

HOUSING REGENERATION AND THE PRIVATE FINANCE INITIATIVE IN LEEDS (BRITAIN): THE NEW URBAN ENCLOSURES?

Abstract

The northern English city of Leeds is a prime example of “neoliberal urbanism” in action with its widely celebrated “urban renaissance” success story of public-private partnerships (PPPs) and place-marketing strategies. Under pressure from central government to create “sustainable mixed communities”, the City Council now plans to roll out the regeneration frontier to the deprived inner-city working class housing estates. However, evidence from an action research project in one of Leeds’ most controversial “regeneration” zones – the Little London Private Finance Initiative (PFI) – leads to two main findings. First, “regeneration” actually means physical improvements purposely designed to gentrify these spaces by replacing public housing (tenants) with private housing (residents). Second, this policy-led class transformational process is helping to create a “neoliberal straitjacket” on local authorities whose logical conclusion points to the eventual privatisation of all public lands, assets, revenues and services. The paper concludes that the ongoing neoliberalisation of cities might be better

understood as a state-orchestrated enclosure process on behalf of corporate capital.

INTRODUCTION

The renaissance of Leeds from decaying industrial mill town to thriving “core city” in Britain over the past twenty years has been much celebrated. The country’s leading financial and law centre outside London is increasingly cited – and self-promoted – as a “role model” across Britain and internationally for how public-private-partnerships (PPPs) and place marketing strategies can regenerate city centres as desirable places to live and work, and as regional poles for economic growth (Kudelnitzky 2006). Nevertheless, discontent is brewing in Leeds over the next frontier of urban regeneration. The City Council wants to spread the prosperity of the city centre to the deprived inner-city working class estates and neighbourhoods in order, they say, to “narrow the gap” between the super rich and those lagging behind (Leeds Initiative 2004). But many of those on the regeneration frontline accuse the City Council of orchestrating outright land grabs for developers that will fragment and displace working class communities in favour of a more “well-heeled” owner-occupier class – in other words, state-led gentrification.

In part response to Slater's (2006) impassioned call for critical perspectives on gentrification to re-occupy research agendas, for the past two years, the author has directly participated in this emerging urban battleground through a solidarity research project with tenants based in the Little London public housing estate. Since 2001, the City Council has earmarked this area for "comprehensive regeneration" under the Private Finance Initiative (PFI), a hugely controversial PPP scheme which offers private consortiums lucrative long-term (20-30 years) contracts to provide both public sector *services* and capital *assets*. The City Council claims the PFI is "the only show in town" to transform the physical and social fortunes of this post-war housing estate. Many local residents, however, have fiercely opposed the regeneration plans out of hostility to the privatisation of housing services, the intended displacement of hundreds of households, and the direct replacement of low cost public housing to rent with private housing for market sale. A hugely acrimonious consultation process has so far delayed any regeneration activity until early 2010, six years after it was first due to begin.

Campaigning and researching alongside local tenants, I have worked with them to try to understand the underlying forces behind this public housing regeneration scheme, as well as the strategies and methods employed by central and local government, in order to effectively resist the attempted privatisation and

gentrification of their community.¹ I have also reflected on what this highly localised episode tells us about the contemporary processes of capitalism and, in particular, the role of the state. This research process has drawn on multiple methods and sources, including conversations, interviews, participant observation, film footage, policy document analysis, minutes of meetings over six years, secondary literature, and Right to Know Legislation (aka, Freedom of Information).

The paper argues that in many ways, Little London, and Leeds more generally, are prime exemplars of the grip that policy-led “gentrification” strategies have on local authorities who seek to mobilise “city space as an arena both for market-oriented economic growth and for elite consumption practices” (Brenner and Theodore 2002:368). At the same time, research on gentrification and neoliberal urbanism more generally in Britain remains neglectful of the *strategic* role played by both housing policy and PPP regimes like the PFI in capturing public services and assets for capital accumulation. Drawing on Dexter Whitfield’s (2001) seminal analysis of public sector privatisation, this paper argues that the use of the PFI in Little London demonstrates how central government is acting on behalf of corporate capital to place City Councils like Leeds in a “neoliberal straitjacket” that unless unstitched will eventually see the privatisation of all local public lands,

¹ The methodological aspects of this engagement are dealt with in a forthcoming co-publication from the research project.

assets, services and revenues and the creation of a neo-feudal local governance system run for, and increasingly by, corporate capital. As such, the neoliberalisation of cities is better understood as evidence of what have been called the “New Enclosures” with (global) capital once again in the ascendancy in its “totalising drive” to “commodify” and “enclose” all aspects of social life for the purpose of accumulation (De Angelis 2007; Midnight Notes 1990).

The paper begins with a discussion of the particular British experience of neoliberal urbanism and state transformation. It then elaborates this analysis as a corporate-driven enclosure process through the lens of public housing privatisation and the role of the PFI. This is followed by a brief overview of the Leeds’ urban renaissance story before a more in-depth account of the Little London regeneration story. A penultimate section discusses the implications of these micro-enclosure processes for the future of the local public sector and democratic governance. The paper concludes with some thoughts on resistance.

NEOLIBERAL URBANISM AND STATE TRANSFORMATION IN BRITAIN

Neoliberalism’s status as the “dominant political and ideological form of capitalist globalization” has long been established (Brenner et al 2005:2). It is simultaneously many things. As an *ideology*, linked to the Chicago School, it sees

unfettered market competition and individual entrepreneurship as the most efficient and morally just means of organising society (Peck 2004). This faith leads to a specific *policy cocktail* of measures designed to “free” markets and entrepreneurs from the distorting effects of collective action and trade barriers, to make the national framework internationally competitive, and to gradually extend and deepen market governmentality across every aspect of social life. As Brenner and Theodore (2002:362) argue, neoliberalism is also a “creative destructive” *process* that is gradually destroying the institutional arrangements and political compromises of the Keynesian-Fordist settlement and introducing “a new infrastructure for market-oriented economic growth”. Above all, neoliberalism is a *strategic* capitalist response to the world profit crisis of the 1970s that has dramatically restored (finance) capital’s power *vis-à-vis* labour and opened up valuable public sector services and assets to private exploitation (Gough 2002).

The Urbanisation of Neoliberalism

The pioneering work of David Harvey and the contributors to the 2002 *Antipode* special issue on “spaces of neoliberalism” (see Brenner and Theodore 2002) reveals convincingly how neoliberalisation has specific implications for and relations with the urban scale. As Harvey (1989:3, 5) has argued, urban governance is being transformed from its post-war “managerial” mode that primarily focussed on the “local provision of services, facilities and benefits to

urban populations”, to a new “urban entrepreneurialism” paradigm that is “embedded in a framework of zero-sum inter-urban competition for resources, jobs and capitals”. To enable their territories to survive and prosper local authorities are thus pressured into becoming active agents of capitalist development and the further insertion of their cities and towns into the globalising world economy. As Brenner and Theodore (2002:368) observe, while these processes have unfolded in “place-specific forms and combinations” they have also utilised a ubiquitous toolkit of particular “politico-institutional mechanisms” as witnessed in the British experience.

