

Lighthouses, funding alliances, and cultural intermediaries.

The role of funding in the development of spatially-focused enterprise clusters

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Abstract

Over the last three decades in Germany and the UK, groups and networks of spatially-focused entrepreneurs have been gaining more influence on the developments of city neighbourhoods and urban policies. This included Development Trusts providing housing, workspace and social services in deprived neighbourhood across the UK (Bache and Catney, 2008; Bailey, 2012), to networks of temporary users changing a regeneration strategy for a large city site through protests (Colomb, 2012). Much has been attributed to own agency of these urban actors, their greater social commitment or a “desire to try out something new” (Senatsverwaltung für Stadtentwicklung, 2007: 22). Because of this, they gained a somewhat heroic image in the urban studies literature and the media.

Even though own agency of these urban actors has been one of the key drivers for this development, other factors in their environment were also important. For example, the changing nature of municipal policies, with an emphasis on the greater involvement of these bottom-up stakeholders in urban policy implementation (Graham & Healey, 1999; Wagenaar, 2007; Boelens, 2006; Oswalt et al., 2013). However, other factors received less attention. These factors relate to the availability of various forms of funding, development of new financial instruments, and positioning of spatially-focused entrepreneurs within wider urban networks. Particularly under-explored were the aspects of networking between projects, the formation of project clusters, and how funding effects projects at different stages of their development. It is this knowledge gap, which the current research addresses.

First, a literature review was undertaken, exploring the role of civic and public funding in the development of spatially-focused entrepreneurs. Then, an empirical study was carried out, comparing two clusters of spatially-focused entrepreneurs in different political and social contexts, in Germany and the UK. Through an international comparative case study method, two case study locations were chosen - Leipzig West and Sheffield City Centre. Instead of looking at single projects, clusters of spatially-focused entrepreneurs, and their relationships with municipality and funding bodies were taken as cases. Embedded units of analysis were sub-clusters of work, event and activity spaces as well as formal and informal housing. The property market cycle was chosen as a framing instrument for both cases, where phases of market decline, stagnation and rise took place. Data collection was carried out through project mapping, documents analysis, and observations. As well as this, interviews with project stakeholders, municipality and funding body representatives were conducted.

The research found that organisations adopted different strategies for funding at various stages of cluster formation. In the seeding stage, when initial projects were getting set-up, no funding was accessed. During this stage, funding concentrated on the support for cultural intermediaries, who mediated relationships between municipal and civic networks, enabling new projects to be set up. During the growth stage, a mix of public, civic and private funding was used by projects. Public funding was mainly used for non-core activities, with bottom-up actors expressing caution about the additional requirements of public funding, and its effects on the image of the projects. Funding alliances formed between projects, to collectively apply for public funding or private financing. In the consolidation stage, public funding supported the professionalisation of lighthouse projects. Otherwise, projects relied on private and civic funding, like crowdfunding and civic investors.

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Chapter 0 - Introduction

In the last three decades, in Western Europe and North America in particular, civic society stakeholders have been gaining more importance in urban development. From groups of citizens coming together to develop housing to neighbourhood groups transforming and managing urban spaces, these civic urban actors have not only been gaining attention the urban studies publication, but also in wider media. Some of the reason for their increased importance have been attributed to the changing planning context, austerity politics and greater social awareness of the actors themselves.

However, an aspect which so far has received less attention is the fact that most of the prominent urban civic projects have been enabled with the help of state and private funding. Furthermore, the interaction of civic actors with one another in particular areas has not been examined in great detail. Thus, the following thesis addresses these knowledge gaps by looking at the role of funding on the development of clusters of civic projects, which are to be referred to as spatially-focused enterprise clusters.

A historical overview of development of civic and public funding, from the 19th Century now, is provided, as well as an empirical study of the role of funding on the development of spatially-focused enterprise clusters in Leipzig and Sheffield. In addition, a changing nature of funding is examined as well as the broader horizons of funding programmes and funding agendas.

The rest of the chapter provides an overview of the research design. It starts by introducing the focus of the study - spatially-focused enterprise clusters, outlining the current state of literature and the knowledge gaps, addressed by the thesis. Afterwards, the main question, subquestions and the methods used to answer the questions are presented, along with the key hypotheses, derived from the review of the literature. Finally, the structure of the following chapters is outlined.

0.1 The focus of the study

During the last decade, a series of publications documenting the new wave of civic actors active in the field of urban development came out (Senatsverwaltung für Stadtentwicklung, 2007; Ahrensbach et al., 2011; Buttenberg et al., 2014; Ring et al., 2013; Oswalt et al., 2013; Ferguson, 2014; Hyde, 2012). These new civic actors were called space pioneers: innovative, entrepreneurial players, artists, social initiatives, “attempting to set up something new in society” (Senatsverwaltung für Stadtentwicklung, 2007), experimenting with different business and lifestyle models and urban typologies (Matthiesen, 2004). They were called civic entrepreneurs, “change-makers, [...] getting on with the job of re-making local economies and places”, trying to solve complex societal problems (Ahrensbach et al., 2011: 9). They were called spatially-focused entrepreneurs (Raumunternehmen), “a new generation of civil society actors”, acting at the intersection of civil society, project- and urban development (Buttenberg et al., 2014). Although referred to by different names, they all have similar characteristics - they are entrepreneurial, idealistic, and creative, and have ambitions for urban development beyond their own projects. From now on, they will be collectively defined as spatially-focused entrepreneurs.

These spatially-focused entrepreneurs have developed a whole range of well-publicised urban projects, transforming entire districts with their creative energy (Oswalt et al., 2013). For example in Berlin, groups of citizens organised in cooperatives and Baugruppen (building groups) have been building housing and cultural production spaces for their own use (Ring et al., 2013; Käßlinger, 2014; Bünger, 2016). Space pioneers across Europe have been transforming redundant urban sites into places of culture and new economy (Oswalt et al., 2013). In Sheffield,

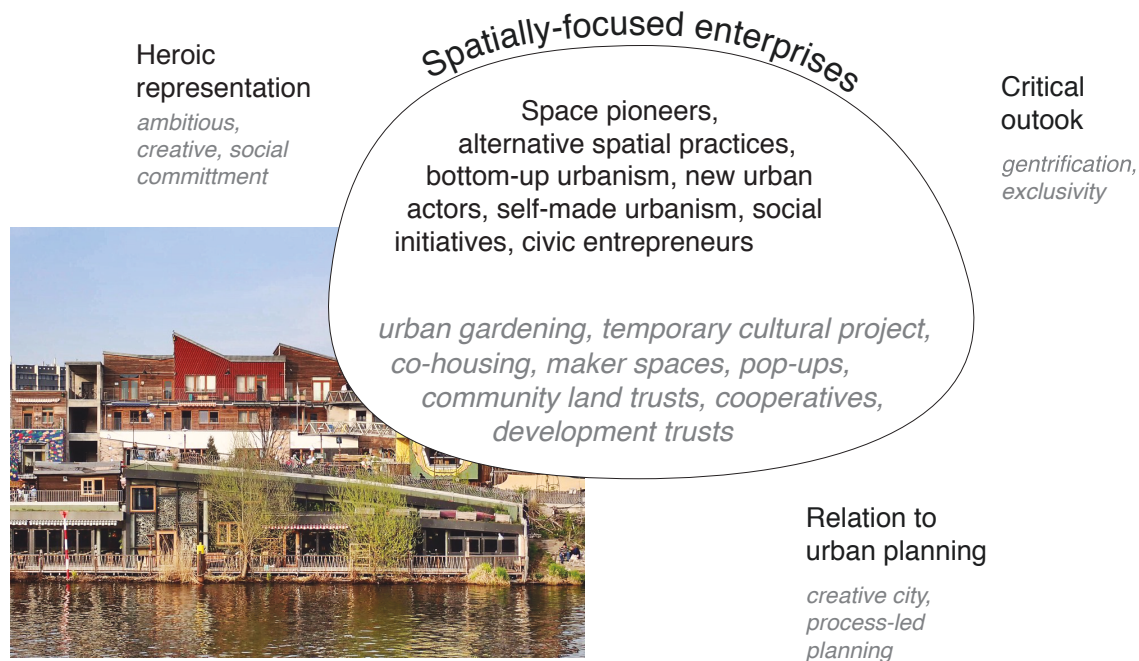


Figure 0.1: Research Focus: Spatially-focused enterprise; Designed by the author; Image source: “Cafe am Holzmarkt, River Spree, Berlin” (c) Trine Syvertsen (<https://www.flickr.com/photos/169853883@N02/4663604968>) CC BY 2.0;

community groups have been developing and managing a community park (Nesta, 2016). The projects developed by these spatially-focused entrepreneurs in the UK were said to influence “the physical shape and appearance of [...] places, changing the way they are designed, built and used”, bringing social, economic and environmental benefits to their respective communities (Ahrensbach et al., 2011: 3).

Much of the reasons for this new development has been attributed to the agency of these new urban actors. They have been said to carry out their projects because of their greater social commitment or a “desire to try out something new” (Senatsverwaltung für Stadtentwicklung, 2007: 22). They have been presented as independent from institutions, designing self-sufficient spaces and filling them with life, following their own ideas and philosophies (Buttenberg et al., 2014). These civic entrepreneurs were said to be “led by their passion, purpose and personal commitment – and whose key asset is their social networks and trust they hold.” (Ahrensbach et al., 2011: 171). They have been presented as idealists, seemingly creating projects for the greater public good (Ahrensbach et al., 2011). Thus, they enjoyed a somewhat heroic representation - as independent urban stakeholders, acting on their own initiative and following their own ideas, utilising whatever resources they can assemble through their wide-reaching networks.

Another explanation for the greater prominence of these civic actors in the field of urban development has been a shift from object-based to process-led planning, where private- and civic-sector stakeholders have been enabled by the state to come up and develop their own solutions to local urban challenges (Graham & Healey, 1999; Wagenaar, 2007; Boelens, 2006). In this process, the municipalities increasingly mediated the relationships between a diverse range of urban actors, steering their action towards the development of a shared vision for area development (Willinger, 2014). Creative actors have played an increased role in this, being perceived as catalysts for wider economic regeneration (Florida, 2012; Landry, 2000). Another important factor has been a new round of austerity measures following the global financial

crisis, which attempted to transfer responsibility and various service delivery functions onto a multitude of citizen groups and businesses under the pretense of a lack of public means (Tonkiss, 2013; Mayer, 2012).

Undoubtedly, the greater prominence of the new actors in urban development has been possible through their own agency and efforts, as well as municipal enabling and mediating. However, there are also a number of other factors, which have been mentioned by the above-referenced publications but have not received great attention. These factors relate to the availability of various forms of funding and positioning of spatially-focused entrepreneurs in wider urban networks. These factors could be described as an important element of the urban environment, together with urban policies, and other variables.

Concerning public funding, for example, 62% of around 100 temporary use projects in Berlin surveyed in the “Urban Pioneers” publication in the mid-2000s received public funding (Senatsverwaltung für Stadtentwicklung, 2007). However, it was not shown how it was used or how it affected the development of the projects. Many other publications highlighted the presence of funding in the development of examined case studies but did not analyse its effects in detail (Oswalt et al., 2013; Mullins and Moore, 2018; Bishop and Williams, 2012). The effects such as co-option have also been mentioned, however not much detail about what it means in practice were presented (Mayer, 2006; Purcell, 2009).

In addition, in the last ten years, a whole range of civic funding methods (crowd-funding, social investments, funding from foundations) has been accessed by actors in practice. For example in Berlin, a co-operative association Holzmarkt eG was able to purchase a prime piece of real estate on the bank of Spree in Berlin with the help of an ethical pension fund to develop it in an ‘alternative’ way (Kil, 2013). Similarly, London CLT was able to raise £450,000 through community share offer as predevelopment finance to help them develop a number of affordable housing schemes across London (Ethex, 2016). Although these civic funding methods have been explored as a phenomenon (Davies, 2015; Davies, 2014; Stiver et al., 2015; Cabras, 2011), not much attention has been given to their effect on the development of the projects.

In relation to networking, for example, Senatsverwaltung für Stadtentwicklung (2007) acknowledged temporary use projects forming informal and formal networks with one another. Similarly, Oswalt et al. (2013) referred to individual temporary uses developing into creative milieus in a particular location (p.59). However, in both cases, not much detail was given as to how exactly those networks or milieus formed or functioned. Buttenberg et al. (2014) described how various spatial entrepreneurs built local networks and looked for local partners for particular projects, utilising their high social capital. However, the interaction between different projects is a specific area was not explored. Furthermore, mainly large ‘lighthouse’ projects were examined, not mentioning the development of smaller projects or their interaction with one another in networks or milieus.

Although many studies traced the development of creative clusters in various cities - Manchester’s Northern Quarter (Brown et al., 2000), Nottingham’s Lace Market (J. Shorthouse, 2004), Dublin’s Temple Bar (Montgomery, 2004), they did not provide exact description, or a theory for how they formed, with many authors referring to difficulty in understanding how exactly organic creative clusters are formed (Honeck, 2015). Indeed, most of the other publications referenced above mainly concentrated on presenting individual projects, not looking at the interaction between them or interactions within particular clusters or milieus.

Furthermore, the author’s previous experience confirmed the importance of both funding and networks in the development of individual projects. For three years before starting his PhD study, the author was engaged in the development of a number of socio-cultural urban projects

in Sheffield, which ranged from converting a vacant site into an outdoor performance space, transforming vacant buildings into studios and event spaces and developing a community-led plan for neighbourhood development. Most of these projects were products of collaborations with many other actors from public, private and social sectors, and had received funding in some way or another. These collaborations and funding have steered the projects in a particular direction, having a strong effect on their development. This experience highlights the need to examine further the gaps in the literature, highlighted above.



Figure 0.2: Author's Positionality; Images/Design by the Author

0.2 Methodology.

This sub-section outlines the key methodological considerations of the thesis. It starts by presenting the main question, which addresses the lack of detailed research on the role of the public and civic funding and networking between projects on the development of spatially-focused enterprise clusters. Then two sub-questions, addressing the uncovered knowledge gap, are introduced. Methods used to answer these questions are presented, combining a literature analysis with an empirical study based on the comparative case study of Leipzig and Sheffield. Finally, key hypotheses are presented.

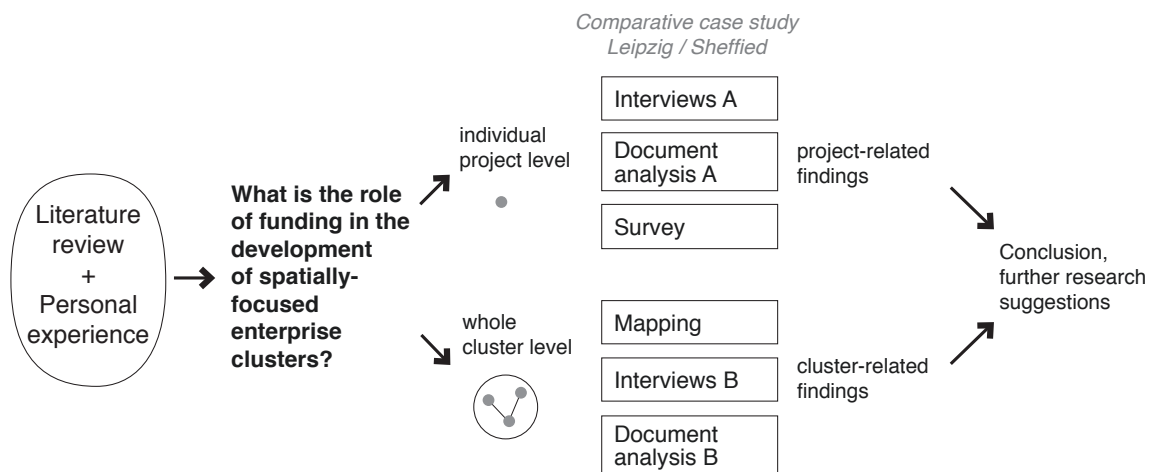


Figure 0.3: Research Design; Designed by the author.

Main Question:

What is the role of funding in the development of spatially-focused enterprise clusters?

Subquestions:

1. What effect does funding have on the individual projects and on the wider project cluster? (i.e. How do individual projects view funding? How do individual projects deal with funding? How does funding influence networking between projects?)
2. How has funding approach changed during the examined period in terms of broader horizons of funding programmes and funding agendas?

A literature analysis presents the evolving role of funding in the development of spatially-focused entrepreneur clusters in the Western Europe and the USA, from the 19th Century on. Both civic funding (foundations, crowdfunding, self-help) and state funding methods (area-based initiatives, seed funding approach) are considered. While public funding is examined over the last 40 years, civic funding is looked at over a wider time frame, as many civic funding institutions and structures (concerning foundations and cooperatives) developed at the end of the 19th Century, are still relevant today. The development of both funding types is explained through both theory, and practical examples from Germany and the UK.

The empirical part uses a comparative case study method to trace the development of two clusters of spatially-focused entrepreneurs, in West Leipzig and Sheffield City Centre, looking at the effects of funding on the three phases of their development. Sheffield City Centre was chosen because of author's previous work there. West Leipzig was chosen because of its similarity to Sheffield City Centre (Lijphart, 1971), its proximity, theoretical suitability and the availability of information about it. The comparative study framework allowed the author to compare the known socio-economic context of the UK with that of Germany, making the separation between the phenomena under investigation from the specific context possible, potentially making the generalisations about study results more valid (Kantor and Savitch, 2005). Instead of individual projects, sub-cluster of projects (i.e. Creative Spaces, Studio Spaces, Hausprojekten) within a particular geographic area was examined. Rather than looking at particular physical traits of the projects, the interaction between spatially-focused (social) entrepreneurs, funders and the state was explored. Thus, associations and networks linking project clusters were examined, and interactions between them.

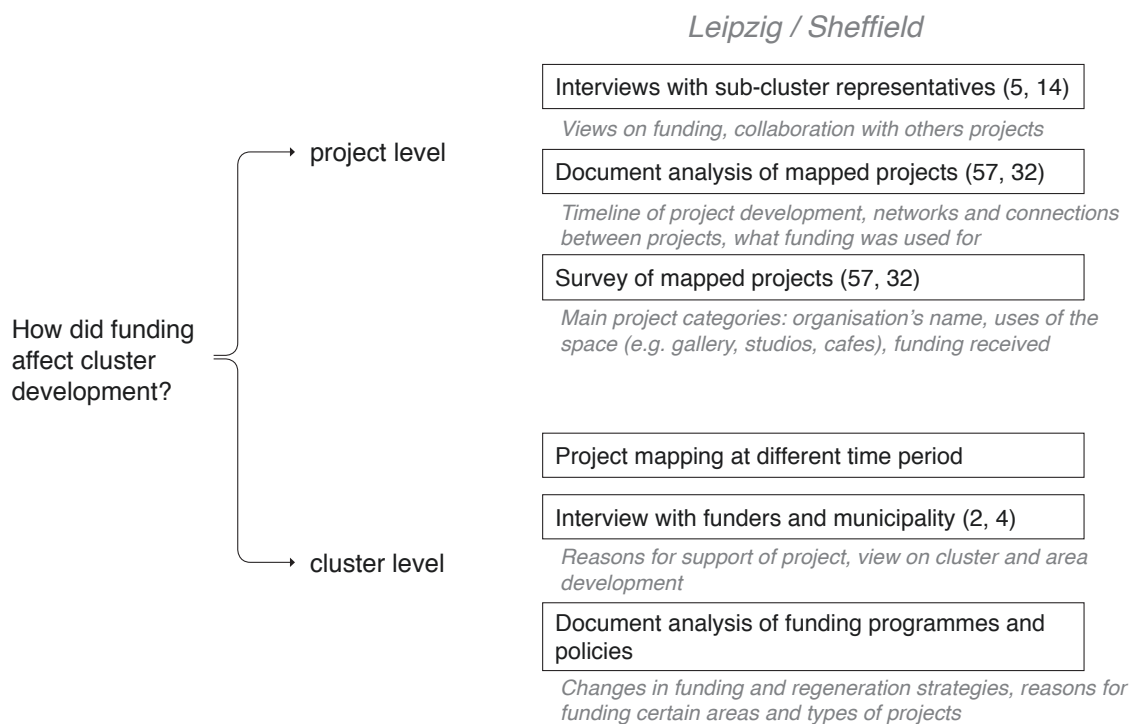


Figure 0.4: Data Collection Methods

A data collection process was organised according to a multi-step iterative framework, with each step utilising different methods. First, socio-cultural projects in the area which fitted the predefined criteria were mapped. These mapped projects were then surveyed to determine their uses, organisational structures and the funding they received. A document analysis was then carried out to find out more information about the projects. From the document analysis and survey, use sub-clusters were determined, i.e. sub-clusters of studio providers, independent art spaces, alternative housing projects. A representative of each of the use sub-clusters was identified and contacted for an interview. Interviews were carried out with the sub-cluster representatives as well members of the municipality and some funders. In addition, during various trips to the area, observations were made and recorded.

The data from the document analysis, interviews and observations were transferred to a text format, and translated, if it was in German. Afterwards, it was coded to labels relating to the hypotheses, which themselves were based on the results of the literature review. In addition, new themes were created for any new patterns emerging from the data. Thus, data analysis was carried out through a combination of inductive and deductive methods. Afterwards, a timeline showing the development of project clusters in both cities was constructed. Then the effects of funding on individual use sub-clusters were examined. Finally, the effect of funding on the development of each project cluster was drawn up, and both cases were compared.

Based on the literature, two hypotheses were developed. Each hypothesis addresses each sub-question outlined above and draws on the themes explored in the literature review (i.e. creative city, austerity policies). Each hypothesis also refers to the period of the last decade, in the context of Western Europe. These hypotheses, in turn, helped to structure the empirical findings and to guide the discussion in the “Conclusion” section of this thesis.

Hypothesis 1 - On the individual project level, it is expected that the examined organisations would compete with each other for state funding (Silver et al., 2010: 468). Being recipients of state funding would also co-opt the organisations into carrying out activities or delivering services, which they did not originally set out to do (Mayer, 2006; LaFrombois, 2015). For example, these services can include the activation of certain locations and improvements in the quality of places (Landry, 2000; Florida, 2012; Colomb, 2012). On the cluster level, public funding can be used to align the goal of the actors in line with those of the municipality or other stakeholders in order to reach a common goal of area development (Wagenaar, 2007; Boelens, 2006; Willinger, 2014). This could lead to multiple desperate actors coming together to implement a joint vision for urban development, building networks and clusters in the process (Willinger, 2014).

Hypothesis 2 - It is expected that during the examined period, the local and national funding policies would have changed from what has been described as an area-based funding approach (Nowosielski, 2012). This was based on civic actors being funded to deliver former public services, and to align their actions with those of the state. Instead, a new approach has been developed, where civic actors are funded to develop their own projects, and to align their actions with other urban actors. In this way, the actors develop unique urban solutions, resulting in organic regeneration (Wagenaar, 2007; Boelens, 2006) and economic development (Florida, 2012; Landry, 2000).

0.3 Structure of the thesis.

Part 1 presents the results of a literature review. Chapters are structured according to different funding approaches, with each chapter starting with a theory or a set of theories. These theories provide an explanation as to why certain funding approaches emerged or why a certain shift in funding occurred. Then, the implementation of these different approaches in practice is discussed on the examples from the UK and Germany. Finally, any criticism of the approach is presented from the perspective of state and civic actors.

