrastructure stands at the intersection between public financing and spatial planning: these instruments link financial flows essential to investments in public facilities to the physical transformation of urban land and buildings, and the 'creation', extraction and distribution of land value (resulting from social and political activity). As such, land-based financing instruments are especially relevant to understanding political regulation and urban change (for a similar argument see Findeisen 2020). Indeed, levying and spending funds and governing land uses are among the most defining features of (central and local) states, core mechanisms for redistributing wealth and opportunities, and a domain that has been put under acute pressure by budget consolidation measures requiring 'innovative' forms of financing that range from crowdsourcing to financialised institutional investors.

As such, adopting a similar approach to those authors pointing up the need to develop a sociological understanding of spatial planning instruments (seen not just as a technical means to predefined ends, but also as social undertakings) (Albrechts 2012; Van den Broeck 2008), this article considers that close scrutiny of land-based financing instruments is necessary to move beyond functionalist approaches and to shed light on their political and socio-spatial outcomes. This is not antithetic to broader strands of urban political economy research, with which it shares a critical understanding of the development of new financing instruments. However, the paper contends that instruments are not merely inert tools determined and/or used strategically by 'neoliberals' and 'austerity mongers'. The underlying hypothesis is that land-based financing instruments also structure the relationships between various urban actors (landowners, planning authorities, developers, etc.) and produce social and political outputs that go beyond the explicit policy goals. This implies shifting the focus of the analysis from a study of broad patterns of urban socio-economic and political restructuring, of which instruments are seen as the outcome, to a careful examination of the instruments themselves, their features and their uses in order to highlight the related political trade-offs, systems of knowledge and forms of constraint through which they function.

This article is based on a single case study, defined as the intensive study of a single unit for the purpose of understanding a larger class of (similar) units (Gerring 2007, 342) – in this case the sale of public land as a financing instrument. London MoDEL is a 'critical case' (Flyvbjerg 2006), i.e., a case of strategic importance in relation to the general problem of land-based financing. The project MoDEL was widely lauded by its proponents as a project that proves the efficiency of land-based financing and could be

replicated elsewhere. Its implementation also proceeded ‘as expected’, without any major political, financial or organisational problems. This perceived ‘exemplarity’ offers a good opportunity for analysing how this type of financing instrument reflects political choices, structure relations between actors, and conveys socio-spatial implications.

3. The London experience: restructuring defence assets through public land value capture

3.1. Three decades of military estate reorganization driven by land values

Project MoDEL (Ministry of Defence Estate London) has its roots in the wider reform of the management of the defence estate and its privatization, combining downsizing, sales and private sector provision of new infrastructure and facilities. The Ministry of Defence (MoD) is one of the UK’s largest landowners, with around 240,000 hectares – including 80,000 hectares of built land (Defence Estates 2000). The MoD’s real estate portfolio is valued at between £20 billion and £31 billion (depending on the source) and includes offices, barracks, airfields and naval bases (Great Britain National Audit Office 2010, 4). With the changes in defence policies that followed the end of the Cold War and the decrease in military personnel, several military sites across the country were closed or downsized (Woodward 2004). In this context, the MoD has been used as a laboratory for experimenting with government public land privatization reforms (carefully documented and critically analysed by Christophers 2018). Under pressure from Whitehall (Christophers 2018) and recurring criticism (Great Britain National Audit Office 2005, 2010), the MoD produced *ad hoc* strategies for the defence estate following a review, “In Trust and On Trust” (2000), updated as “The Defence Estate Strategy” (2006). This was the first comprehensive strategy for the delivery, management and disposal of military infrastructure. The “Defence Estates Development Plan” of 2008 and 2009 both assessed the military real estate footprint and its expected reduction, and they were recently followed by “A better Defence Estate” (2016). All of these plans included downsizing targets, expected revenues from disposals and performance metrics (Table 1).

Table 1. Defence Reviews and defence estate management strategies (1998-2016)

	Defence Strategic Reviews	Key real estate management strategies	Target downsizing and revenues
1998	Strategic Defence Review		Reduction of 20%, Disposal of ~350 assets
2000		In Trust and On Trust	Revenues of £700 million (1998 - 2002)
2003	White Paper 'Delivering Security in a Changing World'		
2006		The Defence Estate Strategy 2006 - In Trust and On Trust	Revenues of ~£650 million (2006 - 2009)
2008		Defence Estates Development Plan	
2009		Defence Estates Development Plan	
2010	Strategic Defence and Security Review		Savings of £350 million per year
2011		Defence Infrastructure Interim Land and Property Disposal Strategy	Disposal of ~2000ha
2015	Strategic Defence and Security Review		–Downsizing by 30% (2040)
2016		A better Defence Estate	Revenues of ~£3 billion (2040) Disposal of 91 of the most expensive sites (2040) Savings of £140 million over ten years

This overall policy is finance-led: it relies on the commitment to reduce estate running costs and to raise revenues from sales that are subsequently reinvested in the defence budget and infrastructure. As for the rest of the public estate (Christophers 2018, 232), this policy seeks to maximize both sales volumes and sale prices. An official from Defence Estate explains the policy rationale as such: *'When our (military) sites are surplus to requirements, our role is to sell them quite simply as quickly as we can, for as much money as we can to be reinvested back into key defence priorities'* (quoted by Dobson 2010, 12). Over time, estate management strategy changed through internal reorganization (creation of the *ad hoc* body Defence Estates, later renamed Defence Infrastructure Organisation) and widespread outsourcing to the private sector. New instruments were also introduced to improve knowledge of the estate (in a country characterized by poor and opaque landownership data, see Shrubsole 2019) and to organize the estate as a tradable asset. The introduction of commercial-style accounts (throughout the MoD) helped quantify both the running costs of assets and expected returns from disposals. Classification of the estate into three categories ("Core", "Retained" and "for Disposal") was also meant to improve both short-term sales and longer-term management. As a result, between 1998 and 2008, the size of the built estate (i.e., excluding training land) fell by 4.3% and sales generated £200 million per year on average, peaking in 2007-08 when Chelsea Barracks in London alone netted £1 billion (Great Britain National Audit Office 2010).