Britain holds a leading position in the coterie of vanguard neoliberal urban states. Since the early 1980s, British urban policy has been dedicated to reclaiming cities as central sites for capital accumulation and elite consumption and transforming local authorities into entrepreneurial actors employing “place-marketing strategies” and “public-private partnerships” (PPPs) to compete aggressively for resources (Harvey 1989; Davis 1996). Thatcher’s Conservative government declared war on municipal provision, privatising state enterprises and assets, cutting and contracting out local services to create new markets for service delivery and infrastructure maintenance, and implementing “consumer charges” for public goods previously free at the point of use (Painter 1994). Similar privatising-liberalising measures were imposed on the labour market and the

planning system so as to increase the exposure of local and regional economies to global competitive forces, allow casualised, low-wage, informal work to flourish and (through reallocating state subsidies directly to the private sector) encourage mainly speculative investment in pure real estate developments on prime city centre land sites. This was aided by the imposition in some cities of government-administered Urban Development Corporations, which had sweeping powers to gentrify these spaces for business and private residential use and attract inward (foreign) investment (Barnekov *et al* 1989; Almendinger and Thomas 1998).

The devastating social impact of the Conservative government's urban policy has been well documented (Andrews and Jacobs 1990; Hutton 1996; MacGregor and Pimlott 1990). New Labour took power in 1997 dedicated to "social inclusion, neighbourhood renewal and community involvement" (Imrie and Raco 2003:4). As Colomb (2007:5) outlines, this urban policy approach has focused on both tackling entrenched poverty in the most deprived areas, and encouraging "a design-led 'Urban Renaissance' agenda fostering the physical, aesthetic and economic regeneration of all cities". These twin objectives, expressed most clearly in the 2003 Sustainable Communities Plan, are geared towards creating so-called "mixed communities" in deprived areas principally through "housing market renewal" schemes that imply large-scale demolition of working class housing and communities in order to create new private housing developments

with greater tenure (and thus wealth and household) diversification (Allen 2008). Critical perspectives on New Labour's approach to community regeneration make two valuable observations. First, it does not intend to tackle the root causes of urban poverty (Cheshire 2007) but instead reinforces its welfare-to-work schemes (workfare) that place the responsibility for poverty squarely onto the individual (Peck 2001). Second, the "social mix" approach, euphemistically labelled by its champions as about "deconcentrating deprivation" (Cowans 2006) is nothing less than "state-sponsored gentrification" (Lees 2003).

In general, the growing literature unpacking the urbanisation of neoliberalism has made an important and influential contribution to understanding what is happening in British cities today. If the Thatcher era (1979-91) of British politics represents what Peck and Tickell (2002) call the destructive "roll back" phase of neoliberalism, then the aftermath, under first her Tory successor John Major (1991-97) and then more forcefully Tony Blair's (and now Gordon Brown's) New Labour government since 1997, has been characterised by the creative "roll-out" phase aimed at protecting neoliberalisation from its own contradictions through "new forms of institutional 'hardware'" designed to socially embed market rule (Peck and Tickell 2002:389). This is seeing a new state-led interventionism coming to the fore in cities "around 'social' issues like crime, immigration, policing, welfare reform, urban order and surveillance, and community

regeneration” (ibid:389). The social discipline of the market is increasingly protected and reinforced by the velvet-gloved iron fist of the creeping authoritarian state (Marx 1986). Indeed, the state is central to neoliberalisation, both as the major author of globalisation and as its principal victim, becoming ever more hollowed out and reorganised along competitive lines to assume many forms and roles simultaneously all geared to the greater commodification and enclosure of social and economic life for capital accumulation (Cerny 1990; Panitch 1996; Whitfield 2001).

At the same time, most research on Britain so far remains both relatively abstract and generalised, or tends to uncritically fit an empirical case within the general prescriptions and assumptions of the neoliberal urban framework. As a result, the literature’s analytical powers are somewhat undermined in three ways. First, the lack of empirically-informed development of the conceptual apparatus leaves us, in the words of MacLeod (2002:271), “struggling to gain theoretical comprehension and cognitive mappings of the spatializing tactics and strategies of state institutions” in, it should be added, different contexts. Second, we cannot get a sense of either the wider historical significance and direction of these processes or the *underlying* social forces driving them. Third, there is very clear absence of work unpacking the *strategic* role played by both public housing policy and PPP regimes in integrating the design of urban policy and local state restructuring into

an overarching and inter-locking framework of neoliberalisation at the urban scale. This latter point is relevant for the burgeoning work on gentrification with honourable exceptions (Glynn 2009). What follows is a modest attempt to address these outstanding issues.

HOUSING PRIVATISATION, THE PRIVATE FINANCE INITIATIVE AND THE NEW URBAN ENCLOSURES

A central plank of New Labour's "neoliberal urbanism" has been its continuation and expansion of the New Right's marketisation and privatisation agenda to encompass public services and what remains of the local state under the twin mantra of "modernisation" and "partnership". This can be seen in two key areas of New Labour's programme: public housing privatisation; and the use of PPPs and private finance in the delivery of public services.

British Housing Policy: from Popular Capitalism to Third Way Modernisation

Despite the Labour Party's strong historic links to the tenants' movement, it returned to power in 1997 determined to carry on Thatcher's first and eventually single largest privatisation of state assets – that of public housing – that raised £24.6bn in revenues for the neoliberal tax cutting agenda (Hansard 1997). At her

election in 1979, Britain's municipally-owned housing stock stood at some 6.6 million homes, making local authorities powerful direct providers of low cost, secure rented housing for more than a third of the population who no longer had to live at the mercy of private landlords (Balchin 1996:225). Thatcher's response was immediate: in 1980 she began a massive housing sell off programme aimed at creating a 'property-owning democracy' that linked home ownership to social mobility and personal wealth creation, and underpinned the New Right's 'popular capitalism' strategy to encourage wider share ownership among the working class (Stevens 2004).