Chapter 1 describes the gradual integration of civil society organisations into funding programmes in the 1960s-1990s and the emergence of area-based funding approaches. The first section discusses the fragmentation of former hierarchical service delivery structures and the formation of networked forms of governance to replace them. The integration of civil society into these new governance arrangements is then discussed, where it became responsible for delivering services in the most deprived areas. In this process, funding served as a catalyst,

enabling civic groups to take on new responsibilities and tasks. The second section discusses the emergence and evolution of area-based funding partnerships, and how gradually civic organisations became integrated into them.

Chapter 2 describes the shift of the funding approach from area-based to seed-based at the end of the 2000s. The shift is explained through three theories of austerity urbanism, process-led planning and creative city. Firstly, the conditions of austerity have forced some civil society actors to act on their own, without much state funding. Secondly, process-led planning theories suggest that stakeholder relations were more important to mediate than to create object-based masterplans. Thirdly, creative city theories emphasise the need to support bottom-up creative actors to achieve economic growth. The role of the cultural actors in the development of creative clusters is discussed. Different characteristics of creative clusters were explored, examining the role of cultural intermediaries and boundary spanners in creating networks between projects. The seed-funding approach was trailed on pioneering projects, becoming integrated into larger programmes later. Finally, the emergence of intermediary agencies as a new organisational structure to deliver the new approach are presented.

Chapter 3 describes the emergence and evolution of civic funding. First, theories of self-help and philanthropy are presented. Then a number of organisational constructs are discussed, as expressions of philanthropy or self-help. Thus, the second section describes charitable organisations, as organisational structures which enable philanthropy. Then, shared ownership organisations and cooperatives are discussed, as examples of utilisation of self-help principles. Finally, crowdfunding is discussed, as a more recent organisational structure, which combines principles of self-help and philanthropy.

Part 2 provides an in-depth analysis of how clusters of spatially-focused entrepreneurs formed in West Leipzig and Sheffield City Centre, in relation to funding. The effects of funding at different stages of project cluster formation are discussed. Then two cases are compared.

Chapter 4 describes methodological considerations adopted in the collection and analysis of the data. The chapter starts by presenting the author's positionality in terms of his previous engagement with the main topic and one of the case study areas. The benefits of a comparative case study as a research method are discussed. The way data was collected through mapping, interviews, document analysis, observations and interviews, are presented. Finally, data analysis techniques are discussed.

Chapter 5 presents the background of two case studies. Urban development and regeneration contexts of both Leipzig and Sheffield are presented. With both cities having similar economic paths, the chapter is structured around different phases of economic development - growth, decline, and regrowth. Also, the property market context of both cities is discussed in terms of market activity. The chapter ends by presenting the main types of funding, which organisations accessed as a background to explain the empirical results.

Chapters 6 and 7 present the development of spatially-focused entrepreneur clusters in West Leipzig and Sheffield City Centre, in relation to funding. First, a timeline of cluster development is presented in relation to key events, projects and actors. Then, individual sub-clusters and associated networks are presented, i.e. creative clusters, off-spaces, housing projects. The effects of funding for the development of these use-clusters and related networks are discussed, in terms of their formation and development. Afterwards, cultural intermediaries and boundary spanner organisations are presented, which connect members of different use-clusters with the municipality and other external networks. Finally, a comparison of two cases is made, relating to the effect of funding on the three phases of cluster formation.

Chapter 8 presents the key findings of the research. What role funding plays during the three stages of cluster development are discussed, concerning the original hypotheses. How spatially-focused entrepreneurs deal with the public, private and state funding, role of lighthouse projects and cultural intermediaries, and formation of funding alliances between projects are presented as main contributions of the research to the urban studies literature. In addition, suggestions for further research are presented.

Part 1 - Literature review

Chapter 1 - The emergence of public and area-based funding.

Starting from the 1960s, public funding became an incentive for civil society to both deliver community services and to engage in regeneration projects aimed at turning around the most deprived areas. First, funding was given to complex multi-layered representative organisations which represented local community, municipality and/or business interest (partnerships, Development Trusts), or to organisation managed by professionals, guided by local representatives (Quartiersmanagement). These organisations were developed to both determine and address issues, in particular geographical areas, moving away from one-size-fits-all approach of the previous decades.

The first section provides a theoretical background for the involvement of private and civic actors in service provision. This is explained as fragmentation of former hierarchical service delivery structures and the formation of networked forms of governance to replace them. In this process, civic groups became responsible for delivering services in the areas outside of the reach of the state or the interest of the market. In this process, funding served as a catalyst, enabling civic groups to take on new responsibilities and tasks.

The second section begins by describing the relationship between civil society and the state during the welfare state period in 1960-70s. It then describes how the state started to fund newly created civil groups to deliver services for their respective communities. Afterwards, the emergence of top-down regeneration partnerships is described. The evolution of these partnerships is presented. As the partnership structures evolved, civic society groups took on a bigger role in the decision-making within them. However, especially in the case of Germany, the management and delivery of the programmes were delegated to mostly external professionals.

1.1 Neoliberalisation and Governance.

With changes in the global economy in the 1970s, principles of market and competitions became not just integrated into the economy, but also in the management of the state and society (Peck and Tickell, 2002; Purcell, 2009; Rhodes, 2007). With the reorganisation of the state, instead of delivering services through government-based hierarchical structures, their delivery was increasingly carried out by private and civic organisation, organised on the market or network principles (Rhodes, 1996). In this process, the state was passing some of the responsibility providing welfare services in deprived places, where the market had no interest, to civic organisations. Funding emerged as an incentive for civic organisations to take on this service delivery function (John et al., 2004)

In the period between WW2 and the 1970s in the US and Western Europe, the state economies were controlled by the state under so-called Keynesian principles. This meant that the state actively intervened in the economy and adapted material equalisation policies through redistribution measures and inclusion of organised labour in state decision-making. This was all made possible by a large national welfare set apparatus (Purcell, 2009).

Already in the 1950 and 1960s a number of influential scholars from the Chicago School of Economics led by Milton Friedman and Friedrich Hayek criticised these Keynesian economic approach. They proposed a new system where the state would have minimal economic control, and the economic outcomes would be determined by the 'invisible hand' of the market (Purcell, 2009: 142). However, at the time, their proposals did not have much resonance in political circles (Purcell, 2009).

In the 1970s, a number of economic changes were leading to the end of Keynesian economic policy. These economic changes have been caused by advances in communication and

information technologies, creating a global marketplace and changing geographical distribution of industrial and service activities (Sassen, 1994). This resulted to increased international competition and subsequent declining profitability of manufacturing sectors in Western Europe (Brenner & Theodore, 2002: 359). This has been described as a shift from Fordist, or industrial, to post-Fordist, or knowledge and information, economy in the global north around the mid-1970s (Amin, 1994). On the one hand, this was leading to the concentration of post-Fordist activities in a number of global cities, and on the other hand it was causing certain mono-functional industrial regions to lose their previous functions, resulting in unemployment and deindustrialization (Sassen, 1994). In Western economies this was leading to “the global crisis of the postwar capitalist regime” (Jessop, 1989: 6) which manifested in stagflation, rising social expenditure, reducing the profits of Fordist companies and a fiscal crisis (Jessop, 1989).

To address these issues and reinvigorate the Western economies in the late 1970s, pro-market ideas were integrated into politics following the election of Ronald Reagan in the US in 1981, and Margaret Thatcher in the UK in 1979. They instituted a series of public sector reforms, applying free-market principles proposed by the scholars from the Chicago School of Economics, reducing government regulation of capital through a process referred to as neoliberalisation (Peck and Tickell, 2002; Purcell, 2009; Rhodes, 2007). The underlying principals of this process were that that market and competition principles should be integrated not only in the economy, but also in managing other institutions such as the state, schools, hospitals, etc. (Purcell, 2009: 142). Although not strictly a political ideology, neoliberalism is best understood as an ‘operational framework’, guiding processes such as globalisation and state restructuring.

In the early 1980s, the Thatcher government placed a big emphasis on stimulating participation of businesses in regeneration and their subsequent investment in an urban environment. During the 1980s, the private sector has gained a greater role in urban development, and local municipalities have lost a lot of their autonomy with a greater centralization of power (Parkinson, 1989). Parkinson (1989) points to the ideological aspect behind this policy change as “markets replaced politics as the primary response to urban decline; the values of urban entrepreneurialism replaced those of municipal collectivism; private-sector leadership replaced public intervention; investment in physical capital displaced investment in social capital” (p. 422).

Germany took longer to adapt to neoliberal principals, and the degree and pace of restructuring have been different in the UK than in Germany, with the UK swinging much further towards pro-market principles in the 1980s with “relatively ‘pure’ form of neoliberalism elaborated under Thatcher” (Brenner, 2000: 324). At that time Germany still could be considered to have had a welfare state. Even though some neoliberal principals like deregulations and privatisation entered the political discourse in the 1980s, Brenner (2000) refers to the period as a “‘leaner’ welfare state” (p. 324). Concerning the urban development in Berlin in the post-war years, Strom (1996) notes that even the growth coalitions involved in rebuilding Berlin after the war were mainly linking various arms of the state, and the private sector played only a minor role. “Housing construction dominated the development agenda of the city. Championed by leaders of the Social Democratic Party (SPD), it was carried out by their publicly controlled housing companies with subsidized funds from publicly controlled banks” (p. 467).

Waterhout et al. (2013) have argued that although the neoliberal thinking has entered German policies in the mid-1980s, its spread was delayed by more urgent matters such as the reunification and the subsequent balancing of living conditions between the old and new Länder. Another reason for this delay has been attributed to a higher power of separate Länder over governance and urban development, making it harder for the central government to impose top-down policies on municipalities.

In relation to urban development, on the local level, the process of neoliberalisation was changing the way government investment was carried out. Instead of improving the conditions of the local population, its main aim was to attract further private sector investment. This has been referred to as a shift from the 'managerial' approach of the 1960s to an 'entrepreneurial' approach of the 1970s and 1980s, where local government started to use its powers "to try and attract external sources of funding, new direct investments, or new employment sources" (Harvey, 1989: 7). Firstly, this has meant offering businesses various incentives like tax breaks, grants and loans. Secondly, it meant initiating speculative urban projects aimed at making certain places more attractive to external investment. Thus the purpose of government investment changed to "the provision of a "good business climate" and to the construction of all sorts of lures to bring capital into town" in order to stimulate economic development (Harvey, 1989: 11). Harvey saw those changes as negative, benefitting a much narrower set of actors, primarily those from the business sector.

The way government services were delivered was also changing. The government can choose between three organisational arrangements through which it can deliver services - bureaucracies, markets or networks, which have different transaction costs associated with them. Through bureaucracy, the government delivers services via a hierarchical system, where members are usually its own departments. The relationships between parties are set by contracts. There are clear departmental boundaries where roles are defined by higher level supervisors. The detailed reporting mechanisms and formal decision making procedures (Powell, 1989). Majority of core government services such as welfare allocation are delivered in this way (Rhodes, 1996). Through markets, the government chooses from which private or civic providers to buy services based on the price competition. Government subcontracts some services through market mechanisms. Anyone can participate in the market and there are no future commitments from participants. No one party supervises the behaviour in involved parties with prices, determining the production and exchange of goods and services (Powell, 1989).

Through networks, the government facilitates autonomous, diverse private and civic parties to deliver a service collectively (Jones et al., 1997). Networks are characterised by trust and mutual adjustment, and the interaction between the parties is organic and informal, and changes depending on external conditions. Networked forms of economic coordinations are more suitable to working in uncertain environments. They also have less transactional costs than bureaucracies (Jones et al., 1997). There is pooling and sharing resources, with individual parties benefitting from achieving collective goals, which has an added-cost saving element (Powell, 1989). With networks, contracts between parties are socially, not legally binding (Jones et al., 1997; Rhodes, 1996). However, as the next section shows, some newer organisational arrangement like partnerships can exhibit all types of interactions throughout their life cycle (Lowndes and Skelcher, 2002).

In the 1980s, the UK government started to encourage networks of public and private actors to deliver services which formal government hierarchies would deliver before (Rhodes, 1996). This process was labeled as 'governance', where policies are developed and delivered by a mix of public, private, voluntary and family groups (Rose, 1996). This meant fragmentation of hierarchical structures and the rise of various networks delivering the same services, with governmental departments being part of wider networks encompassing market and civic sector organizations. Thus, the government switched from direct to indirect control, where separate government departments might not even have the full control of the other parties in the networks. The government can put limits on the actions of the network, as it controls funds and services. However, it also depends on the cooperation of other network participant to deliver certain services and can't force them to do so (Rhodes, 2007: 1245).

Governance could be understood as a process which steers various agencies, institutions and systems to deliver 'public service' through network arrangements (Rhodes, 1996; Jessop, 1997). It is a public management style for the conditions when the boundaries between public and private sectors have been blurred, and which "do not rest on recourse to the authority and sanctions of government" as is the case with hierarchies (Stoker, 1998). Instead, governance "involves dialogue, participation, representation and the inclusion of 'the governed' (Lemke, 2007: 14). Thus involvement and consultation with a wider range of private and civic sector actors is encouraged, who becomes seen as partners and stakeholders (Lemke, 2007). However, as other actors get involved in service delivery, the need for official government institutions can potentially decrease with Stoker (1998) describing governance as "the acceptable face of spending cuts" and "a code for less government" (p. 18).

Rhodes (1996) sums up the four main principles of governance:

- “(1) Interdependence between organizations. Governance is broader than government, covering non-state actors. Changing the boundaries of the state meant the boundaries between public, private and voluntary sectors became shifting and opaque.
- (2) Continuing interactions between network members, caused by the need to exchange resources and negotiate shared purposes.
- (3) Game-like interactions, rooted in trust and regulated by rules of the game negotiated and agreed by network participants.
- (4) A significant degree of autonomy from the state. Networks are not accountable to the state; they are self-organising. Although the state does not occupy a privileged, sovereign position, it can indirectly and imperfectly steer networks.” (Rhodes, 1996: 660)

Various public-private, public-civic and public-civic-private governance arrangements have emerged at all scales - "from the local/urban level (such as development corporations, ad hoc committees, stakeholder-based formal or informal associations dealing with social, economic, infrastructural, environmental or other matters) to the transnational scale (such as the European Union, the WTO, the IMF or the Kyoto protocol negotiations)" (Swyngedouw, 2005: 1992). Particularly on the local scale, there is a greater incorporation of local interests and various groups into these arrangements (Swyngedouw, 2005).

Civil society groups began to be integrated into new governance arrangements with an aim of delivering those public services no longer provided by the state. Thus civic engagement was especially useful in the areas of social exclusion outside of the reach of the state or interest the market, in the most deprived areas (Fyfe, 2005; MacLeavy, 2009). On the one hand, the civic sector has been presented as a fix for all the negative externalities of neoliberalism associated with cutting of former state services on the local level (Fyfe, 2005: 537). On the other hand, it was seen as a replacement for some of the functions of the welfare state (Gerometta et al., 2005). Thus, in the late 1980s and 1990s, the UK Conservative government 'championed' the civic sector "as an antidote to an unresponsive, bureaucratic welfare state that stifles choice and community initiative" (Fyfe, 2005: 539). The development was similar in Germany, with Rosol (2012) has argued that the ideas of activating state have been introduced by the Red-Green government in power 1998-2005, which was very similar to that of New Labour in the UK. In terms of policies, this resulted in outsourcing of some former state functions to both private for-profit and nonprofit sectors, where the state took on the role of the "moderator and activator" (Rosol, 2012: 241). Voluntary organization started to have an increased role in community development, health and social services, being in contractual relationship with the government, mostly as service providers. They have been funded to deliver services.

For the government, this steering of the complex networks now involved in service delivery presents a difficulty. In the case of the UK, it has “compensated for its loss of hands-on controls” (Rhodes, 1996: 662) by having a greater centralised control of the financial resources. Thus, through financial incentives such as funding, the central government departments can steer the actions of network participants (Provan and Kenis, 2008)

With change from hierarchical governance to network governance, the way urban regeneration funding was allocated also changed. Instead of being given funding in a hierarchical fashion on a basis of need, receiving organisation now had to compete with others for it, with the central government in control of the whole process. The bidding organisations make promises on how they will deliver on the objectives set by the government, with an aim of making a better proposal than their rivals. In theory, because of this competition between the bidding groups, the public receives a better service. (John et al., 2004).

The way funding was distributed to civic groups was criticised by many authors. Firstly, the competitive aspect forced organisations to compete instead of co-operate, which in turn was said to reduce the social benefits of their actions (Mayer, 2006). Secondly, the organisations were said to be developing dependence on state funding and contracts (Kearns 1992; Milligan 2007 in Rosol, 2012). In addition, there was also a danger that the presentation of proposals were to be more judged than the results of the proposed projects (John et al., 2004).

Many authors also refer to the inclusion of civic groups into urban governance as co-option (Mayer, 2006; LaFrombois, 2015), which refers to civic groups being used for the role different to their original one, or adapting ideas of civic groups into those of the government (Oxford Dictionary, 2018). Furthermore, Silver et al (2010) says that the collaborations between state and civic groups depoliticises, disciplines and co-opts civic actors, forcing them to compete for limited state funding (p. 468). Similarly, Purcell (2009) refers to wider neoliberalism principles, which actively seek to “co-opt and incorporate democratic resistance.”

With the neoliberal turn, some of the hierarchical modes of service delivery associated with the welfare state were being replaced by market and network mechanism (Rhodes, 1996). Through networks, the government facilitates autonomous, diverse private and civic parties to deliver public service collectively (Jones et al., 1997). The parties interact with each other in an organic and informal way, sharing resources (Jones et al., 1997). The government can only indirectly steer their actions (Jones et al., 1997; Rhodes, 1996) through financial incentives such as funding (Provan and Kenis, 2008). However, it also can't force network participants to carry out services, and requires their cooperation (Rhodes, 2007: 1245). Governance is the process of steering loose service-delivery networks made up of public, private and state actors (Rhodes, 1996; Jessop, 1997). With governance, there is the inclusion of the governed in the decision making, who become partners and stakeholders (Lemke, 2007: 14). However, from the side of the civic actors, there is also a danger of co-option with their ideas being incorporated into official policies, or civic groups being co-opted into delivering services, which they did not originally set out to do (Mayer, 2006; Purcell 2009)

1.2 Integration of civil society into funding partnerships.

From the 1960, public funding was being given to community organisations to carry out services which were complimentary to those delivered by the welfare state - like providing or managing specific forms of housing or leisure facilities. From 1980s, public funding served as a catalyst for various public, private and civic organisations to form into regeneration partnerships. At first these partnerships were primarily private-sector based, however, they gradually incorporated civil society organisation. A whole series of area-based funding programmes emerged - both on national and European levels, with much learning between Germany, UK,

and the EU. These various policy developments are explained on the basis of theories presented in the previous section.

During the welfare state period, civil society was seen as separate both from the labour markets and institutions regulating it, and from the welfare provision. It was seen as “an unpoliticized sphere of associational activity” (Mayer, 2006: 97). In fact, in the beginning of the welfare state period, the UK community-based voluntary organisations were even campaigning for the services previously provided by the voluntary sector to be taken over by the state (Alcock & Christensen, 1995).

However, things started to change from the 1960 “once the limitations and failings of “comprehensive” state welfare began to be recognised” (Alcock & Christensen, 1995: 111). This was partly due to more diverse community groups emerging - ethnic minorities, young unemployed people, single parents, council estate tenants - who felt their needs were not being catered for by the welfare state and who were willing to do something themselves about it. They provided the pressure from the bottom, in addition to the pressure instituted from the top (Alcock & Christensen, 1995).

From 1960, various community activists and social movements started to emerge who were against rigid urban planning methods, the “norms and standardization of the Fordist–Keynesian city, its functional zoning, suburbanization, urban renewal and the ‘inhospitability’ of urban space” (Mayer, 2013: 6). Their discontent manifested through various protests and occupations, with many community groups forming to oppose transformations of certain inner city areas, housing demolitions and community dispersal into large municipal housing estates (Bailey, 2012; Holm & Kuhn, 2011).

For example, across the UK in the 1970s there were numerous protests against new car-focused road infrastructure, staged by the ordinary citizens - “from academics to angry mothers” (Gunn, 2017: 33). They formed groups such as ‘London Motorway Action Group’ and ‘Homes before Roads’, blocked roads and staged demonstrations making sure their protests got reported by the press. The number and variety of the protests were enough to stop many projects and even to change the national opinion towards such schemes (Gunn, 2017).

In West Berlin in the 1980s, various civic groups from the young leftist scene were opposing municipal urban policies concerned with the demolition of old tenement blocks and tabula-rasa urban development. They were particularly displeased by the large amount of vacant houses, which stood empty while their owners were waiting for government subsidies for their demolition and subsequent rebuilding. From 1979, few of these vacant houses were occupied by squatters, who immediately started to renovate them. This was both to show how long they have been vacant and to win public acceptance and support for their actions. In 1980, 21 of these vacant houses were occupied. By showing their care for the buildings, the squatters received popular support and the occupations spread to 165 housing in the summer of 1981 (Holm & Kuhn, 2011).

Some of these former protest groups later developed into constructive development focused organisations. For example, out of the UK protest movement, a community development movement emerged. They saw the long-term management of assets such as housing, work- or sports facilities as a way to provide services and facilities which they saw the state as being unable to provide (Bailey, 2012: 6). Similarly, the squatters championed the twelve principles of careful urban renewal developed earlier, which influenced the urban development policy of Berlin for decades to come (Honeck, 2015).

One of the first UK protest groups to develop a new constructive agenda was the Westway Development Trust, which originated out of a multitude of small community groups campaigning for the improvement of the living environment following housing demolitions and relocations caused by the construction of a large motorway through North Kensington in the 1960s. Set up in 1971, with a £25,000 initial grant from the municipality, the trust managed 9.3 hectares of land under the newly constructed flyover which was leased to it by a state-owned company for 125 years. On this land the trust built a number of sports-, community- and leisure facilities including a sports and fitness centre, which together employed around 850 people. The trust has been managed by a board of 14 members - 7 members are elected by 36 local organisations and 7 are nominated by the local municipality, which includes 3 elected councillors (Bailey, 2012). This example shows how community groups started to get involved in the delivery of leisure and employment in their respective community. In addition, it should be noted that without the state, providing the land and start-up capital, the project would most likely not have been possible.

In a similar way, Coin Street Community Builders (CSCB) were able to develop into a successful development trust after initial support from the Greater London Council. CSCB were formally set up in 1984 and originated out of community protests against a large private office development schemes around the South Bank area of London through the 1970s. As part of their protest, the community proposed an alternative plan for the site consisting of co-operative housing, workspace and open space. Both of the schemes received planning permission, after which a two-year battle ensued to overturn the commercial development plans, which the community has won with the help of Labour-backed Greater London Council (GLC). After losing the project, the developer sold the land it owned to the GLC, after which the GLC sold it “at a very substantial discount, together with its own sites in the area” to the newly formed CSCB (Brindley, 2000: 365). In order to pay for the site, CSCB borrowed the money “partly from the GLC itself and partly from Greater London Enterprise Board” (Bibby, 2001, no pagination). In this case, the state supported the community organisation through offering its own sites at a discounted rate together with the finances needed to pay for them. With that, CSCB was able to build both award-winning housing and mixed use development, which remained in community ownership (Brindley, 2000).

Development trusts are independent non-profit organisations which engage in the regeneration of a particular geographical area. They own land and various community assets such as housing, leisure and commercial properties. The organisation itself is usually owned and managed by the community, and is self-sufficient. However, this does not prevent it from working together with other civic, public and private actors. (Clark et al., 2007).