Importantly, alongside this dominant finance-led framework is the goal of disposing of the defence estate for housing development and local economic regeneration, supported by the Department for Communities and Local Government (see also Christophers 2018, 282–83 for a presentation of this

policy). Under this approach, the defence estate can be a valuable resource for tackling housing shortages, especially in the South-east of England (Dobson 2010; Dobson and Bagaeeen 2012). For instance, in 2011, under the New Localism Act and the targets set by the Government for the delivery of new homes, the MoD agreed “to sell land by 2014/15 with the potential capacity to deliver between 26,000 and 31,000 new homes in the future” (Defence Infrastructure Organisation 2011, 3). The 2016 MoD strategy also targeted 55,000 potential new homes to be delivered from defence estate privatization (Ministry of Defence 2016). However, none of the defence estate strategies defined how trade-offs will be made between diverse priorities – e.g., generating financial revenues versus delivering housing and even affordable housing. In a finance-led framework, the push to increase financial revenues and the pull towards housing or non-monetized goods is left to arbitration on a case-by-case basis.

The pressure to downsize, concentrate and maximize sale prices was especially intense in the defence estate located in Greater London. The city houses military headquarters and significant chunks of military organizations and personnel due to the concentration of defence decision-makers as much as to the historical need to defend the city itself (Osborne 2012). In 2009, Greater London still accounted for about 5% (11,270 employees) of MoD personnel (both military and civilian) and the MoD owned 477 hectares (Defence Estates 2009). Furthermore, the Greater London area is crucial for MoD land privatization as it concentrates opportunities for high value sales and redevelopment. Indeed, across the United Kingdom, selling military land for high value uses has proved difficult in many regions characterised by low property values, unemployment, depressed demography and low accessibility as well as military land and infrastructure blighted by pollution and high remediation costs (Childs 1998; Dobson 2010; Dobson and Bagaeeen 2012; Woodward 1998, 1999, 2001). In many cases, surplus sites proved to be a burden for the Ministry rather than a financial opportunity.

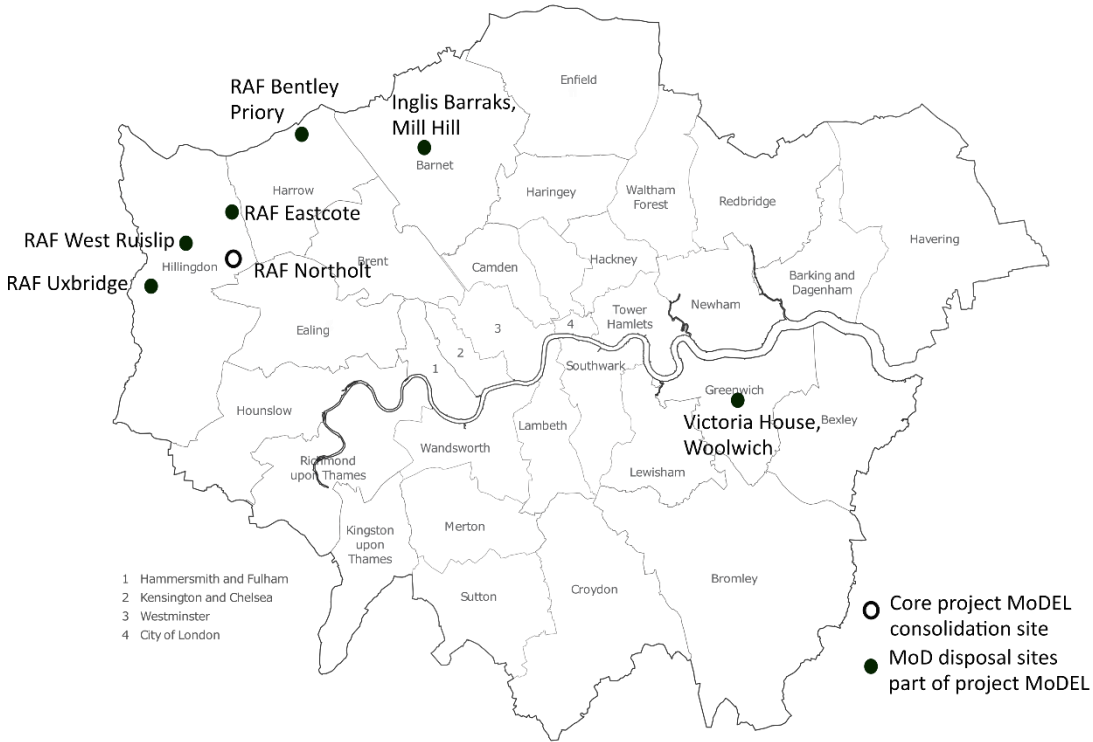
In the context of this uneven land redevelopment geography, the MoD’s reorganization strategy in Greater London emphasised London’s role as a rent-generating machine. This strategy incorporated assumptions about expected land values and potential revenues, which resulted in earmarking certain MoD sites to release. Roughly speaking, the process of downsizing the defence estate in London and selling it to private actors can be divided into three stages dating from the 1990s on. The first commenced in the 1990s and focused on MoD headquarters and offices in inner London. Between 1993 and 1996, the number of London headquarters office buildings fell from 25 to 7, both through sales or relocation to rented office buildings. They were subsequently reduced to 2 (Main Building and the Old War Office, the latter sold in 2014, see Shrubsole 2019, 147). The second stage, on which this paper focuses, concerned the operational estate in outer London during the 2000s. In 2000, the Ministry of Defence launched the “Core Sites” programme, a rationalization plan covering the Ministry’s entire estate and aimed at consolidating defence activities into a smaller number of more densely utilized locations. Both the Defence Estates and the US Navy (who had the use of part of the estate) prepared several studies of the London area. The ‘MoDEL – Ministry of Defence Estate London’ – project was launched in 2002 to respond to criticisms of dispersion and redundancy of military assets contained in these assessments. Since 2009, the third (still ongoing) phase targeting the new departmental priority, has dealt with downsizing and selling off London barracks (especially Horse Guards, Hyde Park, Woolwich, Kneller Hall, Wellington, Regents Park and Hounslow) (Defence Estates 2009). Tremendous expectations about revenues from barracks were generated by the £1 billion sale