First came tenants' 'Right to Buy' their council house at huge discounts, followed in 1988 by a number of "estate-wide" privatisation schemes known as "stock transfer", which presented some local councils with little choice but to sell their housing stock to not-for-profit Registered Social Landlord companies known more commonly as Housing Associations. The Conservatives also found innovative ways of starving local authorities of the financial means to invest in and repair their housing stock (Balchin 1996:218). This went hand in hand with the deregulation of protections and controls in both the private rental sector and the mortgage industry to re-insert housing into the private market. Housing privatisation was also a major governmentality weapon against local authorities, depriving them of revenues from tenants' rents and making them synonymous

with the provision of poor quality housing. By 1997, some 2 million of the best quality council homes had been sold off, while the majority of what remained publicly owned was crumbling under a repair backlog valued by the Chartered Institute of Housing at up to £23bn (Moody 1998).

New Labour initially put most of its privatisation eggs in the stock transfer basket, which sold off a further 700,000 council homes to Social Landlords by 2003 (Ginsburg 2005). However, throughout Labour's first term (1997-2001), the rate of *direct* privatisation gradually slowed as the remaining poor quality stock became unattractive not to mention unaffordable for most tenants (see Ginsburg 2005, Lowe 2004), and stock transfer was stymied by tenants mobilising 'no' votes in statutory ballots. In 2000, New Labour switched tack, unveiling its flagship "Decent Homes Programme" that legally obliged local authorities and Social Landlords to refurbish all social rented housing up to a minimum "decent" standard by 2010 or face penalties (although the public spending squeeze has since seen the deadline relaxed). Presented as overdue investment in council housing, in reality Decent Homes was an ingenious new matrix of neoliberalisation bringing together existing "roll back" mechanisms with new "roll out" instruments into an overarching design that created new channels for privatisation and reorganised what remained of municipal housing along market-competitive lines for future sell offs.

It has worked as follows: if local authorities cannot meet the standard from their own resources, Government will make available “additional funding” (which in reality comes mainly from the pot of tenants’ rents) but only if local authorities implement one (or more) of three options that represent different degrees of marketisation. The first option is to set up “arms-length management organisations”, known as ALMOs, to take over the day-to-day management of the local authority’s housing stock. While the local authority remains the owner and landlord, and is the sole shareholder in the ALMO, the ALMO is run as a not-for-profit business with a significant degree of operational independence to procure its own goods and services in order to meet the “performance targets” required to access the additional resources. Significantly, as separate companies they can be fully privatised “at a stroke” (Whitfield 2003). The second option is to directly privatise council housing through stock transfer to a Housing Association, which will be able to secure the necessary investment through a mix of private borrowing and government grants. In return, local authorities will have their historic housing debts written off, however, as Hodges and Grubnic (2005:63) have argued, there are many limitations with this route. Therefore, a third option is to use the Private Finance Initiative (PFI), which we discuss below. PFI can be used in conjunction with the ALMO route because it is reserved for specific small-scale estate-wide projects in a defined geographical area where a local authority requires a large amount of capital investment to meet the Decency

standard as part of a broader regeneration scheme. There is, however, no “fourth option” on the table – direct investment in council housing – despite an unprecedented coalition of cross-party MPs, councillors, trade unions, and tenants groups backing it (see House of Commons Council Housing Group 2005).

Housing PFI and the Neoliberal Straitjacket

Introduced in 1992 by the Major government as a politically convenient means of financing large-scale public infrastructure works without “appearing” to raise public spending, the PFI has since been mainstreamed by New Labour as its preferred modernization tool. As of October 2007, a massive £56.9bn worth of capital investment has been secured through the PFI to either refurbish or build new hospitals, schools, social housing, IT systems, roads, leisure centres and so on (HM Treasury 2007). For reasons explained below, the PFI has so far played a relatively small role in public housing. At the time of writing, nearly 20 schemes had been selected, with 11 having signed contracts for a total of £875.6m in capital investment alone, and a further 8 schemes currently in procurement (HM Treasury 2007; DCLG website). Between 1998 and 2003, only housing *refurbishment* schemes were permitted, but after 1 April 2003, local authorities were allowed to include *new build* council housing in PFI schemes (ODPM 2003b).

PFI is the perfect embodiment of neoliberal ideology, completely changing the state's post-war relationship to the built environment and the public services delivered through it, and transforming the local authority from being "a direct provider of services to the public" towards becoming "a procurer of services and a regulator" (Kerr 1998:2277). Under the PFI, the design, finance, construction and management of public goods is packaged into a lucrative long-term contract (normally 20 to 30 years) that only *private* consortia (each typically comprising a construction firm, a facilities management company and a bank to finance the scheme) can bid for. Moreover, public services are "redefined" into so-called "core" and "non-core" categories with PFI schemes currently restricted to the latter, in other words, providing the *physical* facilities (e.g. school), not the actual *frontline* service itself (e.g. education). The successful consortium will design, build and privately finance the entire scheme up front and then take over the services related to the management and maintenance of the physical asset. In return, the PFI consortium will receive regular performance-related payments that cover the entire cost of the scheme and include a large profit for the companies involved frequently cited at between 7% and 20% of the total payment (see Spoehr et al 2002; Unison 2002). In housing, the local authority can fine consortia for the "unavailability" of a dwelling, or failure to meet agreed service performance levels in the contract in relation to rent collection, repairs and maintenance and tenancy and estate management (Hodges and Grubnic 2005:65).

There is now a wealth of documented evidence exposing the controversies and problems of the PFI across the public sector, particularly in hospitals and IT systems: it is proven to be on average 30% more expensive than publicly financed projects because of the higher cost of commercial borrowing, and is notorious for escalating project costs and delays, poor quality building work, service failure, worker exploitation, a lack of accountability and corporate profiteering (see Beckett 2007; Monbiot 2001; Pollock 2004; Unison 'Positively Public Website'). Less well understood is the housing PFI experience. One of the very few studies on the sector reported in 2005 evidence of severe structural problems with the PFI system, resulting in most first round PFI schemes being three years behind schedule and on average 88% above their initial estimated cost (Hodges and Grubnic 2005:66). Despite this, public authorities continue to opt for PFI schemes, firstly, because it is often the only source of large-scale capital investment made available by government, and secondly, because the government's Public Sector Comparator (PSC) model used to compare "value for money" between proposed PFI schemes and conventionally procurement approaches is inherently biased towards the PFI route (see Coulson 2008).

However, while the costs and risks of the PFI are of major concern, the real significance of PFI lies in the broader social restructuring processes it is helping to unleash. As Kerr (1998:2284) argues, the PFI creates a "new mode of

governance” that aims to restructure both state and class relations by “transforming the social relations of service and infrastructure provision and subordinating them to the discipline of the market”. The combination of the PFI with the wider framework of marketisation creates what might be called a “neoliberal straitjacket” on the public sector and elected local councils. Whitfield’s (2001) painstaking analysis of this straitjacket in Britain shows convincingly how it is leading to the “privatisation by stealth” of all remaining public services, and, as a result, the growing power and influence of *global* capital over local and national government and economy. This is due to the multinational character of PFI consortia and the subsequent applicability of global trade rules governed by the World Trade Organisation that oblige national governments to irreversibly liberalise markets for services on a global scale. How this actually plays out is complex and will be unpacked gradually in the remainder of the paper through the lens of housing PFI.