Both Westway Development Trust and CSCB could be seen as providing services which are complimentary to those of the government. Both of the organisations can be seen as individual network members providing various services in addition to those of the government, and the financial support in terms of grants, loans and access to sites as something which enables them to carry out this service. The relationship between these organisations and the government doesn't seem to be guided by a set hierarchical contacts, but rather by loose, informal arrangement, with an awareness of each party is working towards similar goals for area development (Jones et al., 1997). However, it should be noted that both organisations first developed before the emergence of any financial incentives.

In the 1980s in Berlin, a state-funded organisation S.T.E.R.N. was created to implement some of the cautious urban renewal principles developed earlier in the 1970s under the leadership of Hardt-Waltherr Hämer (BMVBS, 2011: 25). The squatters were instrumental in setting these principals into action, with the houses they occupied serving as objects and them as partners (Holm and Kuhn, 2011: 653). However, S.T.E.R.N. itself was made up of planners. One of its

aims was the involvement of citizens in urban development through organising neighbourhood meeting and planning workshops. S.T.E.R.N. was responsible for five renewal areas in Berlin, where they set up a resident association for each area. These associations could also submit their own project proposals for additional public funding. In addition, funding was provided by S.T.E.R.N. for youth and arts projects to strengthen residents' connection with the neighbourhoods and promote social stability (Levine, 2004). The financial support of the government has been very important for these projects:

“The ‘careful urban renewal’ was almost entirely based on public subsidies. In fact, in the urban renewal areas of the 1980s, close to 100 per cent of the refurbishment was publicly funded” (Bernt. 2012: 3054).

In the early 1990s in Berlin, another programme called Selbsthilfe (Self-help) was funding housing cooperatives and projects developed by former squatters. It also provided training for young people so that they could modernise their houses. The aim was to create a better connection between former squatters and the neighbourhood, to increase social cohesion. Public funding was also available for the squatters to purchase and renovate their buildings themselves (Levine, 2004). These citizen groups could be seen as network members, who share a common goal of area improvement with the municipality. By offering them funding, the municipality not only steers them into satisfying the common aim of area improvement, but also facilitates social cohesion in the process.

Already in the 1960s and 1970s in the UK, funding started to be given to existing community organisations to deliver services in their area. In the late 1960s Urban Programme in the UK provided the capital and covered running costs for projects based in deprived urban neighbourhoods (Alcock & Christensen, 1995). Similarly, Community Development Programme focused on community-based projects “helping local communities to address the problems of deprivation” (Fearnley, 2000). Essentially, funding was given to the local community organisations to work together with the existing state department to provide a wider range of service to the local community, such as training, employment support, as well as housing renewal (Alcock & Christensen, 1995).

As well as funding existing civic organisation, from the 1980s, the UK central government was encouraging the formation of new independent and semi-independent organisations in order to deliver regeneration and urban development. Partly, this was due to constrained public resources, a way for the government to deliver more with less (Lowndes and Skelcher, 2002). These organisations were called partnerships which are formalised collaborative relationships between representatives of the state, market and civil society. The relationships between parties was usually formed through an agreement, which set up a certain organisational structure - a partnership board or a forum. This board or forum then made decisions which guided actions and utilised resources of individual parties involved. Partnerships are associated with all three forms of economic and social condition - networks, hierarchies and markets, passing through different stages through their life-cycle. For example, in the period of pre-partnership collaboration, the interaction between parties is characterised by network governance. During the partnership formation, hierarchy guides how partnerships function. During the period of programme delivery, market principles guide the work of the partnership as it tenders out contracts and looks for providers. Finally, during the winding down of partnership, network interaction guides the process to maintain mutual commitments to issues dealt with by the partnership, and to secure continued engagement of the community and employees (Lowndes and Skelcher, 2002: 320). In the context of urban development, these partnerships were set up mainly to turn around areas in decline (Lowndes and Skelcher, 2002: 314). The central government encouraged these bodies to be formed through developing a series of funding programmes, where money could only be accessed by partnerships (Lowndes and Skelcher, 2002).

The earliest versions of these partnerships in the UK were Urban Development Corporations (UDCs), enterprise trusts, regional development agencies and training enterprise councils (TECs) were set up across the country (Peck, 1995: 17). For example, UDCs were set up to revitalise lagging local economies and land markets. They were public-private partnerships, with board members appointed by the central government (Parkinson, 1989; Bassett, 1996). However, they received much criticism relating to their lack of democratic control as well as mainly business people making the majority of the UDC boards (Peck, 1995).

As a reflection of criticism of the purely business-focused approach of the 1980s, community organisations started to get integrated into partnerships with more inclusive membership in the 1990s in the UK. First such partnerships were set up to deliver the City Challenge funding programme, launched in 1991. In a physical sense, those partnerships were executive boards at arm's length from the municipality, made up of representatives of all three sectors who decided what government funding should be spent on in their local area (Davoudi and Healey, 1995; Fearnley, 2000). However, they were not independent organisations and presumably wound up after the end of five-year funding roads.

In 1994, City Challenge was replaced by the Single Regeneration Budget (SRB), which provided funding to partnerships, which could be led by independent community organisations (John and Ward, 2005). In contrast to time-limited UDCs and City Challenge partnerships, SRB funding programme enabled many independent community organisations in the form of the Development Trust to be formed who took on some function of the state. A lot of the organisations which were formed thanks to SRB are still active today - they provide local services including employment training, provision of workspace and housing (Bache and Catney, 2008; Clark et al., 2007).

The change of government in 1997 from Conservative to New Labour provided a greater boost to the ability of regeneration initiatives and partnerships including SRB to engage with local community (Fyfe, 2005). The government was further delegated to a role of an enabler, with the community partnerships taking on the delivery function and more responsibilities (MacLeavy, 2009: 851). To train local actors in hope that they would lead the partnerships, 10% of SRB funding was delegated to capacity building: "That the government was prepared to use SRB funding for capacity building measures not linked to specific economic regeneration projects illustrated its emphasis on the intrinsic value of engaging and empowering local community actors" (Bache & Catney, 2008).

For example, in Sheffield, the local community of Manor and Castle came together and produced a vision document for the development of the area, which was to unite the efforts of various disparate initiatives and organisation working there. The community efforts received a lot of support from local residents and businesses, and subsequently from the municipality itself. With their support, they were able to develop their vision into a formal application for SRB funding. After they were successful in receiving funding in 1997, the community formed into an independent organisation - Manor and Castle Development Trust (MCDT), which was managed by a board of representatives from the public, private and community sector representatives (Bache and Catney, 2008). There, the community had a lead role - the CEO was from the local community as well as 6/14 board members, resulting in the local community having half of all the seats. Four of those seats were taken up by the representatives of four local forums, which engaged with various smaller community groups as to what projects should be funded on the ground. Each of those forums met once a month, and were open to local residents (Bache and Catney, 2008).

By the beginning of 2010s, Manor and Castle Development Trust owned a number of subsidiary companies, which own and manage various physical assets. One is managing an office building,

and the other one 140 houses, built with SRB funding. In addition, the company responsible for housing manages housing in other parts of the city, which bring an additional source of income to the Trust. The trust itself owns a community centre, 12 shops, a large park, and a farm. With the revenue from various asset, it is able to employ a team of staff, who manage joint programme with other providers, related to health, sport and community work (Bailey, 2012). It is important to note that the community developed a vision for area development before the availability of funding. However, it was successful because of the alignment of their goals with the goals of the government, which issued SRB funding. Because of this funding, they were able to develop and take over management of many community services, adding to those offered by the municipality.

Other organisations, which originally were set up by the municipality and which received SRB funding, were also able to gain independence, taking in the management of assets and providing local services (Bache and Catney, 2008). Their aim was to go from being grant-funded to income-generating organisations by the time funding run out (Clark et al., 2007).

Overall, however, the SRB programme received mixed reviews (John and Ward, 2005; Whitehead, 2003; DCLG, 2007). On the one hand, it delivered visible physical improvements, developed community organisations and increased social cohesion. On the other hand, it did not have much of an impact on reducing the differences between the regions or improving deprived areas (DCLG, 2007). However, the program was crucial in allowing local community to have a say in where and for what purpose the state resources should be targeted (Davies, 2003: 13).

A further iteration of area-based funding programmes to address the areas of deprivations was the New Deal for Communities (NDC), which run from 1999. Similar to SBR, NDC funding was given directly to community partnership boards made up of local representatives, set up especially to receive the funding (House of Commons, 2004: 3). There was also an aspiration for the ordinary residents to work together with respective representative bodies and “to instigate and organise urban regeneration from the ‘bottom-up’” (MacLeavy, 2009: 851). Similarly to SRB, the organisations were managed by a board made up representatives of all three sectors. However, the community representatives had much higher representation than in SRB, giving them more decision-making power. Underneath the board, there were also individual subgroups responsible for smaller projects. The complex structures of NDCs made participation by local people difficult. Although the NDCs provided an opportunity for the most excluded to act, they also gave them larger responsibilities both for themselves and for others around them (Social Exclusion Task Force 2006:38 in Fuller & Geddes, 2008). In a similar way to SRB, New Labour emphasised the need for citizens to lead organisations such as NDCs. However, little time was given to train local people, reducing their actual engagement with the programme and leading to ‘burnouts’ of the community members who worked largely in a voluntary capacity (Fuller & Geddes, 2008: 262).

In Germany, a significant stimulus for the incorporation of community organisations into regeneration programmes was the European Union, which amongst other things stipulated a need for partnerships in such programs as URBAN. Launched in 1994, URBAN was influenced by both the City Challenge and Single Regeneration Budget (Halpern, 2005; Carpenter, 2006). Similar to the two programmes, URBAN targeted the most disadvantaged urban areas of the EU, utilising a combination of physical regeneration, employment and social programmes to turn areas around. A special new feature of the programme was Community Economic Development (CED), where smaller local organisations were funded to build local capacity and develop social capital in the area (Bache & Catney, 2008: 415). “To implement URBAN I and II required further retooling to permit decentralized decision making authority in the required policy areas” (Bockmeyer, 2006: 57). During this period German charities and non-profit service providers were able to increase their role in regeneration schemes. However, from the case of Berlin, it

would seem that local community organisation were mainly involved in applying for funding and delivering small projects. The actual management and delivery of the programme was subcontracted by the senate to private organisations. (Halpern, 2005).

A German area-based funding programme which involved community organisations in decision-making has been Soziale Stadt, launched in 1999. The programme has been similar to URBAN and SRB in targeting the most deprived inner city areas. Building on the experience of URBAN, Soziale Stadt employed a package of physical, social and economic measures (Nowosielski, 2012). The programme was seen as a significant step in the development of the German planning and governance instruments as highlighted in the interim appraisal of the programme commissioned by the Federal Ministry of Transport, Building and Housing:

“The design of the programme as a ‘programme of incentives’, which envisages comprehensive cooperation and networking of different players at all levels of the political system and also aims at including non-public players, corresponds with the Federal Government’s concept of reform in the spirit of a state that ‘enables’ and ‘activates’. Thus, it represents a political pioneering feat. The Federal-Länder programme is to provide an impulse for the development of new approaches and new forms of urban policies.” (Kleinhans et al., 2004: 3)

In each eligible district, the programme has been managed by Quartiersmanagement, a structure for programme administration, which was very different to the one utilised in URBAN. Quartiersmanagement has been managed by professional administrators hired mostly from outside of the area, who worked with official city departments and other government agencies. The Quartiersmanagement has been guided by a multi-tiered structure. A small steering committee made the decisions on funding, strategy and finance. Then there was a larger steering committee made up of a small steering committee plus representatives of the local municipality, and other possibly external actors (Bockmeyer, 2006). Then there is Quartiersjury (Neighbourhood Jury) made up more than 51% local residents, which selected which projects got funded, which is somewhat similar to the groups initiated by STERN. It is worth noting in full how these committees were selected in the case of Berlin:

“The selection process began with official listings of district residents and the generation of a short list through random selection. Interest was determined by telephone calls and those willing to participate were seated. The remaining 49 percent were not required to be district residents, but were selected from existing institutions, including schools, housing companies, tenants, local clubs and associations—with seats also going to designated priority groups such as seniors, homeowners, businesses, and youth. Additional seats were reserved for those active in the NM.” (Bockmeyer, 2006: 66)

After the decisions were made, Quartiersmanagement would contract projects out to the private sector or liaises with regional and local governments to carry out certain projects with their resources (Shand, 2014). Thus, the decision-making process in Soziale Stadt was much more community-focused than in the case of URBAN.

The Quartiersmanagement has a duty to engage with the local residents by working with existing community organisations and consulting them and residents about the area needs (Bockmeyer, 2006: 66). However, the interim appraisal for the programme highlighted that the inclusion of citizens in the programme has not been so much about involving them in the decision making, but “more about their activation in the sense of ‘empowerment’” (Kleinhans et al., 2004: 9). Although the definition of ‘empowerment’ is not expanded in the document, it most likely is similar to the active citizen notion (Marinetti, 2003), of citizens gaining confidence to express their wishes for area development and be more responsible for the development of their area.

There were two funding pots for smaller projects in the neighbourhood on which the Neighbourhood Jury decides - Aktionsfond (Activity Financing) and Quartiersfond (Neighborhood Financing) (Semm, 2011). In the case of Berlin, local activists have benefited from QM support in terms of getting small grants to support their projects (Bockmeyer, 2006: 66). More than half of the districts participating in the programme allocated fundings to allow residents and local community groups to carry out small projects (Silver, Scott, & Kazepov, 2010). In contrast to the SRB examples above, Soziale Stadt funding was not there to steer civic organisations to deliver services in the local community. It was also not there to set up organisations which would take on running additional services. Also, the local residents and various community groups played a much smaller part in decision making. It can be understood as more of a bureaucratic structure than a network (Powell, 1989), as local partners were not involved in much of programme delivery, but rather in some decision making.

Mainly, the partnerships and area-based initiatives described above decided on how the government funding should be spent. The civil society formed only a part of these partnerships, where decisions were made on the principals of consensus with the other stakeholders. Civil society in these partnerships essentially determined that the state money should be spent on in the neighbourhood, rarely participating in actual implementation. These partnerships were time-limited, created to fulfil certain objectives set out in the beginning. An exception to this has been SRB which led to the development of independent organisations which have taken on many functions which were provided by the state.

The chapter has shown how starting from the 1960, funding emerged as an incentive for actors to carry out services previously carried out by the state, or provide complimentary services to those already provided by the municipality in the areas of housing, employment and leisure provision. Furthermore, there has been a higher concentration on letting the local private, public and civic actors outline main issues and develop their own solutions to those issues with the help of state funding. Thus, there was a shift from “one size fits all approach” of the welfare state period towards instruments more tailored to the local circumstances. In some cases, as in the example of SRB, funding has been used to create income-generating organisations which can be self-sufficient in providing services to the local population, generating income from the assets developed with the help of initial funding.

The following ideas will be used to develop hypotheses and frame the empirical findings. With independent networks made up of private and civic sectors delivering services formerly provided by government agencies, state uses funding to align the actions of the network members with the aims of the government (Jones et al., 1997; Rhodes, 1996). Funding serves as an incentive for getting actors to fulfil those objectives proposed in the funding guidelines (Provan and Kenis, 2008). Furthermore, with the general adoption of governance, there is the inclusion of the governed in the decision making, who become partners and stakeholders (Lemke, 2007: 14). This process can also have an effect on organisations receiving funding, with them being coerced into delivering services which were beyond their initial intentions (Mayer, 2006).

Chapter 2 - From area-based funding to seed-funding.

In the late 2000s, the area-based funding approach was being replaced by the seed-funding approach. Instead of partnerships, loose networks of socio-cultural actors were given small amounts of funding to help them implement those projects which were in line with general urban development strategies of municipalities. In addition, agile agencies were created to support these loose networks with advice and funding, which they in turn received funding from the state.

The theoretical section starts by presenting the criticism of the previous area-based funding approach in terms of bad economic performance of previous area-based funding initiatives and by the lack of citizen engagement with them. Three theories are presented to explain the shift from area-based funding to seed funding. Creative city theories suggest that bottom-up cultural actors play a big role in fostering an environment where high-performance economic uses can develop. Therefore state support for these actors is essential to increase economic development potential of locations. Process-led planning theories suggest that mediating relationships between private and civic stakeholders allows municipalities to channel their actions into meeting common goals of physical development. This is said to be more flexible in terms of adapting to unexpected changes. The austerity urbanism theories describe how when the majority of state support is withdrawn and only minimal assistance is provided, civic actors begin to act on their own initiative, stepping into the gaps which the state left.

To describe the implementation of the new funding approach, first the pioneering projects will be presented. The integration of the approach into citywide, regional and national programmes is discussed in the following section. Finally the emergence of intermediary agencies is discussed.

2.1 Creative city, process-led planning, and austerity urbanism theories.

2.1.1 Creative City

The creative city theories suggest that the economic performance of a city partly depends on its potential to attract the so-called Creative Class, a segment of the population who are primarily paid to use their mind to create ideas, technology and content. Members of the Creative Class tend to concentrate together, in places that are liveability and tolerant to diversity, and have a good technological infrastructure. The liveability is itself influenced by a number of soft factors such as availability of bottom-up culture, arts- and music scene - such environments where creative people can validate their identities and influence urban decisions (Florida, 2012; Landry and Bianchini, 1995). Bottom-up cultural actors play a big role in making places liveable by creating an environment where other ideas - including the more commercial ones - can develop and where creative people can feel comfortable expressing themselves (Florida, 2012). The idea is based on converting the cultural capital developed in a bottom-up way into economic capital in order to improve the attractiveness of the cities (Mayer, 2012). From the point of many municipality, it is thus considered to make sense to fund bottom-up socio-cultural actors to come up with and develop their own ideas (Peck, 2005).

In their 1995 “The Creative City” publication, Landry and Bianchini (1995) suggest that instead of investing in mega projects, municipalities should invest in improving the city’s liveability by involving people in the urban decision-making through staging workshops, symposiums, festival and cultural events to “facilitate scenario building and visioning” (p. 47-48), create more opportunities for people to participate and benchmark the process. Landry and Bianchini (1995) have further argued that nurturing creativity leads to economic success and that “hard sciences

of urban planning” need to mobilise “experiences of different disciplines and people currently marginalised from decision making” (p. 9). Follow up work by Landry (2002) explores what this means in more detail, presenting a number of case studies. In the introduction to the work, it states: “It expires how we can make our cities more liveable and vital by harnessing people’s imagination and talent” (Landry, 2000: xii).

Gates and Florida (2001) found that places of high social, cultural, and ethnic diversity and tolerance attract people working in technological businesses, leads to concretion of high-tech companies and subsequent economic growth. To substantiate this argument, they showed a strong correlation between the high concentrations of gays, bohemians and foreigners, and the output of area’s high-tech industries. Gates and Florida (2001) argued that a high concentration of bohemians or gays in the area means that there is an environment which are inclusive, open to diversity and thus attractive to talented people. It should be noted that this study was based on quantitative research, looking at indexes and relationships, rather than causalities.

Furthermore, Florida (2012) argued that the concentration of bohemians (working artists, writers, designers, musicians, etc.) means that there are good amenities, which they not only produce, but which they are drawn towards themselves: “As selective buyers with eyes for amenities, authenticity, and aesthetics, they tend to concentrate in places where those things abound” (Florida, 2012: 245).

Richard Florida developed a notion of the creative class in his 2002 publication “The Rise of the Creative Class”. Creative Class are not just artists and typical creatives (designers, filmmakers, architects, etc.), but also people who “create meaningful new forms” - engineers, actors, professors, etc., who engage in “creative problem solving” (Florida, 2012: 9). Members of the creative class are “paid to use their mind” and “share a common ethos that values creativity individuality, difference and merit” (Florida, 2012: 9). Thus, to Creative Class belong people working in knowledge-intense industries like high-tech, finance and business management, legal and health care. People who do not belong to the Creative Class belong to the Working Class and Service Class. The Creative Class concept widens the previous decade’s concepts of traditional or even popular culture, making the creative city and creativity into a broader term, encompassing businesses and financial services. Florida (2012) found that cities which have the highest concentration of Creative Class have also a higher concentration of high-tech companies and innovations.

Thus the question develops: What makes places tolerant, open and diverse, so that they would attract members of the Creative Class? Florida (2012) argues that these are places that have low entry barriers, where newcomers are accepted quickly into social and economic arrangement, and which are tolerant and open to gays, minorities and immigrants. Furthermore, they are places that “oriented towards personal self-expression and openness to experience, which psychological studies show is a key characteristic of entrepreneurial behaviour” (Florida, 2012: 263).

Furthermore, Florida (2012) argued that members of the Creative Class are not attracted to large venues or mega events, but prefer “organic and indigenous street-life culture” (p. 148). Thus, Florida (2012) implied that the policies implemented by the municipalities had a direct effect on whether the members of Creative Class would move there:

“Creative people do not move for traditional reasons. The physical attraction that most cities focus on building - sport stadiums, freeways, urban malls, and tourism-and-entertainment districts that resemble theme parks - are irrelevant, insufficient, or actually unattractive to them. What creatives look for are abundant high-quality amenities and experi-

ences, an openness to diversity of all kinds, and above all else the opportunity to validate their identities as creative people” (Florida, 2012: 186).

For creative people, the quality of place matters. In addition to diverse kinds of people, also built and natural environments is important, as well as the availability of street life, cafe culture, arts, music and sports activities. Both for Florida (2012) and Landry (2000), the ability to shape local environment also mattered.

For Landry (2000) a place, where ideas flowed and innovation developed, was a creative milieu, a physical setting which could comprise of a cluster of buildings, a particular area in a city, or a whole region, which has the right hard and soft infrastructure. This means a critical mass of “entrepreneurs, intellectuals, social activists, artists, administrators, power brokers or students” in an open-minded, or tolerant, context who create ideas, products, services and organisations, through networking and interaction with each other (Landry, 2000:133). Creative milieus are concentrated in a particular geographic areas, projecting a certain ‘image’ to the outside, and a sense of belonging to the ‘insiders’ (Camagni, 1991).

Mommaas (2004) uses ‘creative cluster’ synonymously with a ‘creative milieu’. However, from the works of Evans (2009), creative cluster has a slightly bigger emphasis on creative industries, with a creative milieu having a more loose composition. The theory of creative clusters is based on the theory of innovation clusters, explored in much detail by Michael E. Porter in the 1990s. Porter (1995) refers to a cluster as a collection of companies in a same industry, linked together through customers, suppliers and relationships. Within the cluster, there is a geographic concentration of skills, information, relationships and infrastructure related to a certain field (Porter, 1995). There is a direct and indirect interaction between agents in a cluster (Karlsson, 2010 referring to Krugman, 1991a), which can lead to efficient and effective collaborations, which multiplies resources and competencies of individual firms (Niu et al., 2008 referring to Lawson, 1999). Thus, the sum of components is greater than its individual parts (Niu et al., 2008).

For Mommaas (2004), cultural clusters combine cultural functions and activities, which includes elements of cultural production, presentation and consumption. He referred to creative clusters as places or environments for economic imagination and innovation (p. 521), which create a favourable climate for cultural workers, being attractive to professions synonymous with Richard Florida’s Creative Class. Creative Clusters are a “catalysing place where people, relationships, ideas and talents can spark each other”, a diverse environment allowing the freedom of expression (Chapain et al., 2010: 11 referring to De Propriis, 2008). These creative clusters can be organic or planned. Organic clusters are geographical concentrations of artists and cultural producers and small enterprises, mainly in places with low-rent working- and living space, where there is a network of professional and informal relationships of other likeminded people. Creative clusters are also associated with a lifestyle, where a mix of work, lifestyle, ideas and friendships takes place in public and semi-public meeting places - bars, cafes, galleries, etc (Montgomery, 2003: 299).