of Chelsea barracks (a 5-hectare site in Westminster) in 2007, considered at the time the most expensive transaction in the whole country.³

3.2. Project MoDEL: an ‘exemplary’ land-based financing instrument for central government resulting in unaffordable developments in London

The rest of this paper analyses the MoDEL project unveiled in October 2002 and deployed over the second half of the decade. This experiment combined the different reforms aimed at concentrating, downsizing, outsourcing and raising revenues from managing the defence estate and its disposal on the market. MoDEL was a land-based financing instrument set up to redevelop RAF Northolt airport and facilities by selling and redeveloping six other military sites in Greater London (Figure 1). It had three main features: to deliver the new facilities, the search for maximising public land sale prices (generating profits); delegation to a private company; and market coordination for the redevelopment of public lands.

Figure 1 MoD properties included in the MoDEL project



Map made by the author (Source: Defence Estate)

On the expenditure side, RAF Northolt was developed as one of the MoD ‘core sites’ in London through a £180 million investment in “improved accommodation and facilities, new offices, new squadron accommodation, single living accommodation, catering/mess facilities and physical/recreational training areas” (Defence Estates 2008), allowing for the relocation of 900 military and civilian personnel from other sites. It was completed around 2012. On the revenue side, the project was funded through

³ BBC News, Barracks sell for record amount, 31 January 2008, http://news.bbc.co.uk/2/hi/uk_news/england/london/7221287.stm (retrieved on 29/09/2020).

the sale and redevelopment of six valuable sites of about 100 hectares, freed up thanks to the consolidation programme (RAF Uxbridge, RAF Bentley Priory, RAF Eastcote, RAF West Ruislip, Victoria House in Woolwich and Inglis Barracks in Mill Hill). In its simplest form, MoDEL can be summarised by the following expenditure-revenue equation: $X1 + X2 + X3 + X4 + X5 + X6 \geq Y$, where Y is the new Northolt facility and the X are the sites sold and redeveloped. For the project to function, the cost of Northolt refurbishment plus the costs of the redevelopment process (i.e., Y) had to be less than or equal to the amount obtained from sales (i.e., the sum of X). These sales revenues depended on planning permission and development outputs (residential property, local public services...). As explained later, the planning process added value to the released sites through the land use designation system, and through the obligations and conditions that accompanied redevelopment authorizations.

The delivery of MoDEL was delegated to a private partner via Prime Plus Contracting. MoDEL was publicly launched by Defence Estates (MoD) in 2002 and, following a tender process, the contract was awarded to a single contracting entity (the Prime Plus Contractor) in 2006. A consortium comprising VINCI PLC and St Modwen Properties PLC, named VSM Estates (VINCI St. Modwen) was given responsibility for the entire process: it managed both the delivery of the new buildings in Northolt and the process of disposing of the six military brownfield sites. The revenues that exceeded the Northolt development costs were the capital gains for the private contractor (partially shared with the MoD through a system presented below). While the exact financial outcome of the project was not easy to assess, interviews suggest that final revenues for the MoD-VSM Estate contract were close to three times the initial contract value. All interviewees without exception considered that MoDEL 'did extremely well' in financial terms, thanks to a policy design that increased the financial returns in a rising housing market (detailed in the following section).

Furthermore, at the beginning of the 2000s, the MoDEL experiment was presented as a good example of how to apply Prime Plus Contracting to central government real estate. Both the officials interviewed for this research and ministerial documents of the time (Ministry of Defence 2003, 2004) present this contract as novel in its methods. According to a former Defence Estate official, *'We managed to fund the construction of the new buildings through the sale of the old ones. And this later became a methodology. Because everyone wants the result, but no one had the money, so we had to find a different way to use private finance.'* MoDEL was vaunted as a solution to initial cash flow shortages in infrastructure delivery. Because new developments had to be built in Northolt to be able to relocate workers and sell the existing sites, the contractor first borrowed money on the market to get work started. One of the major benefits for the MoD was the 'cash neutrality' of this program for the departmental budget, as the process was funded by private finance. The project garnered both visibility and political support. The Defence Estates website (archived) featured a declaration from the Chief Secretary to the Treasury stating that *'The Prime Plus Contracting model offers a novel way to recycle the public sector's under-used asset base. I am encouraged to see that your Department (the MoD) is taking an innovative approach, which results in value for money for your Department. I feel that this model may also have its uses across the wider public sector.'*⁴ The project was subsequently praised for its *'excellent communication between the stakeholders'*, for *'pioneering and integrated cross-governmental planning strategy to maximize the potential of surplus public sector land'*, as a *'best*

⁴ Defence Estates, Section "Major Projects – MoDeL", UK Web Archive, <http://www.webarchive.org.uk/wayback/archive/20070205120000/http://www.defence-estates.mod.uk/index.html>, accessed on 20 June 2015.

practice procurement technique’ and for advancing the *‘sustainable communities agenda*’ (Defence Estates 2008, 16). Project managers at the MoD later used their MoDEL experience to work as property and procurement consultants in the private sector.