The neoliberal straitjacket has three main components in housing PFI. The first is a very deliberate menu of market-friendly *policy* guidelines devised by central government that must be obeyed by the public sector when designing their particular PFI scheme. Detailed examination of government guidance reveals the strong top-down pressure on local authorities to devise housing PFI schemes that create “mixed communities” (*read*: gentrification) and “tenure diversification”

(*read*: demolition/privatisation of council housing). While the government's language reads flexible, it is in reality a highly prescriptive framework to ensure that the 410 local authorities potentially competing for just a handful of places on the PFI programme come up with the most "attractive" schemes that will satisfy the Treasury and entice the private sector (emphasis added):

The Office would like to see schemes, which are *mixed developments*...

The standard approach... takes in *new build, upfront refurbishment or demolition* and *reprovision* works, ongoing housing management services, and repairs and maintenance services... Any further benefits of the PFI bid should be described such as *tenure diversification* and the creation of additional public and *private housing* funded outside housing PFI credits" (ODPM 2005:11-12).

Secondly, local authorities are obliged to use a complex *financial model* to pay for their housing PFI scheme. The government provides an annual "capped" subsidy ("PFI credits") to cover the "capital cost" of the PFI scheme, while the local authority must fund the day-to-day operational costs of the 20 or 30 year contract as far as possible from within existing local budgets that are already extremely tight under neoliberal austerity. As we will see in the case of Leeds, this financial model economically incentivises local authorities in the first instance to demolish

public housing and create development sites to sell on in order to part finance the proposed improvements to the PFI regeneration zone. Because of the hugely complex process of creating a contract that incorporates all of the predicted costs and revenues (eg general inflation, building costs inflation etc.) of a 30 year period, any delays before a contract is signed have potentially huge additional cost implications. These become the responsibility of the local authority, placing it under constant pressure to “transfer resources from other parts of the housing budget to pay for its PFI obligations” (Hodges and Grubnic 2005:63). Once that revenue stream dries up, the local authority may look to cut other budgets or outsource some services to the private or voluntary sector.

The third component is the “locking in” of *market forces* and *interests* into the eventual PFI scheme through the exposure of the public sector throughout the design and procurement phase to the overcrowded (and thus very competitive) buyers’ market for PFI contracts. When the future uncertainties and risks generated by fluctuating performance and forecasts of economic growth and financial markets are added in, this environment usually creates an evolution in a scheme’s design and features in the direction of generating greater profitability opportunities and away from social provision, high quality service performance and workers’ pay and conditions. For example, the spectre of these risks being locked into a 20-30 year contract have a strong influence on the kind of housing

scheme the local authority will design, in order to minimise the risks both to itself and the private sector in order to make the scheme attractive in a competitive market. These “carrots” to the private sector usually involve what Whitfield (2001:99) calls the “privatization of the development process” through land and property deals that enable capital to gain control of “surplus land and buildings such as school playing fields, vacant land, empty hospital buildings and so on for property development”.

The implications and effects of these three driving forces of neoliberalisation extend way beyond any single PFI scheme – they encompass the entire local public sphere. By entering into long-term, legally- binding contractual commitments to make regular profitable payments to capital, the local authority is forced to adopt an increasingly entrepreneurial and commercial understanding of its entire portfolio of services, land and property holdings. It employs financial consultants like KPMG and Price Waterhouse Coopers, who have already earned £millions from government and private sector contracts to help set up PFI contracts, to now help them make efficiency savings (cuts in services and staff) and offload “surplus assets” (sell off public buildings, spaces and land) to capital in order to attract scarce resources to *their* city. All local public services and buildings thus become at risk of being sold off, creating strong incentives for the public authority to enter into yet more PFI contracts in order to raise short term

finance for vital public investment, simply strengthening and speeding up the vicious circle.

This is where the seminal work of Dexter Whitfield comes into its own. He explains how once local authorities are locked into this path an ever increasing proportion of public budgets will be committed to financing PFI schemes leaving an ever smaller proportion of revenues to deal with non-PFI services, “thus limiting an authority’s ability to respond to changing social needs and priorities” (2001:193). At the end of the long-term contract, instead of reverting to public ownership and management as they should, the assets that have been built and maintained under PFI will probably either be subject to another PFI contract or will be “sold at residual value to the private sector” (Whitfield 2001:196). This is because after 20 to 30 years, public bodies may not have the capacity or political commitment to take the facilities back. By this time, Whitfield predicts that the artificial separation of public services into “core” and “non-core” categories will have been once again closed due to corporations’ pressure on government to allow them to expand their business interests further into guaranteed new profit streams. Eventually, Whitfield foresees that the many PFI/PPP schemes across a city will be gradually become centralised under a small number of parent companies through buy-outs and mergers, leading to contract rationalisation and

job losses, and, ultimately, a publicly-financed but unaccountable “company town”:

...the company town is reemerging, not dominated by one industry or family, but by business elites through their involvement in regeneration, partnerships, outsourcing and sponsorship of arts and culture. The local state transfers assets and defers to the needs of and interests of the business sector first and foremost (Whitfield 2001:164).

The New Enclosures?

The idea that we are returning to a new company town era – albeit a globalised, corporatised version – is well evidenced in recent scholarship and investigative journalism on the privatisation of city centres and public space (Kingsnorth 2008; Minton 2006; Steel and Symes 2005). The argument here is that such a radical and far-reaching transformation in the ownership of the public realm cannot be adequately conceptualised as simply “privatisation” or “neoliberalism”. Instead, the contemporary privatisation of cities is arguably better understood as part of what have been called elsewhere the “new enclosures” (Midnight Notes 1990; May 2000; De Angelis 2007). In this perspective, the global experience of neoliberal restructuring since the 1970s is seen as a continuum (albeit temporarily halted during the social democratic era that followed WWII) of the original land

enclosures from the late 1400s to the 1800s that expelled the vast majority of people from the land and transformed it into private property as the basis of capitalism.