Montgomery (2004) said that a successful creative cluster needed to have three key ingredients - activity (including the availability of stable arts funding), built form & image. It needs a certain proportion of internationally recognised companies, and it needed to be continuously upgrading and innovating. It also should have certain factor conditions, which underpin its existence: the presence of people with the right skills who set up and work in companies in the cluster, technology and infrastructure, and supporting industries, serving it with specialised services. Finally it needed customers, who would buy products and services produced there, which do not have to be local (Montgomery, 2003: 299).

The people with the right skills who develop creative clusters are quite often university graduates (Montgomery, 2003: 299). They are also creative people “who share an interest in novelty but not necessarily in the same subject” (Chapain et al., 2010: 11 referring to De Propriis, 2008). However, they should share similar lifestyles and backgrounds (Mommaas, 2004, referring to Bilton, 1999; Banks et al., 2000).

Evans (2004) further emphasises the need for soft ingredients of a creative cluster - “human interaction, networks, collective lifestyle, knowledge exchange, common values, trust and kinship” (Pumhiran, 2005: 7, referring to Evans, 2004). This complex network of informal and social relationship “encourages the flow of ideas between individuals and institutions” (Landry, 2000: 133). These networks are open and ever-changing, nurturing and developing the individual’s uniqueness and identity (Chapain et al., 2010: 11 referring to De Propriis, 2008). They involve a high degree of trust as well as informal and unstructured partnerships (Banks et al., 2000 in Mommass, 2004). Through these networks, both professional information in terms of jobs, know-how, funding and other work opportunities, as well as personal experiences are exchanged (Brown et al., 2000 in Mommass, 2004).

Referring to their empirical research on clusters of creative industries, Hutton and Pratt (2009) confirmed that firms clustered because of the importance of social-economic interaction around, across and within firms, rather than traded cost interaction or other possible saving. On the example of Hoxton, Hutton and Pratt (2009) confirmed the importance of “complex web of social and economic networks” that made the development of Hoxton into a creative cluster possible - first mentioning the importance of networks from the Royal College of Art (RCA) and Goldsmiths College, who had studios in the area, ‘network of art factories’ where they worked, key galleries such as Whitechapel, key personalities like Joshua Compston who brought the art scene to the public by opening the first gallery in Hoxton square and organised art fairs on the streets (Hutton and Pratt, 2009). To create and sustain these networks, key individuals, who can be entrepreneurs, family businesses or artists, are required (Evans, 2009). The structure of a cluster that is a key to its success, not simply its existence. The relational dynamics between firms leads to its commercial success (Michael, 2003: 138).

Evans (2009) outlines four stages of the development of a creative cluster. 1) Dependent stage, where businesses develop as a result of state intervention in terms of business support or the creation of infrastructure. At this stage, public support is needed to sustain the cluster. 2) Aspirational stage, where some independent creative enterprises start to develop, but there is limited consumption infrastructure. There is also a high level of promotional activity and boosterism from both private and public sectors. 3) Emergent stage, where further public investment generates a growing number and scale of creative businesses. Cultural consumption starts to develop and there is a level of internalisation. 4) Mature stage, where large creative enterprise develop subtracting linkages, embedded into national and international markets. Not much information is given to the networks between the enterprises, the main focus is on the role of public intervention. Also, nothing is said about certain businesses present in the initial stages disappearing at the later stages, as a number of case studies including Flon in Lausanne studied by Andres (2013) point to.

Other studies, however do not confirm stages outlined by Evans (2009). For example, referring to the development of Temple Bar in Dublin, Montgomery simply says: “During the mid 1980s, networks of small and medium-sized enterprises became established, feeding off each other and larger cultural players such as the Project Arts Centre and the Olympia Theatre” (Montgomery, 2004: 5). This description is contrary to that described in the ‘dependent stage’ of Evans (2009) - there was no state intervention in the case of Temple Bar. In fact, businesses formed organically, attracted to the area not by infrastructure, but by cheap rents. Later, businesses and creatives organised themselves, forming the Temple Bar Development council to lobby the council to

regenerate the area and turn it into a cultural quarter (Montgomery, 2004: 5). These two stages can be described as the seeding stage, where initial project settle, which would start forming clusters and networks, and the growth stage, where networks are formed between initial seed projects, and other projects develop.

On the case of Flon in Lausanne, Andres and Grésillon (2013) describe three phases of development of a cultural brownfield, a 5.5 hectare site in the city centre. First, the cultural actors settled. They then “transformed the derelict warehouses and created a new alternative quarter, known as Flon-Flon, which quickly acquired a ‘trendy’ image” (Andres and Grésillon, 2013:50). This was done through staging of various events and activities in the district, marketing it to the outside (Andres, 2013). Afterwards, a more formal transformation of the space followed, which aimed to turn the district into a more up-market cultural space, where not all the original actors were able to participate. Those who were under threat, used their existing networks to challenge the transformation plans (Andres, 2013). This can be described as the three phases of development - settlement of seed actors, development of the cultural scene, and then consolidation or contestation. In the case study, there is no mention of the role of funding in any of these phases. These stages are used later on in the empirical part.

Andres and Grésillon (2013, referring to Stern and Seifert, 2010) say that organically cultural clusters have not received yet much focus from urban planners. Furthermore, Chapain and Propriis, (2009: 14) say that more studies are needed to understand the bottom-up processes of creative cluster formation.

In the case of development of cultural clusters LaFriche in Marseille, Andres (2011), places a great importance to the role of a cultural intermediary *Système Friche Théâtre*, an organisation which developed LaFriche from a dis-used factory into a successful creative cluster through building networks and coalitions, mobilising actors, and developing strategies. The definition builds on the work of Williams (2002) who introduced the term ‘boundary spanner’ as a key agent creating and managing relationships between various networks. These actors understand motives, roles and responsibilities of members of various networks, and build and sustain and relationships with them and between them. A boundary spanner deals delicately with multiple accountabilities and tensions. They are both representatives and partners in a multi-agency environment. A boundary spanner functions well in non-hierarchical decision environments, connecting problems to solutions through mobilising resources and networks (Williams, 2002: 121).

Building on the work of Williams (2002), Andres (2011) talks about cultural intermediary as a boundary spanner and therefore a major player in the governance process leading to the development of a creative clusters. Andres (2011) identifies the following criteria of a cultural intermediary:

- connection to wider local & national networks
- engagement with users, media and wider population
- relationship with network members based on a win-win interest
- selection of key stakeholders involved in the development of a certain project & representatives of key interest
- skills and knowledge
- “visibility and renown at different levels” (p. 799)
- ability to develop projects and ideas
- experience in marketing of places
- “Accessible, innovative, entrepreneurial, integrative practices” (p. 799)

Just as important for network building and cluster formation are various types of brokers, which manage relationships within cluster and between clusters and external networks. Although they have less reach than cultural intermediaries describe above, they are still important. Gould and Fernandez (1989) identify five types of intermediary or broker roles:

- gatekeeper - acts for her network, and decides whether to give access to the network for any outsider
- representative - actors for her network, and tries to establish contact with outsiders
- coordinator - facilitates internal networking within a network, no contact with outsiders
- itinerant broker - facilitates internal networking while being outside of a network, no contact with outsiders
- liaison - links various networks together, while not belonging to any of those networks

A broker facilitates transaction between actors lacking access or trust in each other. A brokerage exchange usually involves three parties, two of whom participate in the transaction, with the third actor being an intermediary. There does not have to be a monetary or other reward for this brokerage (Gould and Fernandez, 1989: 91).

Not only large cities could be creative - Florida and Landry give plenty of examples of smaller cities and towns managing to attract creative people by following certain principles (Bianchini and Landry, 1995; Landry, 2000; Florida, 2012). The inherent fluidity of the creative city concept leaves a lot of possibilities open to interpretation by the urban decision makers. Also, a lot of apparently successful creative city ideas did not require as much investment - all that was needed was to relax a few regulations and to let the city's creatives do all the work. In this way, the creative city concepts were also supportive of the independent cultural actors, who have finally found recognition for their work (Senatsverwaltung für Stadtentwicklung, 2007). This approach again re-emphasized the new enabling and steering role of the state, which does not provide the culture, but rather guides how it develops, "enroll[ing] previously-marginalized actors for this effort, enabling the formation of new governance structures and local political channels" (Peck, 2005: 763). These ideas of creativity-led regeneration have found support from many municipalities across the globe (Peck, 2005).

Although some of their arguments were not new and built on the works of a number of sociologists linking culture to rising property values and gentrification (Zukin, 1989; Smith, 1996), the works of Florida and Landry were so well received with urban decision makers mainly because of the link they created between simple, investment-light implementable measures, and economic success. However, it is important to note that Florida and Landry have not been particularly critical of the processes they described, and Zukin and Smith were, particularly in relation to the displacement of businesses and residents from areas where members of creative class or bohemians tend to more (Zukin; 1989).

Although not making explicit calls for the government to subsidise creative actors, Florida (2012) nonetheless praises the examples of the private sector and foundations offering financial support to them. For example, he praised the high-tech company Vignette, which established "a \$1-million fund to support the local music scene" (p. 340) or the support for quality of life initiatives run by civic sector organisations in Pittsburgh with funding from corporations and foundations.

The appeal to policymakers of the ideas proposed by Landry and Florida, as noted by Peck (2005) is that "the delivery of most of their modest supply-side components is at least feasible within the parameters of local electoral horizons and fiscal constraints. They also have an

apple-pie quality, which has the dual effect of generating a certain degree of warm-and-fuzzy support, while disarming local opposition” (p. 751). To support the argument, Peck (2005) listed both large and small places which adopted various types of creative policies and projects, re-interpreting the ideas from Landry and Florida in various ways - from supporting a conversion of an industrial buildings to art center to more softer strategies like creative networking events to producing city marketing content which concentrated on street life rather than on monuments and landmarks. Funding and subsidies played an important role in this by getting the actors into action (Peck, 2005).

Socio-cultural projects were supported in a bottom-up way by municipalities, because they converted their ‘cultural capital’ into ‘economic capital’ in order to activate or market certain city areas: “Formerly squatted buildings, open spaces and other ‘biotopes’, which precarious artists made interesting or anarchists spiffed up and furbished, become harnessed by clever city officials and (especially real estate) capital as branding assets that contribute to the image of ‘cool cities’ or ‘happening places’” (Mayer, 2013: 11).

Creative City strategies emphasised that funding bottom-up socio-cultural actors were economically beneficial for the municipalities. They emphasised enabling others to come up and develop many ideas, rather than fitting existing actors into narrow top-down funding programmes in the hope that they will carry out regeneration. As the next section shows, funding played an important role in supporting the actors who were already doing the work considered to be creative by the municipalities. It was also useful in channelling the efforts of creative actors into particular areas of the city through focused funding programmes aimed at economic development.

2.1.2 Process-led planning

Starting from the 1990s, the object-centred determinist planning practices, which assumed that social and economic progress could be achieved through improvements to physical structure of places via such tools as masterplans, land-use plans, etc, were being questioned (Graham & Healey, 1999). Instead of concentrating on the physical objects in the city, a number of scholars emphasised the need to concentrate on steering multiple processes and urban actors, where planners should mediate relationships between private and civic stakeholders interested in urban development, resolving problems and building consensuses between actors (Graham & Healey, 1999; Boelens, 2006; Wagenaar, 2007). This was to channel different goals and desires into a common vision (Willinger, 2014). In this process, funding was to steer actors in a certain direction, in line with the common vision.

Object-centred determinist planning practices, in place after 1950s, understood places as a collection of material objects, a physical surface where economic and social activities took place. It was thought that the physical and locational variables were key to social and economic behaviour and welfare, and that through land use, development plans and masterplans, and changing physical attributes of the place, social and economic progress can be encouraged (Graham & Healey, 1999).

However, around the end of the 1990s, this object-centred view of the urban planning was being questioned as it increasingly failed to take into account “the complex dynamics of contemporary urban change” (Graham & Healey, 1999: 624). New planning methods were developed “centering on open-ended processes and dynamics rather than static normative forms” (Graham & Healey, 1999: 625). Graham & Healey (1999) argued that to deal with the increasing complexity of the modern world, planners and urban decision makers need to “throw off the idea that places can be simply, and singly, represented in plans and planning discourses. To attempt to capture the multiple, dynamic, and contingent, lived worlds of places or cities, a growing number of urban commentators now stress the need for maintaining multiple perspectives of the city

simultaneously” (p. 629), meaning that planners need to concentrate on mediating the relations between various actors and resources which create various power clusters and networks, which are in turn responsible for creating a liveable city.

Building on the ideas of Graham & Healey (1999), Boelens (2006) further proposed that planning practices should concentrate on the actors and their interactions where “individual and structural relations at the spatio-economic, social and organizational levels” (Boelens, 2006: 32) are to be developed instead of the physical plans (Boelens, 2006): “Instead of plans, policies and physical features, actors (especially leading or key actors in international economics and social formations) have become the main driving forces of spatial development” (Willinger, 2014: 34). Thus Boelens (2006) proposes that urban development plans and strategies should “take as its basis not so much spatial factors or objects, but the underlying motives and forces of driving key players, those key players themselves, and the resources, referential frameworks and norms associated with them” (p. 34).

Furthermore, Wagenaar (2007, referring to Dryzek, 1990) argued that “giving actors who are affected by a policy genuine decision-making power results in an alignment of interests and cognitions that will improve the probability of arriving at action-oriented consensus.” The participation process becomes key, where joint exploration of problems and issues takes place, improving the situation instead of arriving at a set goal or optimal solution. Wagenaar (2007) recommends that in this process, city officials need to trust citizens, facilitating them through subsidies and support rather than steering their action.

Instead of delivering set goals and objectives as in object-based approach, the municipality should be working with the “individual goals and desires” of new urban actors, trying to turn their self-motivated actions into a common good (Willinger, 2014: 149). This new orientation towards steering processes in planning has been part of a broader shift where various informal practices have started to be integrated into official planning practices. Here the new actors are seen not as problem groups, but rather as catalysts for new urban development, where their efforts can be used as prerequisites for political programmes and strategies (Willinger, 2014).

As this process-led approach is not based on set goals and detailed strategies, there is greater flexibility and adaptability which is more suitable for working with ever-changing circumstances. This doesn’t mean that the previous object-based method should be abandoned with Boelens (2006) adding that “it is also necessary to have an open, horizontal actor-oriented planning approach, in addition to the present institutionalized, vertical plan approach of spatial planning.” (p. 38). What this means for regeneration is that additional soft tools such as temporary use, informal activities and activation should be added to the hard regeneration tools such as infrastructure-led economic plans.

In a similar way to the creative city approach, the process-led planning emphasises the need to work with local stakeholders, which could also be socio-cultural actors, allowing them to develop their own ideas. This could be done through facilitating them with funding which does not steer them in a particular direction, but rather allows them to develop their own projects, which at the end benefit the area development goals of the municipality.

2.1.3 Austerity Urbanism

Austerity measures are considered to be part of a neoliberal policy aimed at reducing the influence of the state, in the hope that the market and civil sectors would take its place (Peck, 2012). In this context, a financial crisis is framed as an excuse to push through these austerity measures, with the latest period of austerity measures following the global financial crisis, being labelled ‘austerity urbanism’ (Mayer, 2013; Peck; 2012). With austerity urbanism came further

dismantling of state functions, long-term spending reduction and pushing responsibilities for dealing with them onto local government and communities (Peck, 2012). There has also been parallel support for new creative civic projects and a withdrawal of support for older organisations, like the public-private partnerships described in the previous section. Austerity urbanism provides a condition when funding is reduced on the one hand, but civic groups are still encouraged to carry out their projects on the other hand, with their own means, with possible funding as a reward in the case of their success (Tonkiss, 2013). After a while, civic actors start to accept the competition conditions, becoming co-opted into the delivery of public services (Keil, 2009; Mayer, 2013).

In practice, public austerity is a response to economic hardships which are manifested in an expenditure reduction, which often leads to reductions in public services (Peck, 2012). Austerity measures have been part of “neoliberal repertoire” for a long time, aimed at “reinvigoration of private enterprise, free markets and individual liberty” which should fill the gap the state has left (Peck, 2012: 629). The austerity measures are part of the “roll-back” part of neoliberalisation characterized by deregulation and dismantling of welfare state institutions (Tickell, 2002), “a period of institutional searching and experimentation within restrictive (and ultimately destructive) neoliberal parameters” (Peck and Tickell, 2002: 385).

Referring to the UK and Germany, Mayer (2013) remarks that the “governments have used the financial crisis as an opportunity to implement more severe cuts than ever seemed justifiable before, and to push through more privatization” (p. 10). Thus, financial difficulties are used as an excuse to reduce the state. In this way, after the global financial crisis of 2008, both Germany and the UK have put restrictions on local government spending, which led to reduced expenditure on local social services and public infrastructure (Mayer, 2013; Lowndes & Pratchett, 2012).

In relation to the present discussion, the austerity measures implemented after the global financial crisis manifested themselves in cuts to area-based programmes described above such as Soziale Stadt and New Deal for Communities, as will be explained in more detail in the next section (Matthews, 2012; Götz et al., 2015). Peck (2012) argues that the austerity measures implemented after the global economic crisis have been even more severe than those implemented during the 1980s rollback neoliberalisation period, as they affected those institutions developed during the roll-out period of neoliberalisation.

In the urban context, the most recent austerity measures have been referred by Peck (2012) as ‘austerity urbanism’ which have a number of distinct characteristics. First, there is “creative destruction” comprised of dismantling of “those state and social forms deemed antithetical to market progress, such as public-sector unionism, welfare programs and collective services” (p. 631). This means further reductions in the public sector workforce and the sale of the public assets. In addition, there are further cuts to financial support for “shadow” welfare sector made up of civil society organisations created during the ‘third-way’ phase. In our discussion, these were various partnership structures created in the 1990s. Then there are deficit politics aimed at long-term spending reductions “that stretch beyond most electoral horizons” (p. 631) which affects mostly programs not defended by powerful voter groups. However, these not only affect the poor and marginalised but also increasingly those in the middle-class. And finally there is “devolved risk” which pushes “budget cuts and responsibility for their management” onto “local authorities, actors and agencies” (p. 632) forcing those to adopt entrepreneurial tactics in order to survive. Essentially, these measures have been concerned with “making others pay the price of fiscal retrenchment” (p. 632; emphasis added by the author), meaning municipalities and ultimately local communities.

However, in parallel to severe cuts to existing state-supported and “shadow” welfare state by the central government, there has also been support for creative organisations. Tonkiss (2013) argued that mainly informal creative uses have been supported by the local governments in the context of financial retrenchment for their area activation benefits, described in the creative city debate above. Tonkiss (2013) has referred to the post-recession period as a “good’ crisis” (p. 313), repositioning the recession and slowing down of market-led urban development as an opportunity for socio-cultural actors to participate in urban development processes.

Tonkiss (2013) presents four models through which the state interacts with bottom-up urban interventions in this context of austerity. The three models which are relevant to the argument here are a ‘positive’ model, a ‘permissive’ model and an ‘abandonment’ model. In the ‘positive’ model, policy and planning utilises its powers and resources to create the conditions for the bottom-up initiatives to develop. This can be done through new policies, delegations of land, and presumably also supporting the actors with funding. In the ‘permissive’ model, the government doesn’t actively encourage these uses, but rather doesn’t stop them. In the ‘abandonment’ model, the state retreats completely from a particular area, in turn ceding it to “independent agency, leaving even very basic forms of provision to self-generation and social effort” (p. 314). Presumably, the government can go from one model to another, for example to turning a blind eye to a creative occupation of a vacant space by cultural actors, and then supporting them with a formal lease once they see the benefit in the project. Particular examples of these relationships will be discussed in the next section.

Thus, there seems to be a parallel movement with the reduction of support for some groups and the increase of support for others. The form of support has also changed with the creative uses described by Tonkiss (2013) not actually being actively funded, but rather being allowed to happen in a kind of sink-or-swim mindset - if they survive the austerity conditions, they may then get support including funding. Presumably, these newer uses have an advantage of not having received state support previously, so they are not as affected as the ‘shadow welfare state’ organisations which have depended on state funding and who subsequently have a number of users being dependant on them.

In this neoliberalisation process with the continuous cutting of state services, a certain acceptance of austerity dynamics has taken place amongst the bottom-up actors. Keil (2009) coined the term ‘roll-with-it’ neoliberalisation, describing how citizens and other governance subjects become normalised to neoliberal governance practices and begin to conduct themselves according to the model of enterprise and “the general norms of competition” (p. 232).

In this context of state withdrawal, Peck (2012) refers to the action of civil society as “backfilling efforts” (p. 629), which “deepen the reliance of cities on symbolically resonant, market-oriented and lowcost initiatives that marry aspirational goals (creativity, sustainability, livability, etc.) with projects that work with the grain of localized incentives and business-as-usual interests” (p. 648). Additional criticism of this incorporation of bottom-up activities into official governance procedures came from Mayer (2013) who argued that it is exactly the self-management, self-realisation creative practices which became integrated into the new kinds of neoliberal governance and sub-local regeneration programs, losing their radical edge. Instead of promoting empowerment, they encourage self-responsibilisation and activation: “The difference between them and movement forms of activation is, however, not always clear-cut, even to activists, which makes co-option and incorporation of progressive social movements’ demands into neoliberal urban policies frequently so effective.” (Mayer, 2013: 11)

The section showed that long-term austerity measures forces bottom-up actors to adapt more entrepreneurial approach, accepting austerity as a default condition. In this context, funding from the state no longer becomes necessary to get the bottom-up actors to carry out useful public functions.

Three theories, presented above, provide possible interpretations for changes to the previous urban development and regeneration methods, which themselves had an influence on how state funding was distributed. Firstly, because the previous methods failed to respond to increasing societal complexities and multiple perspectives in the process of urban development. Secondly, because they failed to instigate growth by attracting talent. And thirdly, from an ideological perspective, with an assumption that civic society or the market will step into the gap which the public sector left. They also provide theoretical background for the new urban development and funding methods, as is shown in the next section.

Creative city theories suggest that to attract talented people, cities need to become more tolerant to diversity and become more liveable (Florida, 2012). This means having a lively cultural scene, which in turn means supporting bottom-up cultural actors (Florida, 2012). They also need to be involve creative people in urban decision-making, letting them shape the city (Landry and Bianchini, 1995; Florida, 2012)

Process-led planning theories suggest that planners need to incorporate the visions of different stakeholder in the urban development process, involving them in both the decision making and actual implementation (Wagenaar ,2007; Boelens, 2006). Planners also need to mediate relationships between various actors (Graham & Healey, 1999), helping them develop their own ideas (Wagenaar ,2007), and steering them towards a common goal - whatever it may be (Willinger, 2014).

Austerity urbanism theories describe conditions when state support including funding is reduced on the one hand, but civic groups are still encouraged to carry out their projects on the other hand, with their own means, with possible funding as a reward in the case of their success (Tonkiss ,2013). In the context of austerity urbanism, the state can positively engage with projects, by offering them various support, permit them to take place without much support, or abandon certain area to them completely (Tonkiss ,2013).

All of the theories emphasise that bottom-up urban actors should in some way involved in the urban decision-making process. By enabling them to pursue their ideas, desires and goals, and steering those as to avoid any conflicts with each other, it is argued that unique solutions would be created, resulting in organic regeneration and economic growth. Furthermore, the actors are engaged not because they were told to do so, but because they wanted to. In these processes, the role of the state has changed to that of light-touch mediation of the relationship between various urban actors, providing them with just enough funding to develop their already existing ideas and generate new ones.