Table 2 Redevelopment of MoDEL sites

Defence site	Borough	Size (ha)	Planning permission	Request for initial planning permission	Developer	New development name	Number of dwellings	Average residential density	Affordable housing (% on a habitable room basis)
RAF Uxbridge	Hillingdon	46.8	2012	VSM Estates	VSM Estates	St Andrews Park	1,380	61.5 u/ha; (205 hr/ha)	15% (53% social rent, 44% intermediate)
RAF Eastcote	Hillingdon	7.7	2006	MoD	Taylor Wimpey	Pembroke Park	385	50 u/ha	34%
RAF West Ruislip	Hillingdon	8.5	2007	VSM Estates	Cala Homes	Ickenham Park	495	58 u/ha; (ranging from 176 to 344 hr/ha)	30% (60% intermediate, 40% social rent)
RAF Bentley Priory London	Harrow	22.9	2008 (2010)	VSM Estates	Barratt Homes	Bentley Priory	103	4.7	Only off-site (~£1 million contribution from the developer)
Mill Hill Inglis Barracks	Barnet	20.6	2011	VSM Estates + consortium of landowners	Various developers	Millbrook Park	2,200	110 u/ha (ranging from 40 to 144 u/ha)	15% + review mechanism (60% social rent, 40% intermediate)
Victoria House	Greenwich	~1	-	-	Greenwich Free School	-	-	-	-

Sources: Planning applications, planning permission and interviews, compiled by the author

The six property sales and redevelopments that financed RAF Northolt can be described as medium-low density and expensive developments, mostly residential, with low shares of affordable housing (Table 2). Taken together, they delivered about 4,500 new homes on 100 hectares. More specifically, the small site of Victoria House (a former officers’ mess) became Greenwich Free School without any major transformation, but the other five brownfield areas underwent massive demolition, clearing and reconstruction work before being converted into residential developments. Bentley Priory is a very low-density, green belt development with high-end housing that won Best Architecture Multiple

Residence at the UK Property Awards⁵. Mill Hill is a denser (110 housing units/ha) high-middle standard development. Uxbridge, West Ruislip and Eastcote have similar average densities of about 50-60 units/ha (quite typical of suburban developments), the first two being high-end developments, while the third contains a more diversified offer. All five sites are mostly a mix of detached and terrace houses, some with small areas of 5-6 storey buildings (usually close to the existing urbanized area and/or public transport). Apart from Bentley Priory, all sites are accessible by public transport.⁶

Taken together, these developments are quite far removed from housing production policy objectives of the time regarding affordability and density, and partially at-odds with the afore-mentioned national government goal of leveraging public land privatization for new homes. In fact, the London planning and housing policies of the 2000s, enshrined in the London Plan, encouraged a higher provision of additional housing in London (about 30,000 p/y), the intensification of this provision through higher-density development (according to the so-called 'density matrix'⁷), and 50% of affordable housing in large new developments. In reality, London housing policy targets were rarely met both during Mayor Livingstone's terms and afterwards (Bowie 2010, 94, 105; Edwards 2016; Bernstock 2019). It is, however, important to note that the share of affordable housing in MoDEL developments is also below average for the three boroughs they belong to, both for 2003-2008 (when projects were initially drafted), and for 2010-2013.⁸ This is especially relevant for the largest developments at Mill Hill and Uxbridge that together delivered more than 2/3 of total housing units, with only 15% of affordable housing (only half of which is social rented).⁹ Regarding density, MoDEL developments lie within the ranges defined by the London Density matrix (as per the 2008 London consolidated plan), except for Bentley Priory, which is way below target. Uxbridge is around the low threshold. Apart from Mill Hill, which is quite dense, these developments are situated below the lowest quartile of borough density developments in London for 2006-2013 (Greater London Authority 2014, 45).

4. Unpacking MoDEL and its effects

As shown above, while delivering a new defence infrastructure, MoDEL converted more than 100 hectares of public assets in London into low-density and expensive residential developments with low shares of affordable housing. The following sections unpack this land-based financing instrument and demonstrate how securing both public infrastructure delivery and private profit was incorporated into

⁵ <http://www.barratthomes.co.uk/new-homes/middlesex/h573501-bentley-priory/>, accessed on 20 June 2015.

⁶ The largest sites – Uxbridge and Mill Hill – are internally very diverse in terms of both public transport accessibility and surrounding fabric (in Uxbridge for instance, part of the development is an extension of the town centre while another is near the Green Belt), resulting in equally diverse development densities (in Mill Hill for instance, density ranges from a very low 40 units per hectares to 144).

⁷ The London Plan 'density matrix' provided guidelines on density of new developments based on public transport accessibility levels (the PTAL score - Public Transport Accessibility Level) and the location of each site (suburban, urban or central context).