Enclosures are multi-faceted processes, embodying acts of “separation”, “expropriation”, “displacement”, “deprivation”, “privatisation”, and “commodification”. All of which are aimed at “ending the communal control of the means of production” (Midnight Notes 1990:3). In other words, what Marx called the “primitive accumulation” of capital – the original enclosure of the means of the production and the creation of a class of labourers with only their labour to sell to survive – does not just take place at the beginning of capitalism but *is* the process of capital accumulation itself. Capital’s “totalising drives” to colonise all aspects of social life for profit in response to the constant battle with “other forces that act as a limit on it” (De Angelis 2007: 139). In its drive to colonise all aspects of social life for profit, capital faces constant resistance and thus “has to devise strategies of enclosures, either by promoting new areas of commodification *vis-à-vis* resistance, or by preserving old areas of commodification” (ibid). In more concrete terms, the “new enclosures” can be seen in the structural adjustment programmes enforced on the global south by the IMF and World Bank that commercialise agriculture and force the peasantry into the urban slums; or the privatisation of social housing in the United States that

swells the ranks of the homeless as well as the profits of the banks and real estate companies; or the growth of GM foods and bio-piracy that allows corporations to mutate, patent and commercialise (and thus enclose from us) natural resources essential for life itself.

In the same way, public management and private finance systems like PFI can be understood as consciously designed mechanisms to build in and embed semi-automated processes of enclosure into the financing and delivery of local public services. These processes create a dialectical interaction between different dynamic forces of commodification, financialisation, privatisation and competition, forming a vicious circle that makes the functional logic of the local state to “enclose” more and more of the public sector – and the city itself – for capital. The remainder of this paper explores what we might call the “neoliberal urban enclosures” through the illuminating example of a fiercely fought housing PFI regeneration scheme in the northern English city of Leeds.

HOUSING REGENERATION TALES FROM ‘LITTLE LONDON’ IN THE ‘LONDON OF THE NORTH’

Once a world manufacturing and trading centre for textiles and engineering, Leeds fell into relative decline during the international period of

deindustrialisation and high unemployment of the 1970s and 1980s. In the past decade, however, the city has revived its fortunes, becoming one of the “fastest growing economies” in Britain (Leeds City Council 2006a). The Leeds’ “urban renaissance” story is now paraded triumphantly by the city council as the “role model” for how cities can achieve economic growth through a mix of market liberalisation and partnership-based economic management (Kudelnitzky 2006). This transformation began in the mid-eighties when, faced with the Conservatives’ assault on local authorities and particularly the “municipal socialism” of Labour-controlled councils like Leeds, the city’s pragmatic leaders reluctantly made the urban entrepreneurial turn and began “competing for government funds and external private-sector investment in the hope that at least some of these funds could be oriented to meet the city’s wider economic and social goals” (Haughton and While 1999:12). By the late-1980s, the reluctant entrepreneurs had become zealous disciples of territorial competition as a means of boosting Leeds as a “regional financial centre” in competition with other second city rivals like Manchester (Dutton 2003; Tickell 1996). Previously abandoned industrial quarters were revitalised, headed by speculative waterside developments, while the city centre was restored as a leading retail and consumption zone. In 1996, this investment paid off with the opening of the first Harvey Nichols store outside of London, gifting an already active “place

marketing” strategy with the brand of “Knightsbridge of the North” after the exclusive West London district (see Chatterton and Unsworth 2004).

Central to the Leeds approach was the pioneering formation, in 1990, of the *Leeds Initiative*, a local strategic partnership between the City Council and the private sector to plan “all aspects of the city’s life” (Kudelnitzky 2006). This public-private-partnership had no formal powers or accountability but instead brought together the leaders of the city’s major political and economic institutions to form “consensus” on the right (economic) way forward for the city to develop a united public front for promoting the city externally (Haughton and While 1999). By the mid-1990s, academics had dubbed Leeds a US-style “corporate city” (Haughton and Williams 1996), and the City Council was increasingly criticised from grassroots and disadvantaged sectors of the city for failing to tackle the entrenched deprivation zones in the inner city and outer council estates where three-quarters of housing was in need of major repairs across all tenures (Moran 1996). In this respect, Leeds’ left-wing leaders had lived up to Harvey’s (1989:5) prediction that “even the most resolute and avant-garde municipal socialists will find themselves, in the end, playing the capitalist game and performing as agents of discipline for the very processes they are trying to resist”.

The election of Labour in 1997 after 18 years of consecutive Conservative rule was heralded by previously critical commentators as marking a “change from a narrow entrepreneurialism to a more inclusive social agenda for the city” (Haughton and While 1999:21). Without doubt, New Labour’s drive to improve social housing (Decent Homes) and create “sustainable mixed communities” has played a major role in Leeds City Council’s regeneration strategy for its deprived inner urban areas, aimed at “narrowing the gap between the most disadvantaged people and communities and the rest of the city” (Leeds Initiative 2004:21). No fewer than eight separate major housing-based regeneration initiatives have been launched since 1999 (see Figure 1) covering the inner southern, eastern and western areas that house the city’s worst concentration of poverty, ill health, benefit-dependency and unemployment (Leeds Initiative 2005).

Figure 1: Leeds Regeneration Zones

However, the entrepreneurial “trickle down” model has been retained, crystallised in the Leeds Initiative’s 2004 vision to “go up a league” as an “internationally competitive city” and “regional capital” (Leeds Initiative 2004:21). Between 1997 and 2006, development in the city centre dwarfed other areas, comprising at least two-thirds of the £10.4bn worth of construction projects completed, ongoing or proposed in Leeds (Leeds City Council 2007a). This investment has been concentrated in mega-developments frequently headed by tall buildings as speculators cash in on Leeds 15th place in the world league of office rental values, 40% higher on average than in parts of Manhattan (Hodkinson and Chatterton 2007; Yorkshire Evening Post 2006). Accompanying this process of exclusivisation is the usual panoply of city centre “zero tolerance” devices designed to control, deter, and increasingly shut out the myriad “undesirable” and “non-consuming” faces. The result, as Ward (2003:207) argues in his critique of contemporary urban redevelopment in Birmingham, Manchester and Leeds, is a “playground not only for the affluent city residents, but also and more importantly for those who live outside of each city’s boundaries”.

The City Council’s regeneration strategy for its deprived communities mirrors this approach: all are public-private-partnerships, all are based on property-led

development, and all involve the demolition of public housing and facilities and their replacement with private housing for market sale. In other words, regeneration means rolling out the city centre's gentrification frontier to its surrounding poor urban hinterlands. What follows is the story of arguably the most controversial of these regeneration schemes – the Little London Private Finance Initiative.