2.2 Emergence of seed-funding mechanisms

In contrast to citizens making their wishes for area development heard in the context of partnerships in the 1980-90s, in 2000-10s the local communities were encouraged by the state and forced by the austerity politics to take things into their own hands and to deliver the changes they wanted themselves. Thus by 2010s, most of the area-focused programmes and associated funding has stopped or were scaled back in both Germany and the UK and a range of lighter seed-funding programmes and mechanisms have developed in their place. They had wider geographic reach, incorporated more trial and error methods, mainly enabling projects of highest potential, not those addressing the highest need.

The integration of process-led planning and creative city principles described above into practice happened gradually. First, individual projects and schemes were supported, with their successful elements later being incorporated into strategies which combined many small projects together. Numerous publications and events played a role in the spread of these ideas. The following section is divided into three parts. The first part described the initial experiments or pioneering projects, where municipal support for socio-cultural actors came mainly through individual public officers. The following section presents integration of some of the successful methods developed in the experimentation stage into larger programmes. And the third section describes the development of new types of agencies, made up of bottom-up actors, who functioned as intermediaries between the state and smaller socio-cultural organisations and citizens. These agencies were funded by the state and were set up to develop smaller bottom-up organisations, in some cases redistributing state funding.

2.3 Development of pioneering projects through individual support methods.

Starting from 2000s, municipal officials in the UK and Germany started to offer funding and various support for socio-cultural actors to contribute to local regeneration strategies and urban decision making. At first, state funding was given to successful ‘urban pioneers’ who initially established their projects on their own efforts, to develop their projects further. In the beginning, this support came from individual officers, sympathetic to the actors. However, it is important to note that the actors asked for support or funding, it was not given to them by default. After a number of successful experiments, the value of these projects for wider urban development was realised in terms of marketing locations, attracting commercial uses and developing enterprises. In some cases, financial support from the state was not even required, with actors in some cases being satisfied with access to state properties, especially if they were in competition with others. (Tonkiss, 2013; Misselwitz in Matthiesen et al., 2014; Senatsverwaltung für Stadtentwicklung, 2007).

Starting in the 1990s in Berlin, numerous “beach bars, open air theaters, community gardens, sculpture parks, or alternative living projects” were created on vacant sites or in abandoned building scattered around the city (Colomb, 2012: 132). Most of these projects were started in a bottom-up informal way. 62% of more than 100 of these temporary use projects surveyed by Urban Catalyst received public funding (Senatsverwaltung für Stadtentwicklung, 2007: 39). Further municipal support came in the form of giving their initiators access to state-owned land, providing guarantees for financing, and relaxing planning and licensing procedures (Senatsverwaltung für Stadtentwicklung, 2007). However, this support was not given as part of an official policy, but through individual municipal officers who helped projects out of their own personal convictions (Hentilä & Lindborg, 2003: 16). The municipality has engaged with these projects both through ‘positive’ and ‘permissive’ model (Tonkiss, 2013).

The example of Arena Berlin illustrates how state support changed from ‘permissive’ to ‘positive’ after the project proved to be successful in generating lively cultural activity for the

area (Tonkiss, 2013). The project started when a group of artists took over a former transport interchange on a short-term basis. As the project progressed, the artists formed a non-profit association in order to run cultural activities on the site. After staging an extensive programme of musical and theatrical performances in 1995, the municipality agreed on a long-term lease with the newly formed associations in 1997. This allowed the group the use of the site for 35 years, giving them access to further funding of several Million Euros from the EU for the renovation of the buildings. Since then, the space has developed into a buzzing cultural cluster, influencing the development of the neighbourhood: “The Arena has helped to enhance the entire surrounding area, both in economic as well as in image terms, as more and more bars and shops have sprung all around it over time” (Oswalt, Overmeyer, & Misselwitz, 2013: 335). In this example, the city supported the development of cultural cluster, which not only developed a lively cultural scene on the site, but also helped a host of other amenities in the local area to set up in the area, improving its liveability (Florida, 2012)

The initiators of these projects were referred to as ‘space pioneers’. Generally, they were supported by the state, as their efforts were seen as beneficial to the municipal urban development goals. They combined “social commitment” and creative ideas, to “discover abandoned sites and reinvent them” (Senatsverwaltung für Stadtentwicklung, 2007: 22). They brought in fresh ideas to invigorate often un-used places, experimenting with new spatial concepts and possibilities (Matthiesen, 2004). Concerning Berlin and Leipzig in the early 2000s, utilising these urban pioneers for the vacant space activation has been seen by the state as a cost-effective method of dealing with an oversupply of vacant buildings and sites in the context of tight municipal budgets:

“Public authorities today lack the financial means to directly resolve problems by investing in their own projects. They must therefore initiate and mediate processes. It is a question of supporting partners and networks that personally have the means to begin to reintegrate disused areas in the city” (Senatsverwaltung für Stadtentwicklung, 2007: 23).

In these cases, temporary uses carried out by these informal actors were seen as “catalyst of urban and location development” (Senatsverwaltung für Stadtentwicklung, 2007: 23) which was to bring in new economic uses or develop into successful innovative economic ventures. These temporary use projects were supported by the state and marketed “as playgrounds or workspaces for “creative” entrepreneurs, as milieux that can attract other creative workers and consumers, as a location factor for firms directly or peripherally related to the creative economy, or as tourist attractions” (Colomb, 2012: 138). With time these projects became a marketing tool and creative economy pull-factor for Berlin in the late 1990s and early 2000s (Senatsverwaltung für Stadtentwicklung, 2007). This resonates well with theories and suggestions of Florida (2012). Honeck (2015) also notes the lack of understanding of how to develop creative spaces in a top-down way, which further reinforces the usefulness of organically developed creative clusters.

Not only the Berlin municipality utilised socio-cultural bottom-up projects to animate and market locations. The situation has been similar in Hamburg. As well as utilising more organised forms of social culture to kick-start development in lagging parts of the city as in the case of IBA on Elbe Island, the “city’s music and subcultural scenes have been increasingly marketed in official discourses as key attractions for tourists and potential “creative workers”, whilst policymakers have increasingly considered the urban spaces informally taken over by artists and young creatives for temporary uses (such as beach bars and clubs) as real assets for urban economic development” (Novy and Colomb, 2013: 1823).

In 2009, 200 artists and activists peacefully occupied a cluster of historic buildings in the Hamburg's inner city to protest their sale to a private developer by the municipality. Instead of clearing out the occupants with the help of riot police, the municipality repurchased the buildings back from the developer and let the occupiers continue to use them (Novy and Colomb, 2013). Furthermore, the city also funded the renovation of the buildings so that they can continue to function as a self-organised creative quarter. In March 2017, the project was part of the "Off-Spaces for Arts & Culture" section of the official 'Hamburg Marketing' website, emphasising the role of the city in the achieving peaceful negotiations and providing "affordable accommodation and workspaces for artists" (Hamburg Marketing, 2016). This decision not to evict the occupants, instead supporting them with finance showcases the high level of tolerance the city has (Florida, 2012). Furthermore, it publicly showed the willingness of the city to allow creative people to engage in urban decision making, allowing them to shape their environment (Bianchini and Landry, 1995; Wagenaar, 2007; Boelens, 2006).

In the UK, creative and temporary uses have also served the purpose of area and space activation. Early examples include the success of Tracy Emin and Young British Artists in both developing their artistic careers and turning a derelict area around Hoxton Square in London into a go-to destination (Ferreri & Graziano, 2014; Hutton & Pratt, 2009) "through a 'magical' injection of culture" in the 1990s (Hutton & Pratt, 2009: 1042). With a similar connection between activation and creative uses, railway arches were turned into public swimming pools with pop-up bars and fruit orchards. Construction sites abandoned by the developers were 'activated' with public parks, and chip shops were turned into theatres in the late 2000s (Bishop & Williams, 2012). These projects were supported through both 'permissive' and 'positive' models, meaning that in some cases they received funding, but in others they were just allowed to happen (Tonkiss, 2013). As well as seemingly benefiting both the creative entrepreneurs and property owners, the schemes also improved the public image of municipalities:

"Temporary activities also resonate with political agendas. They can be made to happen quickly and can therefore animate spaces that are lying idle and may be attracting public criticism. They can house 'crowd pleasers' for a relatively low capital outlay and most importantly, no perpetually recurring revenue costs. And politicians like nothing better than a 'quick win'." (Bishop & Williams, 2012)

In some cases, actors were willing to develop their projects even with no funding. In 2010, a collaboration between a property magazine "Property Week", London Development Agency (LDA - one of the regional development agencies set up by New Labour government) and Newham municipality held an ideas competition for three municipally-owned sites titled "Meanwhile London." The competition attracted many entries from a wide range of cultural actors including architects, "thinkers, makers and community groups" (Hopkirk, 2011), and event organisers. The four winning entries, which got to realise their vision, proposed a floating structure with a cafe, restaurant, temporary shops and production spaces, as well as a temporary all-year-round festival (Hopkirk, 2011). However, there was no funding for the winners to realise their ideas, they were simply given access to vacant sites and encouraged to seek investment from elsewhere. Furthermore, if they ended up making a profit, they could have been asked to pay market rent to the municipality and LDA. However, this did not deter the competition winners, who ended up delivering their projects anyway - with one winner going into administration in the process - at their own risk, with all the possible benefit going to the municipality (Murray, 2012). Although, in this type of interaction, the municipality used the 'positive' model of interaction with the actors by encouraging the users to develop their projects (Tonkiss, 2013), it is somewhat different to the case of Berlin, as there was no funding available. The example shows the willingness of creative actors themselves to make their vision a reality, even if there is no financial support from the state. This co-option process is perfectly summed up by Tonkiss (2013):

“There is a real danger, of course, that critical forms of urban activism and intervention provide alibis (or, worse, seed-funding and ground-breaking) for more conventional rent-seeking urban development. Such urban alternatives are routinely compromised, frequently co-opted, sometimes corrupted and often doomed. Temporary projects are integrated into an austerity agenda so as to keep vacant sites warm while development capital is cool; to provide circuses—and in some cases bread—in the absence of public as well as private investment.” (Tonkiss, 2013: 318).

Although such projects utilise and employ various creative uses, they are a means to an end: “Alongside their uses as cut-price locational boosters, such interventions provide local services and spaces that substitute or compensate for absent or inadequate public provision” (Tonkiss, 2013: 318). And as many of the policy statements accompanying such programs make clear, the real reason for their support is animation and activation of locations to enable growth, which in most cases means commercial property development. There is a very fine line between co-optation and participation (Mayer, 2013).

Because of the different aims of the state and the bottom-up actors in these processes, tensions and conflicts can take place, especially when the process is new to all parties, as the formal procedure for the interaction between top-down and bottom-up have not been developed properly yet. In some cases, the actors can feel cheated and as Honeck (2015) points “[i]nterviews have shown that (former) interim users themselves felt cheated by the municipality, when they have become abandoned to the logic of the market, after they have performed their intended duty” (p. 229; own translation).

As was shown, municipalities in both Germany and the UK engaged various creative uses through a combination the ‘positive’ and ‘permissive’ models (Tonkiss, 2013) by giving them access to funding and sites, but sometimes also just letting them happen without much support. Through these projects, municipalities let creative people participate in urban decision making (Bianchini and Landry, 1995; Wagenaar, 2007; Boelens, 2006), which were allowed to influence the development of whole areas, as the example of Gangsviertel in Hamburg showed. The municipalities saw those uses as positive activators not only of particular sites, but of the whole neighbourhoods and cities. They have been used to attract property developers and served as important elements in marketing the city as a creative place, attracting more companies and people to move there (Florida, 2012). Funding was an important element in this, supporting actors in their endeavours. However, in some cases funding was not even necessary to get the creative actors to ‘activate’ locations - just allowing them to use municipal sites and praising them was sometimes enough to get them to take on a substantial financial risk, with all the possible benefits going to the municipalities. As we have seen, the projects in this phase were supported not as parts of larger schemes, but rather on an individual basis. The next chapter shows how some of the positive activation methods developed in these experiments were applied to schemes with a larger reach.

2.4 Integration of seed-funding approach into municipal policies.

Starting from the late 2000s, civil society was championed on the national level as capable of delivering service and managing former state assets, in a better way than the state could. In both the UK and Germany, the retreat of the state was presented as both inevitable and needed. In the UK, the way the state provided services was marketed as stifling local innovation and unable to provide for the current needs. In Germany, the retreat of the state from shrinking regions was presented as the only option in times of budgetary constraints. Instead of targeting funding at areas of need, services were withdrawn and minimal financial support was offered to actors, who were willing to step in.

In the UK, the Conservative government elected in 2010 following the 2007-8 global financial crisis and recession, has implemented a programme of austerity. There has been a 26% reduction of central to local government contributions (HM Treasury, 2010) and a proposed 51% reduction of municipal community budgets with 490,000 public sector job reductions (Lowndes & Pratchett, 2012).

These substantial cuts have forced a new lighter-touch approach to urban development which was to be more locally-determined, involving a wider range of stakeholders. A new urban agenda under the name Big Society with an associated policy package contained in the Localism Act was introduced (Allmendinger & Haughton, 2013). Through it, the local communities were encouraged to come up with solutions to their problems (Conservatives, 2010) and to decide for themselves what regeneration should look like: “It is for local people, not central Government, to identify which areas need regeneration, define what it should look like, and what measures should be used to drive it.” (DCLG, 2012; no pagination).

Some of the language of the new policies seems to address the criticism described in the previous section relating to the lack of local involvement. The following passage from the Department of Communities and Local Government (2011), criticised the approach of the previous government in terms of citizen engagement in urban decision-making:

“Planning did not give members of the public enough influence over decisions that make a big difference to their lives. Too often, power was exercised by people who were not directly affected by the decisions they were taking. This meant, understandably, that people often resented what they saw as decisions and plans being foisted on them. The result was a confrontational and adversarial system where many applications end up being fought over.” (p. 11)

Too much government involvement was also blamed for the lack of citizen participation in various state programmes. Presented in this way, the cutting of the state services related to monitoring and administration sounded like a positive thing:

“For too long, central government has hoarded and concentrated power. Trying to improve people’s lives by imposing decisions, setting targets and demanding inspections from Whitehall simply doesn’t work. It creates bureaucracy. It leaves no room for adaptation to reflect local circumstances or innovation to deliver services more effectively and at lower cost. And it leaves people feeling ‘done to’ and imposed upon - the very opposite of the sense of participation and involvement on which a healthy democracy thrives. [...] We have already begun to pass power back to where it belongs. We are cutting central targets on councils, easing the burden of inspection, and reducing red tape. We are breaking down the barriers that stop councils, local charities, social enterprises and voluntary groups getting things done for themselves.” (DCLG, 2011: 1)

Instead of the government delivering services, the government was giving citizens more rights and responsibilities in delivering those services and improving their local environment:

“Government alone does not make great places to live, people do. People who look out for their neighbours, who take pride in their street and get involved - from the retired teacher who volunteers in the village shop once a month, to the social entrepreneur who runs the nursery full time” (p. 8).

The policies contained in the Localism Act (DCLG, 2011) gave local communities greater power to influence local taxation levels, run former government services and buy and manage government building, including libraries, swimming pool and social centres. Neighborhood

Planning was also introduced, where specially formed groups of local people could develop statutory plans for their neighbourhoods, “and say where they think new houses, businesses and shops should go – and what they should look like” (DCLG, 2011: 12). Another policy allowed the local community to build without a separate planning permission (Clarke & Cochrane, 2013). These new policies have also come with associated funding attached to them, which can be seen as a further incentive for the community to actually take advantage of these new policies.

However, there was a certain dissonance between the aims of these new policies and their effects on the ground. From the first look, it seems that the new policies and associated funding would offer citizens new ways to engage in the participatory democracy (Wagenaar, 2007). However, by looking deeper into the reasoning behind the legislation, it appears that they were designed so that people approve pro-growth measures by participating in the programmes themselves. For example, in the case of Neighbourhood Planning, it appears that the plans produced by the communities cannot specify less development than in the strategic plan produced by the local authority, which in turn must follow central government targets (DCLG, 2011a). It appears that instead of the new legislation facilitating the local community to shape their neighbourhoods, it in fact covertly forces the local community to carry a set of top-down objectives under the pretense of absolute freedom. Another criticism was that only more well-off communities are able to take advantage of these policies, leaving most deprived communities worse off (Bailey, 2012).

Although there does not seem to be national programmes similar to Big Society in Germany, citizen-led projects were gaining importance in the national planning debate starting from the late 2000s. Firstly, this could be seen from the commissioning of a variety of publications and research projects to explore the value of bottom-up initiatives, and to presumably spread the experience and knowledge. “Urban Pioneers” funded and published by the Senatsverwaltung für Stadtentwicklung (Senate Department for Urban Development and Housing) in 2007 documented temporary use in Berlin (Senatsverwaltung für Stadtentwicklung, 2007). The following year, in 2008, BMVBS and BBR (Federal Ministry of Transport, Building and Urban Development; and Federal Ministry of Building Industry and Planning) published a report called “Interim use and niches of urban development as contributors to urban development” (BMVBS & BBR, 2008). In 2013, a whole issue of “Informationen zur Raumentwicklung” (Information about spatial development) published by Bundesinstitut für Bau-, Stadt- und Raumforschung (Federal Institute of Building- Urban- and Spatial- Research) of Bundesamt für Bauwesen und Raumordnung (Federal Ministry of Building Industry and Planning) was dedicated to informal urbanism. In these reports the value of user-led urban development was presented as valuable in activating under-used areas, both in shrinking regions and in lagging areas of growing cities, particularly in the context of state retreat from service provision.

In Germany, the austerity measures have particularly affected shrinking regions. There, because of the apparent lack of municipal finances, various public assets such as libraries, swimming pools, kindergartens, etc. were at the risk of closure. In a lot of cases, civic groups were able to take over their management. For this purpose, various civic foundations developed, which also funded the projects (Willinger, 2014). These will be discussed in more detail in Chapter 3.

On a more local level, the municipalities in Germany have transferred the responsibility for the maintenance of public green spaces to citizens and community, starting in early 2000s in Berlin (Rosol, 2012). Under the pretence of municipal staff cuts, one of Berlin boroughs created a campaign to attract volunteers to take over the running of its parks, presenting this as the only alternative to them being sold or entrance fees being introduced (Rosol, 2012). This is an example of ‘abandonment’ model, where the state retreats from a certain physical area (Tonkiss, 2013). In other cases, the municipality gave gardening groups access to municipal land and

“freedom over how to design and run the gardens” (Rosol, 2012: 248) in exchange for the spaces being open to the general public. It should be noted, that the gardeners did not work for free in order to help the municipality, but to “pursue their own personal interests” (Rosol, 2012: 248). This is an example of ‘positive’ model, where the state supports groups in implementing their projects (Tonkiss, 2013). These cases show how the state started to utilise the tactics of withdrawal to encourage civic society to take on such services as green space maintenance, reframing it as ‘an opportunity’, which removed the need for any funding (Rosol, 2012).

In these new governance arrangements where the state couldn’t just threaten to withdraw funding or support, a very fine-tune mediation and negotiation approach needs to be adopted by both parties. Their various goals need to be considered not only by the municipality but also by the civic actors. From the view of the municipality, working together with this wider spectrum of bottom-up socio-cultural actors with sometimes conflicting demands is still relatively new: “Still, it seems that planning administrations are torn between the conflicting demands of creativity and order, experimentation and security, freedom and control” (Willinger, 2014: 147; own translation). The working methods guiding how these collaborations functions are still being developed.

2.5 Intermediary agencies redistributing public funding

At the end of 2000s, private and civic agencies began to enable and mediate relationships between smaller bottom-up organisations, and distribute public funding to them. For example, the redistribution of Big Society- and localism-related funding was contracted out to a civic-sector organisation. In a similar way, private agencies made up of civic actors, have been funded by the state to carry out enabling and funding functions in the field of temporary use in both the UK and Germany. These intermediaries adapted a seed-funding approach, supporting many projects simultaneously with minimal funding. These agencies had the properties of boundary spanners described by Williams (2002), managing relationship between various networks and actors. They understood the motives, role and responsibilities of individual actors, creating and managing relationships between them and the government. They also helped actors to address their issues through support and funding. In addition, they had properties of cultural intermediaries (Andres, 2011), selecting the organisation eligible for funding and support and enabling them to develop their projects. They were suitable for this function because of their skills, knowledge and wide networks on the national level. As these intermediary organisations were fairly new, not much theory, or information is available on the effectiveness of their work.

In the UK, Locality, an independent representative body for the Development Trusts, was given a task of redistributing public funding and providing support to organisations wanting to take advantage of the new localism policies (DCLG, 2015). The organisation itself developed out of an earlier Development Trust Association (DTA). DTA was founded in 1992 “by a small group of strong-willed community practitioners. Some had cut their teeth in the community development or co-operative movement” (Wyler, 2009). Since then the organisation became a national representative and support body for around 450 Development Trusts, described in the previous section (Wyler, 2009). In 2004, the government funded a consortium led by DTA to distribute grants and provide support to various community-based organisations (Wyler, 2009). Since 2008, the organisation managed Asset Transfer Unit funded by the Department of Communities and Local Government, which facilitated the transfer of public assets to various communities (Bailey, 2012). In 2011, DTA merged with the British Association of Settlements and Social Action Centres (BASSAC), another membership body for community groups. In the same year, it received government contracts to deliver funding and support for the Neighbourhood Planning, Community Rights and Our Place programmes, which are part of the Localism agenda (Wyler, 2009). The organisation was most likely selected to deliver the gramme because of its role as

a boundary spanner (Williams, 2002) - its connection to development trusts across the country, and its previous experience in developing government-funded projects.

This enabling of civil society organisations to carry out state functions has also been happening on a smaller level, with a number of organisations being set up by the government to enable a wide range of bottom up actors to shape their local environment. An example of this seeding and enabling approach has been the creation of a Meanwhile Project, supported by the Department of Communities and Local Government and managed by the Development Trust Association. A separate organisation, Meanwhile Space CIC (Community Interest Company), was established in 2009 to presumably become independent and self-managing after the initial seed government funding run out (Steele, n.d.).

The aim of the Meanwhile Project was to explore one of the solutions proposed to deal with the negative impact of the recession on the town centres resulting in vacant shops. As part of the “Looking after town Centers” report by the DCLG (2009), it was proposed that the local municipalities could encourage temporary or “meanwhile” uses of vacant properties by helping set up short-term agreements between community organisations and property owners.

In the initial phase, Meanwhile Space CIC funded 24 projects, run by various separate formal and informal organisations. Meanwhile Space CIC developed meanwhile leases and other legal documents as well as how-to-guide for vacant property reuse, enabling other organisation to develop their own projects (Meanwhile Space, 2010). The model which was promoted as part of the project is that the property owners would provide their vacant spaces free of charge to the community or creative organisations. The community organisation would then be responsible for paying taxes, insurance and utilities for the property, thus relieving the property owners of the extra financial burden. If a tenant willing to pay market rate for the property was found during the period of temporary use, the organisation has to vacate the property at short notice (Steele, n.d.). The model has since been developed by a host of other organisation across the country.

Many similar temporary use agencies were set up in Germany. For examples, federal and state authorities in Bremen developed ZZZ Bremen in 2009. The organisation has been run by four young architects, who were selected to develop the agency because of their experience and networks (Ziehl, 2012). The aim of the agency, which is still active today, has been to help users realise their temporary use projects in many vacant spaces in Bremen. The agency takes leases on vacant buildings and sublease them on “the principle of relativity favourable rents for a fixed-term use” to local groups looking for space (Ziehl & Oßwald, 2015: 265). Presumably for the users the costs are cheaper than what they would get on the market. In addition, the agency provides users with advice, helping them deal with any permits and apply for other funding. In return for below-market rent, the users invest a lot of voluntary effort to get the spaces ready for use, with the agency not offering any funding for renovation works. However, the agency does help users to access other sources of funding.