⁸ Indeed, for 2003/2004 to 2007/2008: the share of affordable housing completed as a % of conventional supply was Hillingdon 33%, Barnet 20%, Harrow 28% (Bowie 2010, 105 from GLA London Plan Annual Monitoring Reports). For 2008/2009 to 2010/2011, the share was Hillingdon 31%, Barnet 27%, Harrow 35% (GLA London Plan Annual Monitoring Report, N°8, 2010-2011, p. 99). Finally, for 2012/13 it was Hillingdon 26%, Barnet 29%, Harrow 41% (GLA London Plan Annual Monitoring Report, N°10, 2012-2013, p. 80).

⁹ Social rents are no higher than target rents determined through the national rent regime. Intermediate housing is above target rents and below open market levels but remain unaffordable for many London households.

binding financial calculations and contractual agreements, and how this redefined the bargaining context for land redevelopment. Table 3 summarizes the key features of MoDEL as a financing instrument – whereby public land sales and value uplifts financed new infrastructure – and how these played out in the public-private contract and subsequently in the planning process.

Table 3 Key features of MoDEL as a financing instrument and their deployment in the public-private contract and the planning process

Key features of the financing instrument	In the contract (MoD – VSM Estates)	In the planning process for the sites released
Relies on maximizing public land sale prices	<ul style="list-style-type: none"> - choice of defence sites - ‘conservative’ estimates of expected costs and potential revenues - minimum sale price clause 	<ul style="list-style-type: none"> - high standard developments, low density - services (schools, museums) instead of affordable housing - ‘conservative’ estimates in viability assessments of development projects
Relies on delegation of task of bargaining for planning permission	<ul style="list-style-type: none"> - overage clause, VSM embodying MoD’s strategy and interests - being a private actor, VSM is expected a ‘more aggressive approach’ to planning authorities 	<ul style="list-style-type: none"> - use of transferred MoD legitimacy in planning negotiations
Relies on the enforcement of market coordination in land redevelopment		<ul style="list-style-type: none"> - strategic use of time (decision of when to go to the market) - alignment with neighbouring real estate markets

4.1. The public-private contract: securing infrastructure delivery and private profit

The contract – a set of binding reciprocal obligations between the MoD and VSM Estates – included a series of arrangements whereby the two contracting parties secured their interests, namely the delivery of the Northolt infrastructure and capital gains through land disposal. In doing so, the contract institutionalized a system of resources and constraints for the private partner to negotiate planning permission for the released sites and subsequently drive up their market value. In this respect, four aspects of the contract need to be underlined.

The first two aspects deal with the expenditure-revenue equation. They both leverage the tight London real estate market to extract the highest sale prices, thanks either to site selection or by maximizing the difference between expected costs and revenues. First, the choice of the sites included in the agreement was deliberate. From the beginning of the process, both the expected value and the relative certainty that this value could be obtained were two major site selection criteria. The equilibrium of the equation contributed to the choice of assets. This led not only to prioritizing large estates to be redeveloped, but to removing those areas perceived as at risk from the shortlist. For instance, the Ha-Ha Road site (Greenwich) was not included because ‘it was a *small site with some heritage issues. The sensitivity from the local community would have delayed the wider project*’, as explained by a former MoDEL/MoD official.

Secondly, the contract was based on ‘conservative’ estimates of anticipated costs and revenues. Different scenarios were drawn up of the future value of the six properties, ranging from the worst-case to the most optimistic, as well as scenarios for the cost of developing Northolt. The baseline

scenario established by the MoD and used for the bidding process took the highest Northolt development costs and the worst sales revenues. Bidders were then evaluated based on their ability to propose better figures and provide convincing proof of feasibility. This approach helped to reduce the risks of the project for the MoD and to provide the broadest possibilities for extracting surplus land values.

Thirdly, two contract clauses framed actors' land value strategies: the clauses concerning minimum sale values and the overage clause. For each site, VSM was contractually committed to generating a minimum revenue to cover costs. Above this figure, capital gains were shared through a structured system of thresholds, linked to percentages returned to the MoD. This allowed the latter to capture part of the profit while incentivizing the private contractor (who kept the higher share) to maximize capital gains. Both clauses encouraged the developer to put the land on the market at the highest price and therefore had consequences for the subsequent development of the sites. These automatic guidelines reduced the feasibility of alternative uses (and hence values) of public assets. Indeed, the 'win-win' sharing clause (overage clause) was said to '*align the interests*' of the MoD and the private contractor when negotiating site redevelopment. This '*alignment*' provided the contractor with legal resources and legitimacy *vis-à-vis* other governmental bodies (both local and national) who might have alternative objectives for developing defence department real estate. It made VSM Estates a delegated authority embodying the MoD's finance-led strategy, while seeking to generate its own profit.

Finally, the contract reflected expectations concerning relations between the contractor and the planning authorities. The delegated private consortium was expected to be able to obtain more valuable developments than the MoD when negotiating planning permission. According to two MoD officials in charge at that time, "*we did this with a property developer who could get more value from that land than we could have done*" and, "*we felt we could get a more competitive approach from the private sector. Because if the MoD goes to a planning authority and tries to get planning permission for something they want to get rid of, they can act in a certain manner... but if a private actor does this, he can act in a much more aggressive way to secure a better outcome... government-to-government is different, a private sector developer can be far more aggressive. The issue of affordable housing for instance... as Defence Estates we should have taken the broader issue more seriously, but a private developer can say: 'look, the (share of) affordable housing is too high for development viability, we need less (affordable housing)'*". According to this view, the delegation of bargaining with the planning authorities to a private sector actor helped to smoothen other policy objectives such as affordable housing. Furthermore, in a context where the MoD historically refused to take charge of housing development (Dobson 2010), delegation to a private partner can also be seen as a departmental strategy for adapting to central government pressures to sell and redevelop public land for financial reasons, while limiting ministerial involvement in planning negotiations and more broadly in larger debates over the uses of the military estate.