The Regeneration of Little London under the Private Finance Initiative

Perched on the north-east edge of the booming city centre next to the prime university quarter and its expanding student village, the Little London housing estate began to achieve a certain notoriety in the late 1990s as a run-down council estate. Known as “Little Beirut” among locals due its physical decline, criminality and alleged “no-go areas”, city leaders and the local media increasingly decried it as a “blight” on the urban landscape whose regeneration was integral to the regeneration of the inner city. Ironically, in its first phase of development from the late 1700s, the area had become home to many of the local mill owners and merchants escaping the pollution of the industrial centre who named it “Little London” to “impress speculative buyers” (Little London Tenants and Residents Association 2000a:6). The mansions gradually gave way to rows of densely-

packed back-to-back housing for the industrial working class, which were then flattened during the post-WWII slum clearances, paving the way for Little London's re-development as a modernist public housing estate with imposing high rise tower blocks, flat roofed maisonettes, terraced two-up two-downs, and semi-detached housing (see Figure 2). Past and current tenants agree that, up until the mid-1980s, Little London was "the place to be" for working class people from both host and immigrant communities; "everyone wanted to live here" (Interview with Andrew Coley, tenant). However, the combination of industrial decline and mass unemployment with the policy shift away from investment in local authority housing rapidly decimated the estate's social and physical well-being, making it today one of the most socially deprived communities in both Leeds and the country (Leeds City Council 2007b).

Figure 2: Little London (left) on the edge of the city centre

In summer 2001, Leeds City Council informed tenants of its intention to "regenerate" Little London using the government's housing PFI scheme. Its stated aim was to "improve the standard of homes, shopping areas and the wider environment" so that "residents have the quality of life they deserve" (Leeds City Council 2001a:2). Given the then emerging controversies of PFI hospitals, the local Labour councillors were understood to have had "reservations" but

nevertheless reassured tenants that PFI was simply a “new way” of financing the improvements and was nothing to fear. However, when the Council finally unveiled its original £45m regeneration blueprint for Little London, the plan went far beyond simply *refurbishing* Council homes and *improving* the area for the people already living there.

The Council’s vision was to return Little London to its more salubrious beginnings by creating a desirable “mixed community” that would both serve the city centre housing market and bring “the benefits of the city centre housing boom to Little London” (Leeds City Council 2001b:12). A significant number of council homes (at least 150) would be demolished on the most lucrative development land nearest to the city centre and the cleared sites sold to developers to build private housing for market sale. Several high rise blocks towards the city centre containing hundreds of council flats would also be sold off to developers to refurbish as “middle market” homes for rent or sale. The rest of the estate would be given a radical facelift to fit in with the urban form of the city. In concrete terms, hundreds of poor families and individuals would be forced to leave their homes and community with limited re-housing options and a derisory compensation package.

Armed with “evidence” from international property consultants Kings Sturge (2001) (whose other business arms include private residential sales, lettings, and real estate investment), Leeds City Council justified its strategy on the basis that the estate’s social problems were linked to “specific property types” such as the high rise tower blocks and maisonettes which had high turnover, low demand and problem tenants in the shape of mainly young people with “challenging” and “anti-social behaviour” requiring welfare support (Leeds City Council 2001b:ibid). This called for a “holistic approach”: PFI would provide the “higher than average investment” required for the flats’ physical disrepair, and tenure diversification through private development would solve the social problems by helping to “maximise the market potential of the area” by maintaining “demand for flats from a diverse customer group where *applicants needing support do not predominate* (emphasis added)” (Leeds City Council 2001b:11). In other words, regeneration was clearly aimed at, and based on, reconstructing the local housing market to enable house prices and rents to rise in line with city averages and reflect the true market value of their prime city centre location.

Unsurprisingly, while local residents welcomed investment in their homes and community facilities, plans to demolish or sell off homes, as well as the spectre of PFI, were deeply unpopular. The tenants association believed that physical improvements combined with better management, security and more community

control over lettings would solve the problems – there was no need to privatise or demolish council housing. It accused the Council of wilfully ignoring the obvious connection between the physical disrepair of the estate’s housing stock and the patterns of high turnover and low demand, proving an intention to find selective evidence to fit a pre-conceived plan. Fearing a community backlash at the next election, the local councillors promised tenants a “binding” ballot, despite being under no legal obligation to do so, and repeatedly gave the following categorical assurance throughout the consultation period: “If you vote NO. The Council will not go ahead with the PFI scheme” (Little London Tenants and Residents Association 2001a:7).

Yet, despite the Council bombarding the local community with pro-PFI propaganda and thinly veiled threats that failure to vote ‘yes’ would mean no investment, when it came to the vote the local community rejected the PFI regeneration scheme by 54% to 46%, the strength of feeling reflected in the high turnout (67%), which contrasted markedly with the average of 20% in local and general elections.² Leeds City Council, however, had clearly never expected to lose the ballot nor intended to now allow such large amounts of investment to be squandered. It refused to accept the ballot result as “fair” (even though it was overseen by the Electoral Reform Society), blaming the “misleading” propaganda

² For example, in the 2000 May local elections, University Ward which included Little London, had a 14.4% turnout.

of the anti-PFI campaign, and held a “fresh” ballot just two months later on what it called a “new” PFI scheme that no longer proposed to demolish two tower blocks (100 flats) as originally planned. Just to be sure, the Council redrew the boundaries of the proposed PFI scheme so that they cut out sufficient numbers of “no voters” identified on the edge of Little London (Interview with Independent Tenant Advisor). Inevitably, the result this time produced a “yes” vote for PFI with 56.7% in favour but on a much reduced turnout (46%).

The progress of the Little London PFI scheme was then delayed again, this time for three years (May 2002-2005), due to the government’s doubts about the affordability and manageability of the scheme. In the interim, changes to government housing policy outlined earlier in the paper required a fresh consultation exercise (May 2005-February 2006). This time, however, the Council did *not* offer tenants a ballot, and re-branded its preferred scheme as the “Comprehensive Regeneration Option” with the mention of PFI deliberately avoided where possible (see Hodkinson 2007 for a full account of the consultation process). The gentrification matrix remained in place with the *quid pro quo* that 125 new council homes would now be built in return for an increase in the number of units to be both leased off and demolished, and a reduction in the number of council homes to be refurbished and maintained under the 30 year contract. However, in March 2008, the Council confirmed that due to the global

credit crunch and housing market slowdown, it had abandoned its plans to sell off three tower blocks containing 297 flats to a developer and would instead retain and refurbish them as Council homes. At the time of writing, the PFI scheme, which was put out to tender in July 2007, is currently in the procurement phase and physical regeneration work is not expected to begin until early 2010, a full nine years after Leeds City Council first applied to the housing PFI scheme.

Unpacking the neoliberal urban enclosures in Little London

In many ways, Little London is a perfect example of “neoliberal urbanism” being transmitted through the specific context of Leeds. A victim of the roll back years, Little London’s central geographical location has left it “out of step” with the prosperous urban core and created a “rent gap” sufficiently large to invigorate local state and private actors to restructure the local housing market and release for capital accumulation the higher-value land and property through the PFI. At the same time, however, this analysis misses the decisive role played by the PFI in both shaping Leeds City Council’s specific housing regeneration blueprint for Little London and placing powerful privatising pressures across the entire public services and assets of the city. To do so, we need to return to the three components of the PFI neoliberal straitjacket outlined earlier in the paper and see how it has operated in Little London.