The state authorities in Bremen supported ZZZ Bremen not only through funding, but also by providing it with vacant municipal properties and simplifying the process of reusing them. Although a lot of projects which have developed in the spaces provided or facilitated by ZZZ Bremen were semi-commercial ventures - shops, offices, venues, other could be said to provide social and cultural services to the community. For example, one space offered people a workshop space with tools, others offered affordable workspace (Ziehl, 2012).

Similar agencies to ZZZ Bremen were set up in Wuppertal, Frankfurt am Main and Leipzig (BBSR, 2011; Ziehl, 2012). These organisations functioned as conduits for funding, connecting the municipal networks with those of civil society, and offering bottom-up actors support in

terms of knowledge and know-how. In their operations, they are similar to neighbourhood forums described before in that they are run by experts and are funded by the municipality. However, they do not concentrate on particular neighbourhoods, but rather work on a citywide basis.

All of the meanwhile use agency examples fit the definition of a cultural intermediary (Andres, 2011) - they have existing or developed through the course of their operation networks, they engage with the wider population, who become the users and initiators of individual projects, they select stakeholders to develop individual projects, they have right knowledge and skills, and the ability to develop the projects themselves. And addressing the last point, they utilise innovative and entrepreneurial practices to help others develop projects. They offer users funding, but also information and specially-developed frameworks of how to deal with various regulation and contacts, as well as with the utilisation of physical spaces.

These meanwhile use agencies work by helping a large number of projects to develop simultaneously with relatively little capital expenditure for each one. The projects which are most viable or have the highest potential are then supported further through other means. For example, in the case of Bremen, when certain projects prove their value, the municipality supports them. For example, one of the successful projects, Platage 9 which created a temporary workspace for micro enterprises, was given more funding to actually renovate the building to make the use more permanent, after the success of initial temporary use.

Seed-funding works a bit like seed investment, where many experiments would fail and only a few would make it. As the government only pays for the running of the organisations themselves, not delegating much money for projects, the risks are low. There is an added benefit, if the organisations become independent and self-sufficient after the development funding runs out, as was the case with Meanwhile Project.

What is interesting and new about the seed-funding approach is that independent organisations funded by the government have taken on an enabling role. They assist many projects to develop simultaneously. The successful projects then have a chance to receive more funding from the state. Not much research has been published on these organisations, so it remains to be seen how efficient the new approach is. These developments can best be explained by the governance theories presented in Chapter 1, where networks of independent actors are performing functions which were previously performed by the state. In this case, they are enabling other organisations non-state organisations to deliver services complementary to those delivered by the state. This can be seen as a further step from hierarchical to network governance (Rhodes, 1996).

The chapter showed how a new seed-funding approach based on the support of loose networks of existing bottom-up socio-cultural actors were implemented on a number of examples from Germany and the UK with the aim of fostering a creative environment and improving liveability of spaces. Furthermore, it was shown how various agencies were created by the municipality to mediate relationships between various bottom-up actors.

The following findings will be used to develop hypothesis and frame empirical research findings. Enabling socio-cultural actors in their urban development ambitions through funding and other supports leads to the development of unique urban solutions, resulting in organic regeneration (Wagenaar, 2007; Boelens, 2006) and economic development (Florida, 2012; Landry, 2000). To prevent any conflicts, careful mediation of relationships between various actors also needs to be carried out by the municipality directly (Graham & Healey, 1999), or by agencies contracted by the municipality. This support and mediation leads to multiple desperate

actors coming together to implement a joint vision for urban development (Willinger, 2014), contributing their own social, cultural (Mayer, 2012) and financial capital in the process. This contributes to the development of an environment where creative people feel comfortable expressing themselves, and improves liveability and tolerance of places (Florida, 2012). These factors are said to make locations attractive to creative and knowledge workers, which results in their economic development (Florida, 2012). However, in the context of the constraint financial situation, the municipalities can support creative actors through two main ways: (1) positively, by support through policies and giving them access to state resource including funding (2) permissively, by not stopping by the actors in implementing their projects (Tonkiss, 2013)

A number of theoretical constructs related to creative cluster development are used to structure empirical section of the study, to develop sub-questions and hypotheses. First, three phases of creative cluster development are used to derive three sub-question from the main question. Based on a number of case studies (Montgomery, 2003; 2004; Andres and Grésillon, 2013; Andres, 2013), the following phases of creative cluster development were identified. There is a seeding stage, when initial project settle. Then there is growth stage when networks between initial projects start to form and new projects settle and clusters start to develop. Finally there is a consolidation stage, when some project settled in the previous two stages are forced to change to adapt to changing market conditions. This is when some choose to professionalise their work, and other disappear.

In addition, the theory of cultural intermediaries (Andres, 2011), boundary spanners (Williams, 2002) and brokers (Gould and Fernandez, 1989) are used to explain certain actors important for the development of milieus of two case studies. According to Andres (2011), cultural intermediaries are boundary spanners (Williams, 2002), with connections with wider local and national networks, as well as with future users, media and population; relationships with actors based on a win-win interest; right skills and knowledge, ability to develop project. Boundary spanners are able to select key stakeholders to develop certain projects, utilising innovative and entrepreneurial practices in their work (Andres, 2011)

As well as cultural intermediaries, there are also five different types of brokers, which facilitate relationship within and between various networks (Gould and Fernandez, 1989). There are gatekeepers, who represent their networks, deciding whether to give access to them for any outsiders; representatives for their own networks, trying to establish connections with outsiders; coordinators, facilitates internal networking within a network, no contact with outsiders; itterent brokers, who facilitate internal networking, being outside of the network and having no connection to outsiders; liaisons, linking various networks together, while not belonging to any of those networks (Gould and Fernandez, 1989).

Chapter 3 - Civic funding

Socio-cultural projects do not only get funded by the state. Before the emergence of state funding, socio-cultural projects were funded by their users or by wealthy people who wanted others to benefit from their support. These two methods can be described broadly as self-help and philanthropy. Although the organisational structures through which these two methods of support are applied in practice have changed, they still represent the two main methods through which socio-cultural projects get funded, when state funding is not available.

The section starts by presenting theoretical explanations to the emergence of self-help and philanthropy, the development of the concepts, and the reasons why both of them are still the key drivers of support for socio-cultural projects today. Then a number of organisational constructs are discussed, as expressions of philanthropy or self-help. Thus, the second section describes charitable organisations, as organisational structures which enable philanthropy. Then shared ownership organisations and cooperatives are discussed, as examples of utilisation of self-help principles. Finally, crowdfunding is discussed, as a more recent organisational structure, which combines principles of self-help and philanthropy.

This chapter presents a much broader historical context to both theory and practice-based examples, as some of the funding methods and organisational types which are utilised now are same or remarkably similar to those which have existed in the beginning of the 20th Century. For example, there are some foundations which have been set up over a century ago and which continue to deliver on their original objectives. Furthermore, there are organisational forms, like co-operatives which have not changed. Therefore, these and other reasons, which will be highlighted in this chapter, warrant a more far-reaching examination of the phenomena discussed than in the previous two chapters.

3.1 Self-help and philanthropy

Throughout history, individuals have financially supported not only themselves and their relatives, but also other people. The section describes two main ways in which people financially support others. One way is through self-help or mutual aid, where people contribute to the common good, asset of service, which they themselves will make use of. The other way is through philanthropy, where mostly wealthy individuals support the less wealthy ones. Where self-help is mostly reciprocal, philanthropy is mostly one way. Various theories of why both methods of support have emerged and how they have developed are presented. Primarily, the benefits for the giver of support are discussed - these range from psychological to social.

There are divergent theories which explain why people cooperate. One is linked to Darwin and natural selection through competition between species, which says that people cooperate because of egoistic concerns, in order to receive something in return for their help. They do not cooperate in order to improve the welfare of others, but to improve their own (Glassman, 2000). Axelrod (1984) found that people mostly cooperate in a TIT FOR TAT fashion - individuals will cooperate after their opponent cooperated first, and vice versa. The 'egoistic incentive' theories based on this suggest that people contribute only as much to a group as is necessary to receive a certain payoff in return (Caporael et al., 1989).

The other theory, proposed by a sociobiologist Petr Kropotkin, says that people cooperate because of their "evolutionarily developed abilities of sociability" (Glassman, 2000). For his argument, Kropotkin used the concept of 'mutual aid' which consists of both biological and ethical parts. Biological mutual aid instinctually enabled collaboration between humans, while ethical was created by the habits resulting from biological practice: "By co-operating, species formulate codes of behaviour, languages and a sense of common interest." (Kinna, 1995).

Kropotkin (1902) discusses the existence of mutual aid in animals, who “live in societies, either for mutual defense, or for hunting and storing up food, or for rearing their offspring, or simply for enjoying life in common” (p. 44). They cooperate against the environment, not against each other (Kinna, 1995). Kropotkin (1902) further traced the history of mutual aid, collective action and self-organisation going back to the start of civilisation when tribal clans developed collective food-gathering, safety and defense strategies, and formed early village communities. In the Middle ages, this cooperation manifested itself in guilds and communities (1902). Thus, it could be said that collaboration is a natural behaviour of people, however different might be the underlying reasons for it.

Katz (1981) uses the terms mutual aid and self-help as synonyms, describing them as a form of organisation which is a “natural “support systems” of peers, relatives, kith and kin, the like-minded, which have existed from time immemorial” (Katz and Bender, 1976: 266). Self-help can be considered as the oldest system of care (Katz, 1981: 153). Katz and Bender (1976) noted that self-help groups form to address a common need - be this care, housing, or employment, which cannot be met by existing social institutions. Furthermore, these groups emphasise personal responsibility by its members. (Katz and Bender, 1976). Katz (1981) described two main types of self-help/mutual-aid groups: a) those made of natural and informal networks of family, colleagues, school-friends, peers and friends, neighbours; and b) a wide spectrum of self-organized educational, health, economic and social support groups.

Thus various forms of self-help or collaborative groups develop when there is a need for mutual support, which cannot be catered for by existing institutions from the state or the market (Katz and Mayer, 1985: 17). More recently, Wagenaar (2007) also noted that civic initiatives develop after the government fails to solve citizen’s problems or to communicate with them about their policies. The reasons why the state fails to do this have been attributed to bureaucracy or the opposition from the civic society itself (Wagenaar, 2007:21 referring to Wagenaar, 1995). This opposition to the government policies and programmes can also be partly explained by the disconnect between the citizens, administrators and various experts who “claim the right to manage entire societal sectors” (Wagenaar, 2007: 22).

From the point of view of the modern government, self-help also represents a way to reduce state expenditure on welfare, where society both maintains and polices itself (Katz and Mayer, 1985: 17). This links to the arguments by Tonkiss (2013) and Mayer (2013) from Chapter 2 about the link between the austerity measures and self-organisation, where increasingly self-organisation and self-help principles are being integrated into state-led regeneration programmes.

Self-organisation refers to groups being guided by the motives and objectives of their members, independent of the government (Boonstra and Boelens, 2011: 109). Self-organisation is part of the systems theory, which says that there is continuous interaction between people, places and institutions resulting in the emergence of many spontaneous initiatives, which cannot be controlled by a single entity. Because no single entity can control the process, there is complexity. Boonstra and Boelens (2011) further argue that in the process of self-organisation various networks of citizens produce multiple initiatives related to urban development independent of the government procedures, for themselves as the end-users, “more or less based on the self-interests of the community” (p. 113).

Different to self-help and self-organisation, philanthropy describes a process where wealthy individuals provide financial or other resources for cultural, social, or educational activities without the involvement of the government. Still in the nineteenth and early twentieth centuries, social housing, museums and hospital were dependent on private financial support, and the government was not expected to intervene (Adam, 2002: 329). Philanthropy is usually carried

out through non-profit charitable institutions - foundations, limited dividend companies, membership organisations - or through bequests or donations (Adam, 2002: 329). How these organisations function is described in the next section.

In the past, there were many reasons why the wealthy would want to give away some of their wealth. In the nineteenth and early 20th Centuries, philanthropy was a way for the wealthy to establish themselves in the High Society of cities where they lived, and to exert control over the public sphere. Thus, “philanthropy served as an instrument for dividing society into two social classes—those who gave money and those who depended on it.” (Adam, 2002: 329). Others saw philanthropy as a way to preserve the status quo. However, Andrew Carnegie (1835-1919) “claimed that capitalist societies had to undertake some redistribution of wealth if they are to avoid enormous, polarising inequality and the likelihood of a socialist revolution.” (Nally and Taylor, 2015: 52).

Silber (2012) provides a great summary of various literature on why individual give:

“It may range from benevolent or altruistic motivations triggered by awareness of the needs and sufferings of others and reinforced for some by moral beliefs and/or religious injunctions, to a whole span of individual psychological rewards, personal preferences, inclinations or ‘interests’ – themselves possibly ranging from clearly selfish or utilitarian to rather denoting public-mindedness or identification with collective frameworks of participation. Also frequently mentioned are what may be called social status or ‘class-based’ motives, such as a sense of ‘noblesse oblige’, social climbing, status display, distinction from other social strata, fear of unrest, or maintaining of social order, be they treated as conscious or not, explicit or implicit.” (p. 321)

There are also differences between the concepts of ‘charity’ and ‘philanthropy’. Whereas in the USA, a charity is thought to address outcomes of a problem and promote dependence, philanthropy is thought to tackle the causes of a problem and is thought to inspire more social autonomy (Nally and Taylor, 2015: 52). Furthermore, Carnegie claimed that “most of the forms [of philanthropy] in vogue to-day for benefiting mankind only tend to spread among the poor a spirit of dependence upon alms, when what is essential for progress is that they should be inspired to depend upon their own exertions” (Carnegie, 1900: 23 in Nally and Taylor, 2015: 52). In addition, Carnegie emphasised two main principles of philanthropy: that charity is not an answer to poverty, but a problem, and what to achieve change, personal and political transformations were required (Nally and Taylor, 2015: 52). However, care needs to be taken with the terms “philanthropy” and “charity” as they have opposite meaning in the UK and the USA:

“philanthropy is viewed in Britain as a somewhat dubious attitude or stance; charitable giving on the other hand is a comparatively positive act. In the United States the situation is reversed. Philanthropy is an act, and an increasingly commanding one, while charity is dismissed as a patronizing and somewhat out-of-date attitude.” (Wright, 2001: 400)

For the easy of discussion, philanthropy and charitable giving would be used as synonyms in the text below. Both of the terms would have neutral meanings, describing the process of someone giving money to a particular cause.

In the USA, the philanthropic support of cultural, social and educational causes continues to be important throughout the 20th Century and until today (Adam, 2002: 329). There, it is still seen as key part of the wealthy individual’s civic involvement. In the continental Europe, however, philanthropy began to decline in importance after WW2 (Adam, 2002: 329). In the UK, philanthropy took on a secondary role after WW2, with the development of the Welfare State (Daly, 2008: 227). The role of philanthropy in community development declined, which

has been attributed to three reasons. Firstly, because various social movements were challenging the existing gender and class structures. Secondly, because of professionalisation of community work, and thirdly because of the increased importance of community development in various government policies, as has been discussed in Chapter 1 (Daly, 2008: 227). And as mentioned above, for a certain period of time in the UK, philanthropy also had a negative public image, seen as elitist, patronising, ineffective and old-fashioned. Many saw its replacement by a universal, fair and more efficient welfare-state as a logic development (Wright, 2001: 400). However, according to Daly (2008), there has been a renaissance in philanthropy in the late 2000s in the UK, because of the new wave of home-grown philanthropists. Especially there has been a development in “new philanthropists” - continues self-made wealthy individuals, wanting to have an input into how their money was managed. The fact that philanthropic activities are also supported by a favourable tax regime contributes to this (Daly, 2008: 224).

In 2006, the Economist (2006) coined the term ‘philanthrocapitalism’ to describe the ways in which philanthropy has been changed by a new wave of wealthy individuals, mostly from the technology or finance backgrounds. For them, maximising social return in a way which can be measured is important. Assessment such as double bottom line (financial and social) and triple-bottom line (financial, social & environmental) have become introduced into the management of philanthropic institutions. To achieve higher impact across these parameters might mean that for-profit as well as non-profit investments are made in parallel, helping non-profit organisations develop their structures so that they again have more impact. Networks and partnerships are important for this purpose. Also, concentration of particular issues is key, together with better mechanisms for monitoring progress. Slavoj Žižek sums up their methods nicely in the following quote:

”Their dogma is a new, postmodernized version of Adam Smith’s invisible hand: the market and social responsibility are not opposites, but can be reunited for mutual benefit . . . their goal is not to earn money, but to change the world, and as a by product, earn more money.” (Žižek, 2006, p. 10)

McGoey (2012) further points that the difference between the older generation of philanthropists and the new “philanthrocapitalist” is that the later group increasingly makes the way they benefit from the philanthropic activities obvious and public - by generating a certain financial return on their investment in addition to the social and environmental gain. For them, the fact that they are making a financial return whilst also doing good is important.

The section has shown why people help each other and why they give money and offer other kinds of support to others. Although different reasons for collaboration have been presented, it was shown that collaboration is a natural occurrence to deal with an issue which is of a concern to a number of people. It was further shown that methods developed before the establishment of the welfare state, have reemerged today. Furthermore, both self-help and philanthropy activities have been encouraged by the state. For the people providing help, both in the cases of philanthropy and self-help, the cause has been important. Concrete examples of application of both of these principles are discussed in the following three sections.

3.2 Charitable organisations.

Before the emergence of state funding, civic urban development projects were funded by their initiators or wealthy benefactors. These projects were independent of government actions. At first, the projects were funded by wealthy individual through direct donations, or were built by them directly. However, later separate organisations such as foundations and limited dividend companies were set up to deliver social projects. The evolution of organisational structures which facilitate philanthropy is traced below.

The early charitable organisations such as almshouses in the 17th Century England, which provided shelter to the poor, were often funded through donations, presumably from the wealthy individuals (Aiken et al., 2008: 17). During this period, a number of wealthy people, including industrialists provided both financial and ideological support for the development of socially-focused projects. They would do this by donating land or money, or by turning the ideas developed by various thinkers into reality themselves.

Throughout history, various thinkers argued for different ratios of self-help to philanthropy needed to address the issues faced by the less-well-off. For example, in his proposal to address the mass unemployment following the Napoleonic War to Parliament at the beginning of 1800s, a cotton mill owner Robert Owen proposed that the society should be transformed into self-supporting communities with a population of around 1,000 people each. Each community would carry out its own production and agricultural activities, which would not only provide goods for the community itself, but also in order to trade with others. The initial set up costs for such communities would be paid by industrialist, landowners, and other wealthy individuals. Others also believe in collective ownership of assets by the working classes, however, they did not share Owen's believe that the initial collectivisations should be facilitated by the wealthy. In the mid-19th Century, William Thomson believed that working class people themselves could finance such schemes (Wyler, 2009). Owen's idea was also developed further Dr. William King, who thought that a co-operative shop could provide financing for such communities proposed by Owen. It served a dual purpose - to provide most of the food for the members of the community, and to accumulate finance in order to buy or rent land, on which the cultivation of food, and various community assets could be cited on (Wyler, 2009). The structure of co-operatives is discussed in more detail in the next section.

Both Owen and Thomson got to set their ideas into reality. To do this, Robert Owen had to go to America after his initial proposal did not get the support from the Parliament in the UK. In the USA, Owen set up the first experimental community called "New Harmony" in 1824 by buying an existing colony capable of housing 800 people with \$135,000 of his own money. Following the ideas of Thomson, some trade union also started to pool resource of their members to collectively buy land and assets. (Wyler, 2009).

From the mid-19th Century, individual philanthropists in London started to set up limited dividend housing companies, which provided affordable and hygienic housing for working class families. Their aim was to make a limited return while providing healthy and affordable housing for the working class. The philanthropic element consisted of providing good quality housing at a reasonable price. One of such philanthropists was Lord Ashley, who set up 'Metropolitan Association for Improving the Dwellings of the Industrious Classes' in 1841 (Adam, 2008). The model was later taken on by others, leading Adam (2002) to remark that "[p]hilanthropy and capitalism were linked for the first time". Octavia Hill would further develop the model, adapting it to managing and refurbishing old housing stock, as well as putting local people in control (Adam, 2002; Aiken et al., 2008)

Wealthy industrialists also funded the construction of model villages in more rural settings. Thus, three model villages were set up by three industrialists - Port Sunlight in 1888 by William Lever; Bournville in 1895 by the Cadburys; and New Earswick in 1901 by Joseph Rowntree (Malpass, 2000: 201). For example, the York cocoa manufacturer and Quaker Joseph Rowntree set up three trusts with half of his wealth. One of these trusts funded the construction and administrations of New Earswick, outside of York (Freeman, 2014: 193). Bournville Village Trust, set up by George Cadbury in 1900, still owns most of the land in Bournville as well as many houses there (BVT, 2010). Also, the Joseph Rowntree Foundation is active today, engaging in solving poverty through addressing such issues as affordable housing, inclusive growth, and

low-wage employment (Joseph Rowntree Foundation, 2017).

At the beginning of the 20th Century, Ebenezer Howard bought 3,800 acres around Letchworth to set up the first garden city, managed by a trust (Wyler, 2009). In order to fund the project, Ebenezer Howard formed 'First Garden City, Ltd.' to buy the Letchworth site, with the company raising capital needing for the purchase the site "not amongst ordinary investors, but amongst [those] impressed by the social value of his proposals, and were willing their money in order that those proposals might be tried out" (Bonham-Carter, 1951: 363). This quote points to the fact that supporters were spurred by philanthropic ideas, rather than by possible financial returns.

In Germany, wealthy people also started to fund urban projects for the poor at the end of 19th Century. After taking some inspirations from his visits of London's housing associations, a German social reformer Victor Aimé Huber advocated that factory owners and nobility should provide financing for building of housing and amenities for the poor. Also inspired by London's 'Metropolitan Association for Improving the Dwellings of the Industrious Classes', 'Berliner gemeinnützige Baugesellschaft (charitable building society of Berlin)' was set up in a form of a stock company in Berlin, which generated 4% return for investors made up of "wealthy and reform-minded citizens" (Adam, 2008: 9) and built housing for the poor.

German philanthropists integrated financial / socio-philosophical ideas of Peabody, and architectural ideas of Hill into their projects. Most of the funds for these projects came from charitable foundations (Adam, 2002: 333). Thus, for example, The Leipzig merchant Gustav de Liagre is thought to be the first German philanthropist to integrate Hill's ideas into his housing projects. With the financial backing of friends, he was able to buy two buildings with 240 rooms in Leipzig and rent them out to working class families. This project was thought to inspire another Leipzig philanthropist - Herrmann Julius Meyer, who, however, based his housing on a Peabody model. For this, he built 500 housing units, with the rents generating 3% return for him (Adam, 2002). Similar limited dividend housing associations were set up across Germany, with the money coming from well-off citizens, which also resulted in tenants not having much influence on their development and governance (Adam, 2008).

The importance of financial support of wealthy individuals for socio-cultural projects reduced greatly after WW2 in the UK, with the creation of the Welfare State (Daly, 2008). The situation was similar in West Germany, where the new political system believed that the state should be responsible for "financing all aspects of public life" (Adam and Lingelbach, 2015: 342). In Germany, it took decades for charitable organisations to gain strength again (Anheier, 2001: 17).