4.2. Reframing bargaining in the planning and development process

This section focuses on how the MoDEL program has influenced the planning permission process between VSM Estates, the three planning authorities (Hillingdon, Harrow, Barnet) and, for certain sites, the Greater London Authority (GLA). In Outer London, where there is a preference for low density developments and the provision of affordable housing is strongly dependent on agreements between

planning authorities and private developers under Section 106 of the Town and Country Planning Act¹⁰ (Bowie 2010; Edwards 2016), this financing instrument minimised collective benefits, namely the provision of affordable housing. In fact, while constraining actors through binding rules and financial calculations, it also provided private developers with additional resources (positional, legal and discursive resources backed by an engagement to deliver the new military facilities in Northolt) *vis-à-vis* the planning authorities.

In the planning process, VSM Estates was a gatekeeper between the MoD on the one hand, and the various planning authorities and the property market on the other. Indeed, after acquiring the military sites from the MoD, the company applied for planning permission and then sold these areas (legally ready for development) to other housebuilders. Therefore, apart from the Eastcote site, for which Defence Estates (MoD) had already secured planning permission, VSM Estates applied for planning permission for all the other sites, mostly alone and in one case along with a consortium of landowners (Mill Hill). In one case (Uxbridge), VSM Estate was also the final housebuilder. Generally, dealing with all planning applications provided the company with the relevant resources needed to maximise land values and with a strategic perspective on the different projects/boroughs. Indeed, given that VSM Estates' main concern was generating capital gains for the MoDEL project as a whole, each development was linked to the others, in both timing and bargaining. A loss on one site could be offset by a gain on another.

Vis-à-vis the local authorities, VSM Estates' position in relation to MoD requirements and land redevelopment was also an argument when assessing the financial viability of the developments.¹¹ In Mill Hill and Uxbridge, the costs of relocating military activities from the released area to Northolt were factored into the viability appraisals and helped sustain the claim that percentages of affordable housing above 15% were financially 'unviable'. A legitimacy argument underpinned this costs argument, given that the ultimate purpose of these redevelopments was 'national defence'. Interestingly, while the MoD used to advance a long-standing argument about maintaining large land holdings for 'national defence' purposes (often challenged by claims requiring independent scrutiny of this large amount of land, see Childs 1998), this same 'defence' argument was used in MoDEL to justify rapid and lucrative disposals. This discursive construction of different yet compatible legitimate uses of military land was facilitated by MoDEL where the goal to delivery new military facilities in Northolt offered room for authoritative arguments about national defence, framed as a public good.

Furthermore, *vis-à-vis* the market, VSM's gatekeeper position has given it room for manoeuvre in deciding when to put assets (with approved planning permission) onto the market, therefore adjusting strategically to property market trends. By the beginning of 2008, VSM had sold the first two sites (Eastcote and West Ruislip), and benefited from the strong upward curve in the London housing

¹⁰ Planning obligations under Section 106 of the Town and Country Planning Act 1990, also referred to as 'developer contributions', are a mechanism focused on site-specific mitigation of the impact of development. They are commonly used to secure in-kind and/or financial contributions to provide infrastructure or affordable housing. They are the outcome of a negotiation process between an applicant and the Local Planning Authority (for a short history, see Catney and Henneberry 2019).

¹¹ Assessing the financial viability of developments has become central to development and planning in the UK since the 2000s (and then formalised on a national basis in 2012). In the context of negotiated arrangements for producing affordable housing, claims of financial (non-)viability are crucial in lowering the delivery of affordable housing (for a discussion about the diffusion, the uses and the effects of viability assessments see Crosby, McAllister, and Wyatt 2013; Bernstock 2019; Colenutt, Cochrane, and Field 2015; McAllister, Street, and Wyatt 2016).

market during the 2000s. When the third area, Bentley Priory, first went onto the market, property prices were falling. VSM Estates therefore withdrew the site and ‘waited’ for the London market to recover. They did not have to wait long: prices fell only by about 15% and had recovered by 2011 (Edwards 2016). However, under MoDEL as in other cases (Colenutt, Cochrane, and Field 2015; Edwards 2016), the 2008 crisis was then used by the developer as an argument to reduce affordable housing provided under Section 106. In Mill Hill especially, the threat of the crisis led to the use of low expected capital gains in the viability assessment (subsequently proven wrong by very good actual results) to justify the low rates of affordable housing provision.