First, Leeds City Council has followed the government's very specific market-friendly *policy* guidelines to the letter in regeneration design. Using a matrix of refurbishment, selective demolition, privatisation and new private housing development, the Little London regeneration model is a deliberate strategy to reduce both the amount and proportion of rented public housing in favour of private housing tenures, and in turn produce an identical transformation in the class composition of the local community away from the urban poor in favour of middle-class homeowners and upwardly mobile private tenants. Importantly, this has not only been a top-down process. As Leeds City Council (2005a:6) admitted to tenants in a moment of rare candour, housing PFI "had the capacity to 'design out' the sources of many of the estate's problems making it easier to manage. With an improved environment in which the most needy people formed a lower proportion of the neighbourhood's population, the level of investment offered through PFI would make it possible to move from the current 'crime & grime' focus towards a more aspirational agenda". In other words, government policy empowered the Council to alter the socio-economic mix in the local population by demolishing out some of the poorest and most vulnerable tenants and building in a wealthier stream of upwardly mobile residents as part of its city centre regeneration drive. This is, of course, a classic feature of state-led gentrification.

Second, confidential information leaked to the author reveals the powerful privatising pressures that the PFI's financing system has unleashed on the Little London scheme. Figure 3 below shows that the annual repayment to the PFI consortium is currently expected to be £9.443m for the duration of the 20 year contract, an eventual total cost to the public purse of £215.76m. While the government will contribute just over three-quarters of these costs, some £1.52m must be found every year by Leeds City Council for 20 years from, in the first instance, its housing budget (which it has less control over due to the creation of three ALMOs for the city), and then from "other resources" as needed. This long-term contractual commitment to provide a guaranteed revenue stream to the PFI consortium has already shaped the amount of council housing included in the refurbishment and maintenance scheme. The Council has had to balance the long-term revenues provided by tenants' rents with both long-term risks (ie whether there will be sufficient demand for council housing in the future) and short-term income generation opportunities to reinvest in the PFI scheme (ie selling off public land for private development). This has resulted in the Council creating a number of development sites (some that involve clearing existing council homes) within the Little London PFI zone that it will sell for mainly private housing development. It has also reduced the proposed contract length from 30 to 20 years in order to minimise the long-term financial risks to the Council (Leeds City

Council 2006a). This shows how PFI financing offers both carrots and sticks to councils aimed at privatising public assets and reducing service provision.

Figure 3: The financing of Little London PFI

Third, confidential council documents reveal just how far the Council has gone in internalising market logic into its regeneration plan. In 2005, following a round of market testing, Council officers argued for the need to re-scope the PFI scheme to “create a more favourable investment opportunity” (ibid). In other words, the needs of capital accumulation were prioritised above the social needs of the community. This constant exposure to market forces has so far seen the Little London regeneration plan change seven times in seven years as council planners and housing officers have been forced to come up with increasingly “bolder proposals to create mixed tenure; larger development sites to create ‘critical mass’” (Leeds City Council 2005b:3, 4). Documents released under the Freedom of Information Act showed that the Council also has a radical “Plan B” if the private sector is eventually not satisfied with the current proposals: to demolish up to six more tower blocks on the estate (Leeds City Council 2006b).

Wider implications

The Little London PFI story demonstrates the extent to which the PFI is a purposely designed framework of disciplinary neoliberalism: its rules of access and use by local authorities come with in-built mechanisms that unlock public revenues and assets for capital accumulation. But this process is more complex and far-reaching than simply “privatisation” as most trade union campaigns have argued. The direct sale of public services and assets is only a small part of PFI deals. Instead, the PFI sets in motion a barely visible long-term process of corporate enclosure across the entire public commons. In this example the process begins in Little London with the very real enclosure of housing and land previously held in a form of municipal common ownership, and the direct replacement of subsidised and protected rented housing based on “need” with private market housing for sale based on ability to pay. While those social tenants who have been forced to leave their homes are not immediately flung onto the private market due to the Council’s guarantee to re-house, the net reduction in the supply of public housing in a city with a waiting list of over 30,000 people (see Leeds Tenants Federation 2006) does mean that more people elsewhere will be, in effect, separated from these scarce commons and forced into the private sector. This process of separation and market capture is reinforced by the accompanying gentrification and marketisation of Little London’s local housing supply, which pushes up rents and property prices, encouraging council tenants to take up their

discounted Right to Buy in order to make a large profit in the future, meaning yet more public housing and land is enclosed.

The enclosure dynamo does not stop here. By entering into a long-term contract with capital, Leeds City Council is legally bound to honour a financing model in which the government's contribution remains "fixed" throughout. This means that in an already fiscally austere environment for local authorities, the Council must shoulder the rising costs of the scheme as they occur, regardless of other commitments or local needs, by transferring revenues from other budgets and selling assets from elsewhere in its portfolio to meet the PFI repayments. The potentially devastating impact of this financial straitjacket on Leeds City Council was revealed in November 2006 when leaked confidential documents explained that an "affordability gap" had appeared in the Little London scheme due to a two month delay in the latest project timetable (it was already four years behind schedule at this stage). Consequently, Leeds City Council had no choice but to increase its own contribution by some £192,000 a year (£3.833m over 20 years) and brace itself for other possible scenarios that could hike up the Council's long-term liabilities even further (Leeds City Council 2006c). The documents revealed, for example, that a 0.5% increase in the estimated "future" rates of general inflation and building costs inflation combined with a further six month delay, would increase Leeds City Council's contribution by an extra £7.28m over 20

years. In the worst case scenario outlined, the Council's contribution could rise by 25% over 20 years – a huge £12m (ibid).

If this was the only PFI scheme that Leeds City Council had to finance, then the rising costs would probably be quietly absorbed within a huge local authority complex whose annual budget is over £1,000m and its property and land portfolio valued at £3.33bn (Leeds City Council 2007c). However, this is not the only PFI scheme – Leeds is the leading local authority for PFI contracts, successfully attracting more than £1bn worth of “PFI credits”, with a further £550m awaiting decision, covering street lighting, new schools and leisure centres, social housing, joint services and waste management (Leeds City Council 2007d). Given that the full costs of PFI are usually between two and three times the headline figure and increase over time, the City Council could eventually be liable for at least £1bn in PFI repayments over the next 15 to 30 years, and on current trends, the Council could have acquired a further £10-15bn worth of PFI schemes over this period, meaning an additional £2-3bn in debts to PFI consortia lasting well past the year 2050.