Currently, there are a number of independent organisational types which give grants and fund socio-cultural projects. The main grant-giving organisations are foundations, trusts, and charities. The definition of these varies from country to country. However, the main mechanisms through which they work is described below.

In the US, foundations are charitable non-profit institutions with a single source of funding (endowment) which they use to give grants to other non-profit institutions (Heutel and Zeckhauser, 2014: 43-44). However, in the UK, Leat (1995) only considers the second part of that definition and define foundations those charitable organisations which primarily give grants to other organisations and individuals: "These are organisations which do not produce any direct outputs; their immediate tangible outputs are cheques written, grants given." (Leat, 1995: 318). Leat (1995) highlights two main types of foundations in the UK - those which get the majority of their income from an endowment, and those which rely on fund-raising. However, there are many organisations which are called foundations, but which in fact do not fit the definition set by their respective countries (Anheier, 2001: 2). There are approximately 110,000 foundations

in 27 EU member states, with total assets of around 1,000 billion Euros (Hopt et al., 2009: 18). There are around 9,000 and 18,000 in the UK and Germany respectively (Hopt et al., 2009: 19). In the past 30 years, the number of foundations more than doubled in Germany (EFC, 2008). Majority of foundation in Europe combine grant-making with running of their own programmes and projects (Anheier, 2001: 4).

In Germany foundations can be also be operating, as well as grant-giving (Toepler, 1999). According to Toepler (1999), there are six types of foundation in Germany: private foundations, operating foundations, company-sponsored foundations, company-holding foundations, state-administered foundations, state-sponsored foundations. In Germany, organisations with no assets are also labelled foundations. For example the political foundations such as Friedrich-Ebert-Stiftung or the Konrad-Adenauer Stiftung get subsidises from the government and have no significant assets of their own (Anheier, 2001: 2).

The endowment of a foundation is a capital sum, which can be in the form of cash, shares, licenses, right and real estate. The endowed foundations use this capital to raise further capital, which they then in turn use to fund charitable activities. In most EU countries, the income from the endowment is tax exempt. Charitable organisations can also receive income from bequests and gifts, fund-raising, self-generated income from goods and services, contacts with governmental bodies (EFC, 2008: 10).

In the case of the UK, a charity is a broad definition which encompasses various charitable organisations, including foundations; trusts and charitable companies. A foundation is a type of charitable organisations which doesn't have any membership - i.e. it is run by its trustees, who follow a trust deed or will. Trust is similar - it usually doesn't have any employees, only gives out grants without carrying out any projects by itself (The Charity Commission, 2014). Thus, for ease of discussion, the general term grant-making charitable organisations will be used, which can contain terms like foundations, trusts and charities, as long as they provide funding.

Another form of grant-making charitable organisation is the community foundation, which raises funds from a variety of sources to then support projects in a specific geographical area with them (Daly, 2008). The first community foundation was set up in Ohio, USA in 1914 and there are now around 700 such foundations in the USA (Daly, 2008; Bundesverband Deutsche Stiftungen, 2015). The US community foundation model was exported to the UK in the 1980s (Daly, 2008). However, it has not spread as much as there, or as in Germany, with only 56 foundations being set up by the end of the 2010s. In the UK, charitable foundations were meant to serve as intermediaries which would allow individuals to give money to the local community. However, in 2003-4 for example, 59% of their income came from statutory sources, and only 18% from individuals, families and companies (Daly, 2008). Contributions to the latter category come from high-net work individuals and companies who are contacted through personal networks of trustees and their 'friends' and supporters. The first community foundations in the UK have been supported by both existing foundations such as The Charles Stewart Mott Foundation, Esmée Fairbairn Foundation, and Charities Aid Foundation (CAF), as well as by the government. To assist the creation of first community foundation, the then Conservative government set up a Community Trust Development Unit together with CAF, with the other foundations providing early-stage finances to build endowments for the first batch of community foundations. The government saw these new community foundations as useful in providing support for non-profit organisation, especially as the funding for them from the local government was decreasing (Daly, 2008). Although, from first impressions it seems that community foundations are there to encourage philanthropy by collecting donations from the local wealthy people, in reality they are mainly funded through the government and other existing foundations.

In Germany, community foundations are called *Bürgerstiftung*, and are a relatively new organisational model, having emerged from the mid-1990s, following the US-UK model. Instead of one donor, many donors assemble the needed initial capital sum, which is around 50,000 Euros (Bundesverband Deutsche Stiftungen, 2015). The amount of ‘founders’ thus can keep growing as more people financially contribute to the foundation (Lück, 2014). *Bürgerstiftungen* concentrate on a specific neighbourhood, city, or region, and aim to improve the quality of life there. The organisations which satisfy ten requirements, receive *Gütesiegel für Bürgerstiftungen*, a certificate from Bundesverband Deutscher Stiftungen. This shows that the foundations with the certificate are independent, reliable and focus on public welfare. The first *Bürgerstiftung* - “Stadtstiftung Gütersloh” - was founded in 1996. By 2016, there were around 350 of these foundations. (Bundesverband Deutsche Stiftungen, 2015). In contrast to the community foundations in the UK, *Bürgerstiftungen* seem to be more about the combination of self-help, civic engagement and participation (Lück, 2014), where citizens contribute to the development of their own physical environment.

Many foundations spend only a small percentage of their endowment each year in order to sustain or increase their original endowment. They have long-term perspective, going much further than the lives of their founders. According to Emerson (2003), in 2001 55,120 independent foundations gave away about 5.8 percent of their endowment, just under one percentage point more than the legal required amount of 5%. This is the reason why many foundations which have been founded close to or over the century ago are still active today. For example, the biggest foundation in the UK, the Wellcome Trust, founded in 1936 has £23.2 billion in its investment portfolio (Wellcome Trust, 2017). This means that the foundations have an ability to carry out social projects in a long term, in more effective way than individual donors, or even governments. They are also free from political pressures and have a level of independence which the state doesn’t have (Porter and Kramer, 1999: 122).

In the UK, foundations played a big role in providing both funding, investment and support for community-based organisations, not only through grant funding, but allegedly developing innovative financial instruments. For example, the Charities Aid Foundation (CAF) launched *Venturesome*, which provides debt and equity finance to charities and social enterprises (Aiken et al., 2011: 15). In 2008, the Tudor Trust, Esmée Fairbairn Foundation, and the Nationwide Foundation meansnched a fund to support setting up and development of a series of Community Land Trusts (Community Land Trust Fund, 2018).

In Berlin, a number of foundations have played a major role in the development of socio-cultural projects. One of these foundations is *Stiftung Edith Maryon*, which was set up by three non-wealthy young men with only 12,000 Swiss Francs as a starting capital. The aim of the organisation is to create socially responsible places of residence and work (Edith Maryon, 2016). Thus, it can’t be considered as either self-help or philanthropy, but rather an organisational form, which helps its founders to reach their objectives, and could be said to represent a diversion from classical foundation or even community foundation model described above. There are other foundations which act on a similar principle, such as *Stiftung Trias*. These organisations have provided finances or acted as financial security to help mainly alternative housing projects to secure buildings and land. For example, *Stiftung Edith Maryon* has gathered a certain notoriety in Berlin by helping alternative projects like former squats and cultural projects to buy their buildings, especially in the cases when they have been threatened with eviction (Jericho, 2013; Frenzel, 2012). In some of these cases, the foundation was the last resort for these groups, who could not access the finance from traditional lenders because of high amount of equity required or short timescales in . There are also operational foundations, like *Stiftung Pfefferwerk*, which was especially set up to own, renovate and manages a cultural, social and business centre *Pfefferwerk* in Prenzlauerberg (Birkhölzer et al., 2007)

However, the efforts of foundations don't go without criticism. Anheier and Leat (2013) say that foundations are "perhaps the most unaccountable organizations in democratic societies" (p. 466). They don't have shareholders, votes, or customers - and the clients who they support financially are unlikely to be critical of them (Anheier and Leat, 2013). Further criticism relates to these organisations being an alternative to state responsibilities (Anheier and Leat, 2013: 454), presumably meaning that the state can withdraw certain services if it knows that various charitable organisations will step in its place. This argument has been supported by Daly (2008) who says that, at least in the UK, the foundations since the 1980s became increasingly seen as a last resort for organisations, when state funding was or became unavailable. Another criticism, related especially to foundations pointed to them being inefficient ways of support social projects, because they only spend a very small amount of their endowment every year on social causes (Porter and Kramer, 1999).

The section showed the diversity in the way charitable organisations functions, and that they are do not function on purely philanthropic principles. While some have been set up as vehicles for their founders to carry out their philanthropic objectives after their death, some like community foundations serve mostly as self-help vehicles. It was further shown that not all foundations have large starting capital, and closer attention needs to be paid to individual cases to figure out why and for what purpose these organisations were set up. Furthermore, there are organisations which have been set up more than a century ago (i.e. Joseph Rowntree Foundation), which are still carrying out the objectives of their founders, being actively involved in the current urban issues.

3.3 Shared ownership organisations and cooperatives.

Self-help and mutual aid principles have led to the formation of various organisational and collective and community ownership structures for housing, workspace, or other assets. The organisational structures developed from people coming together to provide insurance against illness and death in the form of Friendly Societies, to people coming together to buy and build housing in the form of early Terminating Societies and cooperatives. More recent examples include Mietshäuser Syndikat and Community Land Trusts.

In the 14th Century, Friendly Societies and workers' unions started to emerge. They were locally-focused and self-managed organisations, which collected regular annual or semi-annual contributions, used to provide financial support in times of sickness and death to the contributing members. This was an early form of loans and insurance (Katz and Bender, 1976; Broten, 2010). New members had to be approved by the Grand Master of the lodge - this was to ensure that no high-cost member were able to join (Broten, 2010: 5). The oldest of the Friendly Societies were formed by Huguenots in England, who were excluded from poverty relief under the Poor Law. At first, Friendly Societies provided support for the poor, but later in the 18th Century, they began to engage in politics, defending the rights of workers. Almost a million people were members of these societies in 1815 in the UK. (Katz and Bender, 1976). By 1900, there were 27,000 Friendly Societies in the UK, and 18,000 still remained in 1945, which were active in the field of housing, farm cooperatives, cattle insurance and co-operative stores (Katz and Bender, 1976 referring to Beveridge, 1948). Similarly, in the 19th Century trade union started to buy land and assets in their communities such as Edge Tool Grinders in Sheffield acquiring a 68-acre farm (Wyler, 2009).

The Terminating Societies started to emerge in the mid-18th Century England. Their members pulled together financial resources until they had enough money to buy land and build homes. Members voted on who should get the homes in which order, and the society was wound up only after all the members acquired a home. The Terminating Societies represent a perfect example

of self-help. Then, by mid-19th Century, Permanent Societies developed, which borrowed capital from people who were not in a need of a house, in addition to the funds from its members (Balmer and Wilkinson, 1991).

Co-operatives can be seen a further evolution of the Friendly Society model. One of its early prototypes was the Rochdale Society, set up in 1844, which run a network of co-operative stores, where members made up of weavers, shoemakers and other craftspeople, jointly purchased work materials and consumer goods (Katz and Bender, 1976). Its members also shared any profits generated by the enterprise. The wider idea was that such enterprises would support the creation of self-supporting communities who would own their own land and provide education, production and distribution for themselves. (Wyler, 2009).

In Germany, in the mid-19th Century, Friedrich Wilhelm Raiffeisen helped villagers form together into credit co-operatives, to help each other, rather than relying on outsiders such as philanthropists, or the state. Credit cooperatives would offer loans to its members, secured by a pledge, and each member would be liable for losses of the co-operative with their whole property. There were no dividends and the co-operative leaders worked on a voluntary basis. (Peal, 1988)

Cooperatives still represent an important organisational model today, and could be seen a self-help answer to foundations described above. According to the International Cooperative Alliance, co-operatives are enterprises owned and managed by their members, set up to satisfy their members' needs. Any profits made are either invested back into the business, or redistributed to its members. Cooperatives are managed on a 'one member, one vote' principle, where each members has the same voting right, irregardless of how much capital she invested (ICA, n.d.).

The self-help principle of people in a certain geographical area coming together and collectively purchasing something for their collective use has continued to this day. For example, the first Community Land Trust (CLT) in the UK was started by such a method in 1983. There a community of a small village of Stonefield in Oxfordshire came together with an idea of developing affordable housing for the young people so they would not leave the village. They pooled together their financial resources, with one local activist providing some of his land, and others providing initial money to cover set-up costs, legal fees and the preparation of planning application for first few houses. Once the planning permission was obtained, the land raised in almost 50-fold in value and the community was able to get a bank loan against it to fund the construction. Later, further interest-free loans were obtained from private supporters to fund construction of the additional housing units (BSHF, 2005). The example shows how self-help functions together with philanthropy.

The CLT model itself is also an example of self-help. CLT is a non-profit organisational structure which allows land to be bought and housing and other amenities to be built on it (Moore and McKee, 2012). In the USA, for example, CLTs are governed by three evenly-split groups: CLT residents and members, community representatives unconnected to the CLT, and local municipal officials. There are similar structures in Scotland (Moore and McKee, 2012: 285). The ownership of a house is shared between tenants and the CLT (Moore and Mullins, 2013). The CLT acts as a steward for the land and properties and controls how these are bought, sold and rented, ensuring their permanent affordability and allowing households on less than medium income to access them (Engelsman et al., 2018; Moore and McKee, 2012). They are an example of self-help as they represent an example of individuals coming together and developing something for the collective use.

Although the form of CLT is closer to self-help, where such organisations get starting capital is also important to note. Moore (2018:84) notes that the majority of the recent growth of CLTs

in England over the last decade has been attributed to a number of national demonstration programmes, supposed by charitable organisations and the government. These charitable organisations are non-profit foundations - The Tudor Trust, Esmée Fairbairn Foundation, and the Nationwide Foundation (Community Land Trust Fund, 2018). This support of the foundations for the development of CLTs has also been very prominent in the USA, where Ford Foundation and many others actively supported the development of Community Based Corporations which incorporated CLTs (Dreier and Hulchanski, 1993). Thus, it could be said that although the CLT itself is a form of self-help, in many cases it has been made possible through both philanthropy and support from the government.

However, in their study of community-owned assets in the UK, Aiken et al. (2011) have found that most of the community-owned buildings have been purchased through a combination of government grants and other funding programmes, mortgages and loans, community shares and other arrangements. They also note that minority of organisations resisted grant funding, because of possible restrictions it entails.

In Germany, a unique model of self-help and collective ownership is provided by the Miethäuser Syndikat (Tenement Trust), which originated in Freiburg in the 1980s (Mietshäuser Syndikat, 2017a). This case will be explained in a bit more detailed, as the model has been widely used in one of the case study locations, and will be referred to later. Currently, 113 houses have been collectively bought using the model from all across Germany with around 3,000 people living in them (Mietshäuser Syndikat, 2017b).

Mietshäuser Syndikat has developed a special model through which it acquires buildings. For each new house, a new House-GmbH (German equivalent of a limited liability company) is formed, which has two equal shareholders. Shareholder Number 1 is the association to which all residents of the house belong to. This association can have different legal forms, depending on the wishes of its members. Shareholder Number 2 is the Mietshäuser Syndikat GmbH, which only has one shareholder. This shareholder is an association which is made up of all projects under Mietshäuser Syndikat. It performs a control function, where it has veto power on any decisions related to the sale or privatisation of the property (Horlitz, 2012; Horlitz, 2013). As the tenants actively choose to adapt this model, instead of more private ownership forms such as Baugruppen (Ring et al., 2013), it shows that there is an additional desire to develop something long-term for the wider, possibly yet unknown community, and not just for the benefit of current tenants, and thus represents a perfect example of self-help.

The financial model related to how the money needed for the purchase of properties are acquired is also unique. To purchase the house, the House-GmbH takes out normal credit with the bank, although mostly with social banks such as GLS (Mietshäuser Syndikat, 2013). Eigencapital or deposit, which in Germany is around 20% comes in a form of Direktkredite or direct loans (Horlitz, 2012). These are credits which are taken directly from anyone interested in supporting the project, including friends and family, not from a bank (Giesecke, 2016: 46). These credits are given to the company and not to individuals. The fact that the houses have been accepted into the Syndikat gives the lenders more assurance that someone else had a look at the financial figures of the project and that their money is safe. Usually, the lender gets a small interest, around 1-2% (Mietshäuser Syndikat, 2013). However, it should be noted that lenders are not interested in the financial gain, but rather want to help the project (Giesecke, 2016: 46). The Syndikat provides support in getting the finances right, with some lenders like GLS already familiar and supportive of their work with 70 out of 111 houses receiving finances from it (GLS, 2016). The advantage of the Syndikat model is that the individual tenants do not need to have their own deposit, which greatly reduces the barriers to entry. This is different to other cooperative housing or Baugruppen (group-build), which require a deposit from each tenant (Ring et al., 2013).

In the Syndikat model, the tenants do not have the ownership of the property, but rather belong to the association which owns the house. Each tenant pays the same rent every month to the House-GmbH, which is organised collectively by the house association. This means that the tenants are protected under the German property law, meaning they cannot be evicted. The house association decides how much money should be taken out for the repairs of the building, how much money goes on the maintenance of the property and sets the rent, which is then paid by everyone. If one or more people leave the association and the house, nothing is paid to them. It is similar with new people joining - they simply pay rent as the older tenants (Mietshäuser Syndikat, 2013).

Another important aspect of the Syndikat model is the Solitransfer. After the older houses pay off their mortgages, they continue paying the same rent as at the beginning with money going into the Solifund instead of a bank. As the Syndikat has not existed this long, this has not happened so far. Currently, each new house starts off by paying €0.10/sqm each month to the Solifund. Each year this rises by 0.5% of yearly rent for the whole house. In this way, some older houses are already paying €0.20/sqm in the maintenance fund. The money from the fund goes on paying setting up costs for each subsequent house, and any networking and support activities.

The section showed various organisational arrangements which work on self-help principles. Various collective ownership models were discussed, by which people own housing or other facilities. Apart from wanting to help themselves, there is also a desire to help others, like in the example of Mietshäuser Syndikat, where properties are not actually owned by the inhabitants, and they can't get a financial return from them. Thus although there are elements of self-help, there is also a desire for collective and wider benefit, but which is somewhat different to philanthropy.

3.4 Crowdfunding

The section presents crowdfunding as a method of funding socio-cultural projects. It is different to both funding from the charitable institutions and self-help groups in that it assembles finances from a much larger and more geographically distributed set of people - i.e. the crowd. It also could be said to combine both elements of philanthropy and self-help. The main principles of crowdfunding are described, including examples of its use before and after the internet. Also, the role of the government in supporting crowdfunding projects and platform is discussed.

In the UK, the organisational model which enabled groups of people to collectively self-fund the purchase of an asset has been the Industrial and Provident Societies (I&PSs), which are related to cooperatives (Cabras, 2011: 2420). I&PS is an organizational, legal form, which carries limited liability and allows the organisation to trade or carry out other business activities, and is either organised as a cooperative or as a community benefit society. Cooperatives are run for the benefits of its members, and community benefit societies are run for the larger community. Each shareholder has one vote, regardless of much shares he/she has. Shareholders can withdraw capital at any time, but cannot hold more than £20,000 each. However, there is no limit on how many people can be shareholders. Shares in an I&PS are classed as withdrawal shares and no special authorisation from the Financial Service Authority is needed to issue them. They are also not subject to money laundering regulation. This makes them valuable in terms of raising investment capital for community projects (Cabras, 2011: 2423). There are 8,200 I&PS in the UK with over 10 Million members (Brown, 2008 in Cabras, 2011), with a vast majority being located in rural areas. In theory, these I&PSs can be seen as examples of self-help, however, as will be shown with examples below, there is also an element of philanthropy in the model too, with individuals buying shares in order to support projects which they like, without necessarily directly benefitting from them.

Amongst other things, I&PS structure has allowed villagers to buy local pubs and save them from closing (Cabras, 2011). For example, 125 individuals raised £180,000 towards the purchase of Old Crown village pub in Hesket Newmarket in 2003. Similarly, Butchers Arms in Crosby Ravensworth, a village where only 262 people lived, was bought by a newly formed I&PS. 170 people bought shares, with one institution buying one share to a maximum of £20,000. This organisation was Key Fund, and will be discussed in Chapter 6. It should be noted that in both cases, additional funding was obtained from various state sources. The majority of shareholders are not from the village and some are even based abroad. On the one hand, this can be explained by the organisation aiming to pay a return of 3.5% to shareholders from year 1 (Cabras, 2011). On the other hand, it could be said that an element of philanthropy encouraged people to become shareholders in order to support worthwhile projects.

Crowdfunding has also been used in Germany, although enabled by a different model. After the last pub in a village closed down, the inhabitants of a 2000-people village of Gielsdorf near Bonn in Germany, decided to build a village centre to host weddings, birthdays and celebrations. After setting up an association in 2009, the community organised a crowdfunding campaign, going from door to door, managing to assemble more than 70,000 Euros worth of donations from the local residents. In addition, the local craftsmen helped with some of the construction work. In this example, the municipality provided the land on which the building was built, and the group funded the construction itself (Buttenberg et al., 2014; Montag Stiftung, 2014). In this example, there does not seem to be even financial motivation for those who contributed to the project. Although there is a certain element of self-help - i.e. building an asset for everybody use, there is also presumably a good element of philanthropy.

Another recent development has been the rise of online crowdfunding platforms, which enables a large number of individual investors to fund particular projects (Hollow, 2013: 69). Instead of groups applying to named institutions like banks or government agencies or by going door-to-door in a physical space, unspecified individuals or “the crowd” is approached for funding through the internet (Langley and Leyshon, 2017). Thus, it allows projects to get funded without relying on “standard financial intermediaries” (Mollick, 2014: 2). Furthermore, it allows projects to receive funding not only from local sources, which can sometimes be limiting, but theoretically from anywhere (Davis and Braunholtz-Speight, 2016: 30-1). Thus, it opens up new possibilities and sources, which were not available before. This new funding method has been both enabled by the technological advances in the form of the internet and by various socio-economical and cultural shifts (Wardrop et al., 2015).

Crowdfunding is a process of raising money from a number of small- to medium-sized investors (i.e. the crowd). The return for these investors does not only have to be financial, but can also be intangible - status, social esteem, identification. Contributing to a project allows the investors to participate in the process and be part of a particular project. Also, the novelty of crowdfunding plays a part as well. The crowdfunding process is usually facilitated by a crowdfunding organisation, who act as intermediaries between the initiators of the projects and those who want to support them. Especially recently, these crowdfunding organisations utilise the internet. They act as service providers and create necessary organisational systems and conditions so that other parties can interact with each other. (Andrea Ordanini et al., 2011). It should be noted that these organisations are also businesses, generating revenue by taking a certain percentage of successfully funded projects. Crowdfunding allows many individual consumers to pool their financial resources together in order to support new projects initiated by others (Andrea Ordanini et al., 2011).

A special type of crowdfunding for projects which provide services to community has been referred to as civic crowdfunding (Davies, 2014a in Davies, 2015), where parks, community

centres and social services are funded by the crowd (Davies, 2014b). These are usually projects which provide services to communities (Davies, 2014a). In the cases of platforms surveyed Stiver et al., (2015), no financial return was offered to contributors. Instead a platform Neighborly, for example, publicly acknowledges a contributor, through a newsletter. Similar to other reward-based crowdfunding platforms such as Kickstarter and Indigogo, supporters choose which projects to support from a large list. Stiver et al. also argue that civic crowdfunding is more suitable for local supporters, and that instead of being driven by philanthropy, they are driven by self-interest or “self-and-others-interest” (p. 261).