Moreover, in the planning process, high capital gains for VSM Estates/MoD were secured thanks to medium-low dense residential products that targeted the higher end of the property market at the expense of affordability. These developments combine with – and sometimes exacerbate – the socially selective residential market and the housing economy of Outer London suburban areas. Compared to Greater London, the neighbourhoods surrounding the new developments (in the three boroughs of Barnet, Hillingdon and Harrow) are low density, among the greenest, in the lowest quintile for rented social housing, and in the upper quintile for income.¹² Furthermore, in these areas, controlling new developments is a political issue bound up with preserving a specific way of life and its associated localist values, as much as a class and material interest linked to the protection of landed property assets (see Gordon 2016; Holman and Thornley 2015 for a discussion of suburban politics and its variations).¹³

As discussed, formal policies targeting 50% of affordable housing in new developments were balanced with the low-density priority: in planning negotiations about military sites redevelopment, decisions to maintain low density and to build schools were used to reduce the share of affordable housing. Also, boroughs’ demands for affordable housing were increasingly lowered in exchange for ‘special’ projects included in development programmes. In Uxbridge, the developer’s contribution responded to the Council’s wish to build a theatre for the town. In Bentley Priory, the historical Mansion House, the Headquarters of Fighter Command during the Battle of Britain in 1940, was converted into a museum. The developer refurbished the Museum and provided funding to support its running costs. In the viability assessments, the provision of these facilities helped to lower the share of affordable housing. It also had the indirect effect of enhancing the attractiveness, and hence the market value, of the developments themselves.

Finally, GLA intervention in the development processes was limited. The first negotiations over MoDEL took place in 2006 under Mayor Livingstone. At that time, the overall project had much higher projected percentages of affordable housing (for instance, 25% in Uxbridge compared to the final total of 15%). Furthermore, when planning applications were submitted, only three of them were referred to the GLA (Bentley Priory, Uxbridge and Mill Hill). By that time, Mayor Johnson’s priority had shifted to the total housing supply rather than the affordable share, leading to the acceptance of the 15% affordable housing contributions in Uxbridge and Mill Hill, and to the off-site contribution in Bentley Priory. Importantly, in GLA planning reports, this acceptance was based on the argument analysed previously whereby development gains paid for the costs of defence facilities in Northolt.

¹² Sources: “Borough Profiles” and “number and density of dwellings by borough” datasets, London Datastore, <http://data.london.gov.uk/>.

¹³ In terms of the left/right cleavage, the two boroughs of Hillingdon and Barnet are held by the Conservatives. In Harrow, which has a Labour majority, the Bentley Priory development is located in a conservative constituency.

5. Discussion: political trade-offs, unspoken alternatives and distributional effects of a land-based financing instrument

This final section discusses the social and political implications of public land sales as a financing instrument. Going back to the approach and hypothesis developed in the theoretical section, it can be argued that land-based financing instruments are not neutral in at least two interrelated ways. On the one hand, they are not mere tools through which policy goals are translated into outputs, but they embody systems of knowledge, resources and constraints that have their own effects on both collective action and the policy's (intended and unintended) outputs. On the other hand, financing tools are selective and embody political choices and implications that remain unspoken once they have been factored into the binding rules and calculations that ensure the instrument's effectiveness in financing a new facility. These choices concern alternative collective options and preferences in terms of use of resources, allocation of wealth and gains, authority and coordination in policymaking. They are embedded in different understandings of the state's function *vis-à-vis* the market and society; and their implementation affects social groups and constituencies unequally.

This detailed analysis of MoDEL has illustrated the effects of the instrument itself. Crafted to secure the delivery of RAF Northolt's infrastructure and to generate private profit, this financing instrument created a nested set of binding relationships and financial constraints, while reshaping the bargaining context during the planning process. First, as shown above, the necessary financial equation between the proceeds from land sales and the costs of developing RAF Northolt connected the redevelopment of previously unrelated areas in both financial and organizational terms. These urban transformations were harnessed to the financial needs of RAF Northolt and prioritized over potentially different needs and expectations for the released areas. Within this set of constraints, delegation to a private partner further narrowed the options through a series of contractually binding mechanisms allocating responsibilities and capital gains and framing the bargaining process for planning permission. Finally, the MoDEL project, and especially forecast revenues from the redevelopment of each site, intersected with the Outer London real estate market. Here, low-density preferences took precedence over denser and/or more affordable developments. In brief, through this instrument, public land redevelopments were predicated to the rationale of MoD infrastructure policy, which imposed its own agenda, and to the financial expectations of both the MoD and its private partner. While the precise contents, design or density of these redevelopments were not part of the instrument itself and were beyond the scope of MoD infrastructure policy, they were the tangible result of its legal and financial deployment.

Furthermore, as mentioned above, this type of financing instrument conveys political choices. Without reducing policymaking to binary options, at least three points can be identified regarding the goals for public land use, the role played by public authorities and the preferred modes of coordination for land redevelopment. First, the financial value of public land is prioritized over its possible redistributive/productive uses. Scholars working on public land privatization in various countries have illustrated this recurring conflict between different objectives (see, among others, Adisson 2018; Adisson and Artioli 2020; Christophers 2018; Denaldi 2013; Karadimitriou and Manns 2016; Piganiol 2017): public land is a policy resource (Montgomery 1987) that can either support the delivery of public goods - such as affordable or public housing - or be a financial asset. Some authors interpret this as the traditional conflict between land use values and market values, which is inherent to capitalism and

is revived in public land privatization (Christophers 2018, 283). Drawing on Pierre Bourdieu (1998), others interpret this opposition over land as the conflict between the 'left hand' of the state, namely the social pole of the state apparatus concerned by welfare functions, and the 'right hand' of the state, namely its liberal pole dealing with (increasingly tight) finances (Adisson 2015, 292; Piganiol 2017). Following these lines of thought, in the case of this financing instrument, the market value of public land is prioritized by the 'right' hand of the state over the use value of this land. More precisely, maximizing land values is a necessity upon which the delivery of a new facility is predicated. Many possible alternative uses of public land are therefore disregarded *ex ante*, and land is seen as a financial asset from which profits are secured through the binding rules and calculations incorporated into the instrument. Furthermore, the tension between different branches of the state underlined by the literature takes here the form of a tension between the central state financing policy (MoD, Treasury) and the local government housing and affordability policy (GLA, Boroughs). However, the local authorities are relatively weak when dealing with the reuse of public land because of their dependence on the central state for their budget and on Section 106 agreement for the funding of social infrastructure.