The implications of these huge future commitments in a context of growing fiscal austerity under neoliberalism could be catastrophic for the local public sector in Leeds. The Council could be forced to raid other budgets or sell off more public

assets to ensure that all of its PFI schemes are financially solvent. This may start with service cuts and property sales from within the physical PFI zone, spreading out to general budgets and assets associated with the particular scheme (eg housing), then wider cuts in grants for the non-statutory services (eg arts and culture) and gradually the closure and sale of community centres, schools, libraries, art exhibition premises, museums, leisure centres, prestigious listed buildings and so on in order to create development or investment opportunities for developers and real estate corporations. This is not a future dystopia – it is already happening. Following government policy, since 1998, Leeds City Council has operated an Asset Management System designed to, amongst many things, identify a continuous supply of “surplus property” to sell off and reinvest the proceeds into the Council’s Capital Investment Programme, which is of course increasingly dominated by PFI schemes and their rising costs. As a result, since 2002, Leeds City Council has sold off more than £130m worth of public property and land, and forecasts that by 2012 a further £105m of assets will be privatised (Leeds City Council 2004, 2005c, 2007c). These “surplus assets” have so far included: several schools and playing fields, hundreds of council homes, some 22 community centres and 16 public toilets. However, the Council’s own figures suggest that no matter how much it raises in capital receipts from selling off its assets, there is always an annual shortfall in its capital investment commitments. This transmits into increased targets for raising additional funds from privatising

council assets. For example, up to 6000 council houses are currently earmarked for demolition to sell as development sites to private developers as part of the city's regeneration strategy for deprived areas (Outside 2007).

Unless there is a change of direction soon, it is a real possibility that Leeds will gradually become completely "enclosed" with all public services, spaces and assets owned and controlled by global corporations and citizens at the complete mercy of the "market".

Concluding comments

Neoliberal urbanism has and continues to unleash a dramatic reorganisation of British cities for the benefit of capital accumulation. As part of the transformation of the state from "welfare state" to "competition state", local authorities have been gradually starved of the legal and fiscal powers they previously enjoyed, and forced to either willingly embrace their new entrepreneurial role, or have it imposed on less favourable terms from above. This paper has argued, however, that new dimensions are at stake in the "urbanisation of neoliberalism" in Britain through the particular use of the Private Finance Initiative (PFI) as part of New Labour's so-called "modernisation" agenda for public services. These processes can arguably be seen most clearly through the lens of public housing.

The paper shows how the refurbishment and regeneration of public housing estates under the PFI creates a “neoliberal straitjacket” on local authorities made up of three important components: first, a particular set of *policy* guidelines that encourages gentrification through the restructuring of the local housing market to reduce both the amount and proportion of public/council housing and increase private/market housing; second, a specific *financing system* that forces local authorities to consider the long-term public provision of affordable rented housing as a “risk” to be transferred to the market, to finance the PFI scheme as much as possible from the existing assets in the PFI regeneration zone and to contractually guarantee to meet the payments to the PFI consortium over 20-30 years as a priority regardless of the state of public finances or the escalating costs of the scheme; and third, a deliberate exposure to *market forces* and *interests* throughout the design and procurement processes in order to attract private sector interest, which leads to both the constant evolution in proposals as they are shaped by fluctuating market interests, not tenants needs, and a significant amount of public land being included in PFI deals as a sweetener.

Through the analysis of housing PFI in Little London, Leeds, we can see how entrepreneurial cities like Leeds are simultaneously pushed and pulled by two sets of political-economic forces that are driving the “neoliberal urban enclosures”. On the one hand, the logic of inter-urban competition for resources (including PFI),

pushes city managers to free up more and more their central urban zones for office developments and gentrifying projects and amenities that make the city attractive to capital and functional for its army of service sector employees in finance, law, property, and insurance. On the other hand, the government's market approach to public service provision pulls local authorities into a vicious circle of commodification and privatisation: as they lose more public services and facilities in the short-term, they come under great pressure to enter into yet more long-term PFI contracts in order to raise the short term finance they need for vital public investment. These processes continue to multiply and feed off each other: the expansion of capital into the public sector feeds the private sector's demand for office space in the city; and the in-built privatising mechanisms of PFIs/PPPs mean yet more central public spaces and assets are sold off to the private sector, raising revenues to meet the rising costs of PFI contracts, and creating more office developments in the centre. This will enable capital to capture guaranteed long-term profit streams to provide essential "public goods" paid for by the public purse, eroding in the meantime the public sector's long-term ability to directly provide or even finance them.

The "enclosed city" is of course never a finished state. The very material processes of enclosure – school closures, housing demolitions, public space erosion – provoke very real material responses in the form of popular opposition

and resistance seeking to “reclaim social spaces...and turn them into spaces of commons” (De Angelis 2007:139). Identifying the overall impact and effectiveness of these struggles for commons is difficult not least because the long-term ramifications are impossible to predict. In Little London, a small but committed group of tenants has questioned and eventually started fighting the City Council’s PFI scheme since it was first unveiled in 2001. Yet, despite doggedly attending and minuting every meeting, organising stalls, workshops, public meetings and producing endless leaflets and newsletters to warn their neighbours of the dangers, using the local and regional media to champion their cause, picketing and mass petitioning the City Council, allying with local trade unions to campaign against privatisation, organising Karaoke nights on the theme of “Save Little London”, going to the High Court in a failed legal challenge, and sparking an investigation by the Local Government Ombudsman, they have never come close to stopping the PFI scheme and the emotional strain has nearly destroyed the local tenants association.

However, although they have not won their struggle against enclosure, they have not lost it either. Their resistance has combined with political and economic events to delay the scheme for six years, forcing the Council to make decisive concessions such as the like-for-like replacement of demolished council homes with social rented housing and the retention of 300 flats originally scheduled for

privatisation. In other words, they have saved some 430 public housing units when previously told there was no alternative. Moreover, their dogged resistance has sparked the formation of a growing city-wide housing movement, supported by local academics and trade unionists, that aims to learn from the Little London experience and fight the planned demolitions, privatisations and gentrification policies across Leeds (Hands Off Our Homes Website). This has the potential to link up with the revived Leeds Tenants' Federation as well as the renewed squatting and social centre movement that in other cities has seen the occupation and re-opening of public swimming pools, community centres, schools, abandoned warehouses and so on (Hodkinson and Chatterton 2007; Mooney and Fyfe 2006). While these struggles remain marginal and marginalised for the time being and will require a major and sustained organising and educational drive by progressive forces to reverse the current trends, there is hope that capital will never be able to exercise the sole "right to the city".

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