Second, sale of public land as a financing instrument conveys a specific role for public authorities because their strategies as speculative landowners are prioritized over their role as land use regulators. When dealing with public land sales and redevelopment, public bodies have two 'caps': they act as traders in a land market where they seek to sell at the highest price while being in charge of regulating this same market (Montgomery 1987; Olsson 2018). These two caps conflict in many ways. Public bodies as land traders and regulators have contradictory interests when the financial needs of public landowners are at odds with the territorial needs and policy objectives pursued by land use regulators through the planning system (Besussi 2016; Bon 2015; Olsson 2018). Furthermore, the financing instrument constrains the role of public authorities as land use regulators, because it assigns them an active role in driving up land values through the planning system. Again, this can be antithetical to planning and housing policy priorities. Interestingly, in the case of MoDEL and in many of the examples present in the literature, this role of selling the public estate and negotiating the planning permission is delegated to *ad hoc* organizations. These can be government agencies (Bon 2015; Olsson 2018), special purpose vehicles (Beswick and Penny 2018), or private companies under contract. Delegation is one way of overcoming the conflict between speculative strategies and the regulatory role. However, this shift in the locus of authority also increasingly complicates accountability for decisions about the future of public land: taking the case of MoDEL, VSM Estates benefited from MoD delegated authority, while the allocation of accountability for the transformation of these public lands was scattered between this private partner, the MoD and the planning authorities. In addition, due to the delegation contract, VSM Estates and the housebuilders captured a higher share of value from public lands when compared to the MoD and local planning authorities.

Third, land-based financing prioritizes market coordination over political coordination in policy-making. Market exchanges, whereby the interaction between supply and demand determines prices, organize the sale and redevelopment of public lands, whose market prices finance the delivery of a new facility. In addition, to raise the initial cash-flow, the private contractor borrows money on the credit market. In other words, this financing instrument relies on market-type mechanisms, unlike other types of funding instruments based on hierarchy and redistribution (such as taxes). As underlined by some authors (Piganiol 2017), market coordination can be a solution to political conflicts and disputes over land, but it comes with political and social costs. On the one hand, market coordination delegated to

a private contractor prevents political bargaining – in this case between the MoD and the planning authorities – over the future of public lands. This is especially relevant in the context of the discretionary (rather than code-based) nature of the English planning system, which leave developers' contributions to be negotiated rather than set in advance. On the other hand, the redevelopment of these lands is largely influenced by the suburban real estate market in which they are located, which is at odds with more redistributive goals. In the context of the Greater London housing crisis, this financing instrument prevented the public sector from providing high shares of affordable housing, while offering new dwellings for the better off.

A case study that provides an in-depth analysis of a single unit is useful in highlighting the mechanisms and processes whereby a specific instrument drives specific outputs. Here, the sale and redevelopment of public land as a financing instrument was studied in the London context. The latter is characterised by both a tight real estate market and negotiated planning arrangements framed by the English 'discretionary' planning system (Booth 1995, 2007). The delivery of urban social and welfare benefits is predicated upon land value uplift and its negotiated redistribution (through planning gains mainly) (Rydin 2013). Therefore, the generalisability of the findings presented above should be understood by considering how different political, institutional and economic contexts can influence the functioning of this type of instrument and the trade-offs discussed above and how, by contrast, these remain and are inherent to the instrument itself.

By considering possible variations, the instrument could be amended to include both the financing of a new infrastructure/facility and the achievement of broader redistributive goals. Political and social meanings attached to public land can also be different so the latter cannot be seen and managed purely as a financial asset.¹⁴ Institutions also matter: in countries where the provision of welfare benefits through planning is not negotiated but imposed by law (for instance, countries with a Napoleonic rather than a Common Law planning tradition, see Muñoz Gielen and Tazan-Kok 2010), a share of social housing can be a compulsory redevelopment output. However, while these variations can modulate the functioning and the outputs of this financing instrument, they do not change its core mechanism which is cost-recovery for new infrastructure through land value uplift. This financing purpose, which does not vary, reshapes the priority of the sale and redevelopment of public land in the selective way discussed above. Therefore, it is possible that different political and institutional configurations help factor in redistributive goals through the planning system and/or alternative uses for public land (as for instance in the French case analysed by Author 2020). However, these alternative goals compete financially with cost recovery for new infrastructure and facilities. They therefore put additional pressure on public land value uplift and sales and/or on those public budgets to which the very use of this type of instrument is meant to contribute.

6. Conclusion

This article proposed a political sociology of public land sales as a financing instrument, as part of the popularizing of land-based financing. Through the case-study of the London MoDEL program, the contribution looked at the financing instrument itself in order to highlight its underlying political trade-offs and distributional effects. Drawing on this approach, it showed how the expectations, calculations

¹⁴ Also in London, new Mayor Sadiq Kahn set a new target of 50% of affordable housing for public land.

and *modus operandi* constrained collective action while also structuring it. MoDEL's very 'good' outputs in terms of military infrastructure delivery and financial gains (mostly for the private partners and partially for the original landowner, the MoD) also undermined the affordability of housing on publicly-owned land. The paper therefore demonstrated how both open debate about alternative land uses and capital gains redistribution were sidelined, while this financing tool limited the possible uses for public lands and drove up land values and their exclusionary effects.

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