The projects which are initiated and funded through civic crowdfunding are diverse. For example, the community of Glyncoch used crowdfunding platform Crowdcube to raise additional £39,000 needed to build £792,000 new community centre (Hollow, 2013). Mansfield Business Improvement District raised £38,000 (€43,921) through a platform Spacehive to create a WiFi zone in the city center (Hollow, 2013: 79). In Bristol the ‘Loop de Loop project also raised £10,559 through Spacehive to convert dis-used toilets into an arts gallery (Davies, 2015).

Crowdfunding has also not been without criticism. Inequality in ability to participate and fund projects through this method has been highlighted by Davis and Brauholtz-Speight (2016: 30-1). Davies (2014) also remarks on the unequal geographical distribution of projects, which is potentially caused by a lack of resources - i.e. underserved communities not having the rights skills to make a video, or not having the right human capacity to develop or sustain a campaign. Davies (2014) also notes that controversial projects such as drug rehabilitation clinics usually don’t get funded, and projects that get funded are mostly uncontroversial, with the most funded category being a community garden.

Many authors have also looked critically at the role of the government in supporting crowdfunding projects and platforms. Stiver et al. (2015), also referring to other authors, highlighted that this way of funding project can be very appealing to the government in times of austerity. Brabham (2013 in Davies, 2015) argued that in such conditions, the government can purposefully withdraw support for certain services, on the assumption that they would be funded through crowdfunding. For example, the municipality of Swindon used crowd-investment platform Abundance to raise £1.8 Million to build a solar park, which is fully owned by the municipality (Davis and Brauholtz-Speight, 2016: 30). Davies (2014 in Davies, 2015) notes that 1 in 10 crowdfunding projects surveyed by him referred to the reason for their development being the reduction in municipal spending. Referring to the US example, Davies (2015) presents a case of Colorado Springs where the municipality closed public space, ended waste collection parts and fired 550 municipal workers, with a belief that the public would ‘fill the gap’. Davies (2015) presents other US examples where the local municipalities encouraged local groups to utilise crowdfunding to fund their projects related to the improvements of public spaces, temporary use projects, etc.

In the UK and Germany, local authorities have also actively supported various crowdfunding initiatives. A number of local authorities across the UK used crowdfunding to raise additional revenue. The office of the Mayor of London is also supporting 25 initiatives from Spacehive, at the UK’s crowdfunding platform. This has been criticised by Minton (2017) who questions the fact that some of the funded projects are covering for government austerity by turning former public assets into semi-private projects like an example of a library being turned into a community space and gallery managed by a private arts school. Crowdfunding platform Spacehive was started with the support of the UK government funding from the Big Lottery Fund (Prime Minister’s Office, 2014). In Germany, the municipalities have also supported the development of crowdfunding platforms, with for example, the municipality of Wuppertal developing a local platform www.gut-fuer-wuppertal.de in collaborations with betterplace.org.

The section discussed crowdfunding, or more precisely civic crowdfunding, as a combination of self-help and philanthropy - where bottom-up projects are funded both by the people who potentially benefit from them, as well as by diverse contributors who want to support a good cause. In addition, one of the main issues of civic crowdfunding has been a less than comfortable relationships with the government, where increasingly municipalities are seeing crowdfunding as a way to support those projects for which it doesn't have a budget. Furthermore, there is a danger that state funding for certain types of projects is intentionally being reduced, with a hope that citizens would fill the resulting gap. This is in line with the austerity urbanism discussion from Chapter 2.

The chapter showed how the ideas of self-help and philanthropy led to the development of a number of organisational structures which provide funding for socio-cultural projects. These structures include cooperatives and industrial and provident societies, foundation and charitable organisations, and crowdfunding and crowd investing platforms. These organisational structures provide funding in addition to state funding, or serve as an alternative to it.

The following concepts will help frame formation of hypothesis and empirical findings. Through self-help, people provide financial assistance to each other as to address a common need, which is not catered for by market or the state (Katz and Bender, 1976). This could be done through a) natural and informal networks of family, colleagues, school-friends, peers and friends, neighbours; and b) self-organized groups and organisations (Katz, 1981). Through philanthropy, people can also contribute to the social, educational or cultural projects from benevolent or altruistic motivations (Silber, 2012). More recently, a new wave of philanthropists or 'philanthrocapitalists' (Economist, 2006) aimed to satisfy a number of objectives - social, social, environmental when they invest money in socio-cultural projects. In some cases, they get a certain return when they invest in socio-cultural projects (McGoey, 2012). From this point, funding from charitable organisations and from self-help groups would be referred to as civic funding.

3.5 Gaps in the literature, research question and hypotheses.

This section presents the research gaps identified in the process of review of literature, related to the lack of research of the context of smaller cities, networking of funded projects, and effects of funding on the projects themselves. On their basis, a research question for the empirical part is devised. In addition, four hypotheses are presented, which were based on the main theoretical points, which have been presented at the ends of each of the previous chapters. Those hypothesis help to frame the finding of the empirical study, which is to follow.

Throughout the literature review process, it has become apparent that certain elements related to funding of bottom-up socio-cultural projects have not been explored, or have not been explored in great detail. These elements are related to (1) the relationships of funded projects with each other, (2) how projects are funded in smaller cities (3) the effects of funding on the development of separate projects or networks of projects.

(1) In most of the studies of socio-cultural projects, the phenomena under study was identified, a number of case studies presented together with a few essays related to certain aspects or relations of the phenomena (Bailey, 2012; Buttenberg et al., 2014; Ferguson, 2014; Bishop & Williams, 2012). For example, in *Urban Pioneers* (Senatsverwaltung für Stadtentwicklung, 2007), the phenomena of temporary use and urban pioneers is presented along with a number of short case studies. Essays and interviews then explore the relationship of the phenomena to urban development. However, collaborations between projects, relationships with particular people in the municipality or funders were not discussed in great detail. In a similar way, *Selfmade City* (Ring et al., 2013) presented the phenomena of housing groups and building co-operatives in Berlin. More than 100 case studies are presented concentrating on the project metrics (price and size) as well as plans. The phenomena were contextualized in history and its various properties are discussed, mainly in relation to urban development. However, there was no identification of the networks through which the projects have been enabled, particular city departments that the actors have worked with, etc. Thus, it would be an excellent opportunity to use the longer structure of the thesis to explore the interaction between actors within a particular geographical area, rather than concentrating on a few theoretically significant projects.

(2) Also, the studies related to Germany and the UK have examined mainly the projects which took place in larger more significant cities. It could be argued that these places have a unique set of factors which cannot be that easily interpolated to another location, as in the case of Berlin, which was essentially two cities until 1989 or London, which is one of only two Alpha++ cities (GaWC, 2010). Thus, comparing the observations noted in smaller cities to those of Berlin and London would be useful.

(3) Although the presence of funding were mentioned in a whole range of studies related to sociocultural bottom-up project (Senatsverwaltung für Stadtentwicklung, 2007; Oswalt et al., 2013; Moore, 2018), its effects or importance for the projects were not explored in great detail. For example, the co-option of projects with funding has been mentioned (Mayer, 2006; Purcell, 2009), however, not much detail about what it means in practice were presented.

Thus, the main question can be answered:

How do clusters of spatially-focused entrepreneurs form and develop in relation to funding in Leipzig and Sheffield?

Subquestions:

What is the role of funding at following stages of milieu development:

1. in the introduction stage, when seed projects developed
2. in the growth stage, when networks between projects were forming and clusters developing
3. in the maturity stage, when a peak of growth has been reached and consolidation was happening

On the basis of different phases of creative cluster development and the theory described in three literature review chapters, the following hypotheses were developed. They provide an production for how funding affects the formation of project clusters at different stages of their development.

1. Spatially-focused entrepreneurs start on their own efforts, mostly without any funding, to implement their visions and develop their ideas in the spatial context (Buttenberg et al., 2014). They can develop through the mechanisms of self-help, with multiple individuals mutually supporting each other to address a common need, which at that time is not catered for by the market or state (Katz and Bender, 1976). In this case, the state can either support them through a 'permissive' approach, where it doesn't encourage them or stop them (Tonkiss, 2013). The state can also create favourable conditions for these projects to develop, by lettering them access its land or providing them with funding, through a 'positive' model (Tonkiss, 2013). The latter can be done through state-funded cultural intermediaries (Andres, 2011) or boundary spanners (Williams, 2002) who enable the creation of multiple projects

2. After the seed projects develop and prove to be creative and attractive to people, public funding supports them so that their actions further contribute to the activation of locations or the development of quality of place, which in turn is attractive to creative workers (Landry, 2000; Florida, 2012; Colomb, 2012). Alternatively, public funding can also steer their actions into delivering projects which are in line with those of the municipality and other stakeholders (Wagenaar, 2007; Boelens, 2006), steering the self-motivated goals and desires of individual actors towards a common goal (Willinger, 2014: 149). The projects are either funded because their actions are aligned with the aims of the municipality. Alternatively, they are funded, to steer their actions into working with other stakeholders, or towards satisfying a particular regeneration-focused goal.

3. In the consolidation phase, public funding supports projects which proved their value in creating a quality of place and bringing economic benefits like jobs creation (Landry, 2000; Florida, 2012; Oswalt et al., 2013). However, because of the austerity conditions, this might only be possible for the most visible and important projects, from the point of adding to aspirational goals of creating liveability, sustainability, creatively (Peck, 2012). Alternatively, individuals can collectively purchase assets for their use through self-help principles, or they can be bought for the users by philanthropic foundations.

Part 2 - Empirical Study

Chapter 4 - Methodology.

The chapter outlines the methods used to carry out the empirical investigation. First, the positionality of the author is discussed, regarding his previous engagement with the main topic and one of the cases. Then the term 'spatially-focused entrepreneur' is defined. The benefits of the case study method are presented, and the process through which cases were selected, is outlined. Then data collection process and individual methods are discussed. These consisted of mapping, surveys, document analysis, interviews, and observations. Afterwards, the methods through which the data was analysed and interpreted are presented. Finally, problems of validity and limitations of the study are discussed.

4.1 Positionality

The author's previous professional background influenced both the choice of the topic under the investigation and the selection of one of the cases. For three years between 2011 and 2014, the author was involved in the development of a number of socio-cultural bottom-up projects in Sheffield, some of which formed part of the investigation. The author worked with Creative Arts Development Space (CADS), an arts organisation which has been converting a range of vacant buildings into studios and event spaces. As a result of work with CADS, a separate organisation was co-founded by the author - Shalesmoor, Kelham Island and Neepsend Network (SKINN), which explored how the local creative community could influence the development of a former industrial inner city area undergoing a transformation process. As part of this, many collaborative projects were developed with various local urban actors - turning a vacant site into a temporary art space under the name Furnace Park, starting an official process to create a Neighborhood Plan for Shalesmoor, and working on a feasibility study to help CADS purchase a building in the area.

Working as part of both SKINN and CADS involved collaborating with a variety of other spatially-focused entrepreneurs, university staff, municipal officers on a variety of projects, supported by various forms of funding. The funding seemed like a silent part of the projects, influencing how the projects developed, at a distance. The questioning of its role led to the formulation of a PhD application to further explore the issue and to probe deeper into various phenomena observed in practice.

4.2 The definition of the phenomenon under investigation.

The research explores the interaction between spatially-focused entrepreneurs and funding. The term 'spatially-focused entrepreneur' needs a bit more operational definition than that presented in the introduction. Spatially focused entrepreneur is a mix between spatial entrepreneur (Raumunternehmer), defined by Buttenberg et al. (2014), which is a more settled and permanent version space pioneer (Raumpionier), and a civic entrepreneur (Ahrensbach et al., 2011: 9). The aggregate term 'spatially-focused entrepreneur' describes an urban project and initiative, which is entrepreneurial, mission-driven, creative, and has ambition for urban development beyond its own physical space. Based on this, the projects with the following properties were explored as part of the empirical study:

- profit maximisation is not the primary goal, but income generation can be part of a project
- carried out by small businesses or citizens (i.e. community groups, private individuals, associations, non-profit organisations - both formal and informal) and not by big companies or by the state. Co-production with the state can also be possible.
- have some kind of a public function - not entirely private

- involve a re-use of a building
- have ambitions for urban development outside of their projects, meaning that projects are not only concerned with their own project, but also with the development of surrounding neighbourhood or other projects. This could mean that they are part of a network of similar projects, some kind of a neighbourhood forum, or a citizen group.

This definition allows the filtering, for example, of bottom-up creative clusters from state museums or collective houses from the private cooperative housing. This definition should also enable future researchers in other locations to apply the same methods and to get comparable findings.

4.3 Case Study Method.

A case study method was chosen for a number of reasons. Firstly, because the method is best suited for answering “how” or “why” questions concerning contemporary events (Yin, 2008). More specifically, a case study is most appropriate for analysing a decision or a set of decisions i.e. “why they were taken, how they were implemented, and with what results” (Schramm, 1971, as cited in Yin, 2008).

Secondly, a case study allows information to be collected from a variety of sources (Yin, 2008), mixing quantitative as well as qualitative methods (Eisenhardt, 1989), “illuminating a case from different angles” (Johansson, 2003). There are divergent views on how rigid the methodology should be, as highlighted by Johansson (2003), who says that a case study can range from those proposed by Robert Stake (1998) on one side, which places more emphasis on the object of the study. On the other side is Robert Yin (1994), who placed more emphasis on the correct method and the techniques. A slightly less rigid version of Yin’s (2003) method was adopted for this study.

Thirdly, a case study provides not only a detailed description of a particular phenomenon through narrative (Johansson, 2003), but also tests existing theories. In addition, new theories can be generated (Yin, 2003), especially where “the boundaries between phenomenon and context are not clearly evident” (Yin, 1999: 18).

4.4 Comparative case study method.

Although a single case could have been studied (Flyvbjerg, 2006), two cases in different countries were examined, in order to compare the effects of funding on the development of the milieus of spatially-focused entrepreneurs in two different contexts. This was particularly useful in allowing the author to compare already known socio-economic context of the country he is familiar with “other countries and to look back at their own country from a new, foreign, perspective” (Couch et al., 2011: 4). Being familiar with the planning and urban development context of the UK and having worked as a spatially focused entrepreneur there, the author wanted to use his knowledge and experience and relate it to another planning system and context - that of Germany. In this way, the comparative case study method is particularly useful in at least partly separating the place-specific context from the studied phenomenon, making useful generalisations about it (Kantor and Savitch, 2005). In essence, comparative case study method consists of “the collection of data on two or more situations, followed by an attempt to make sense of them by use of one or more explanatory models” (Rogers and Vertovke, 1995: 36).

Much criticism of the comparative research approaches, and case study method in general stems from the lack of methodological rigour. For example in their critique of comparative studies, Kantor and Savitch (2005) call for “consistent investigations that can be replicated and elucidate

the urban experience in a variety of settings” and for data which “should be ascertainable by other scholars” (p. 136). Thus, they suggest that studies should be more systematic, meaning:

- “(1) an explicit framework should govern the analysis, providing testable and deductible propositions for comparative examination;
- (2) comparisons should be made through the use of common categories, concepts or variables that can be measured; and
- (3) comparisons should steadily run throughout the work” (p. 136)

Following Kantor and Savitch’s (2005) suggestions above, a clear and detailed framework was developed for data collection and analysis. Also, coding categories were made the same for both cities. Analysis chapters were structured, in the same way, to make a comparison between cities easier. At the end of each section, a summary of the main points was presented. Finally, a comparison between cities was made.

4.5 Case selection.

The units of analysis in both case study area were not separate projects, but rather a cluster of spatially-focused enterprises, based in a particular area of the city, and their interactions with funding organisations and the municipality. Separate projects within these clusters served as embedded units of analysis. This allows the author to concentrate on inter-project relations and their complex interaction with other systems, instead of characteristics of individual projects.

As the first case, a cluster of spatially-focused enterprises in Sheffield City Centre was selected. The author participated in the development of a number of projects there and was aware of clustering of projects in the area, particularly since 2008. This previous knowledge experience provided a unique opportunity to get information from existing contacts. It could be argued that the interviewees, for example, were more honest than if they would have been speaking to a person previously unknown to them. Besides, Sheffield has not received a significant amount of academic or grey literature coverage post-2007, although some of its practices could be considered as innovative and unique. In addition, the city was still suffering from urban problems caused by economic restructuring, which is discussed in Chapter 5, and the still depressed condition of its inner-city neighbourhoods, visible at the start of the research.

According to Lijphart (1971, as cited in Denters and Mossberger, 2006), similar cases should be compared. Mainly, those factors which are not related to the research focus should be similar. Thus, a comparable case to Sheffield City Centre but perhaps with different characteristics needed to be found elsewhere. A multi-stage narrowing down theoretical sampling process was undertaken (Eisenhardt, 1989). A city of roughly the same population, which was going through a period of transformation, had an obvious spatially-focused enterprise cluster, needed to be found.

First, a literature review was carried out on German cities of similar size to Sheffield, i.e. around 500,000 inhabitants. Information was already available on the project clusters, similar to Sheffield, in Wuppertal (Zwischennutzungs Agentur Wuppertal, 2010), Bremen (Ziehl, 2012) and Leipzig (Blumner, 2006; Oswalt et al., 2013). Leipzig was chosen partly because of its proximity, as it was convenient for the researcher to travel there regularly from Berlin. In retrospect, the Ruhr region cities such as Essen or Dortmund would perhaps have served as better units of comparison due to a similar history of heavy industry. However, a drawback of using them was their relative distance from author’s main location.

Within Leipzig, West Leipzig, a similar sized area to Sheffield City Centre was chosen based on the literature review (Wendt, 2014 & Oswalt et al., 2013), conversations with a number of

practitioners working in the city. Leipzig West had a high concentration of spatially-focused enterprises. A pilot visit was also made there in the spring of 2015 to confirm its suitability when the area was explored on foot, and a number of projects highlighted in the literature were visited. The approximate boundaries of the areas can be seen in Figures 6.2 and 7.2. The boundary lines have been intentionally not drawn to indicate their porousness and flexibility.

4.6 Data collection methods

A range of methods was used to collect the data for the study. Some methods served to find all the projects which fit the “socio-cultural bottom-up project” definition above, in a particular area. Other methods were then used to select specific projects to examine further. Different methods were chosen to answer particular sub-questions, according to Yin (2008). The use of various data sources improved the validity of the results (Yin, 2008). A multi-stage iterative framework was developed (Eisenhardt, 1989), where after each stage the data collected was analysed, and its results were used to develop the subsequent stages. For example, after all the projects in an area were mapped and divided into use sub-clusters, specific representatives of each sub-cluster were then selected and approached for an interview. Without the first step, it would have been impossible to determine who those representatives were.

Same methods were used to collect data in both case study locations to make the results more valid (Yin, 2003). The research went in parallel in both locations due to logistical reasons - partly because it was difficult to get interviews with everyone in one particular week, and follow up interviews were needed to obtain specific information.

The data collection process went as follows:

1. A mapping exercise to determine the whole project population in a selected area.
2. A survey of mapped projects to determine main project categories (organisation’s name, uses of the space (e.g. gallery, studios, cafes), timeline of its development (e.g. start of the project, date of purchase), funding it received)
3. Desktop research to find out as much information as possible on all the mapped projects, related to the research questions.
4. A survey of funding streams which the projects mapped in the step (3) have accessed
5. Based on the the survey results from step (3), projects were grouped into categories based on uses (e.g. studio spaces, event spaces, green spaces)
6. From the project groupings obtained in step (5) and information obtained through document analysis in step (3), a representative of each projects group was identified. In most cases, there was a networking or a representative organisations which linked a number of separate projects in a certain category.
7. The representative organisations identified in step (6) were contacted with requests for interviews and interviews were conducted with those who have agreed. Afterwards, interviews were transcribed and follow-up document analysis was conducted based on the interviews and observations during the field trips.
8. Follow-up interviews were made with members of municipality or any other people found to be relevant to the research.

Throughout the fieldwork stage, a number of trips were made to the case study areas to attend various events or to visit projects without conducting interviews with anyone in particular. During these kinds of visits, observations were made and recorded. On a few occasions, trips

with the actors from Sheffield were made to Leipzig with the information from more informal conversations which happened during these trips proving essential for understanding less concrete differences between various spatial and organisational practices of both cities. Each of the embedded methods is discussed in more detail below.

4.6.1 Mapping

Mapping is the visualisation of information. The term ‘map’ can refer both to the act of representing something and to the analysis needed to represent something (Daniel and O’Rourke, 2004). Thus it is important to note the analytical framework used to map projects. In the case of this project, only projects which fit into the category outlined above were mapped.

After the rough boundaries of geographical areas under investigation were defined, a desktop scoping study was conducted to find any projects which fitted the definition of spatially-focused enterprises. This was mainly conducted from the online sources - project websites, newspaper articles, academic papers, publications by the municipality or other government bodies.

The issue of language and terminology is important to note here. The author himself struggled to come up with a single label uniting all the projects. Terms like ‘spatially focused enterprise’, ‘socio-cultural projects’, ‘user-driven’ or ‘temporary use’ are generally not the terms that the project founders utilise. They mainly labelled their projects on the basis of use - cultural centre, studios, garden, Freiräume, Hausprojekt, etc. After a particular term was found which related to one organisation, it was then searched for again in relation to the case location. In addition, a snowball methodology was also used to find more projects: often a website of one organisation references projects they were associated with. In a number of cases, maps and printed information produced for a particular event or purpose pointed to other projects, which were not noted before.

After completing desktop research, a physical mapping exercise was conducted. First, projects, which were mapped during the desktop study stage, were visited to figure out what visual properties they had - banners hanging from the windows, posters and sign on the doors/fence, any signage, DIY refurbishment, public spaces on the ground floor. Then similar signs were looked for while systematically walking the streets to find further projects. Special care was also taken to look for projects which did not have an online presence. Mainly such projects were recognised by physical signs which promoted the project locally - entrance sign, posters about events, graffiti, public access, evidence of use, etc.

Mapping was also conducted throughout the whole research process, with more projects added during document analysis stage and visits to the area. In addition, during the interviews and informal meetings with stakeholders from both case study areas, the “in-progress” map of the projects was shown to the actors, who were asked to add more projects to it or to change any of places which could have been wrongly added to the map (refer to figures 7-10 to see the results).

4.6.2 Survey of the physical projects and funding sources.

During this step, the projects mapped in the previous step were surveyed to divide them into use sub-clusters. For each project, the information which was noted belonged to the following categories: project name; organisation responsible; legal status of responsible organisation (i.e. company, non-profit association; informal group); relation to their physical location (ownership, lease, license), activities in the space.

Also, any information on the funding, the projects received and what that funding was used for, was noted. It was initially assumed that as most of the funders cared to highlight their

support for various projects, a record of their support would be public and organisations would be obliged to state the support they have received. In addition, private funding sources, like foundations would also want to promote who they have funded and would have lists of projects which they have supported. Although this was the case in most instances, it was also found that especially smaller amounts of funding were not recorded, or partly recorded. In some cases, publicly available company accounts were examined, which in some cases listed sources of funding - this was mainly the case for charities registered in the UK.

The information came from a multitude of sources. First, Google Scholar was searched for any academic articles about the projects, as well as a standard Google search returning sources such as blogs, websites which belonged to organisations, newspaper articles, etc. In many cases, physical sources (books, brochures, reports) were examined. Appropriate articles containing useful information were downloaded or scanned for later analysis.

After all the funding sources, which individual projects received, were noted, a separate survey was made of these funding sources. This helped to answer the question of why has funding been given to organisations. The following categories were noted: funding name, funding organisations, aims and objectives. After the information was collected, a short analysis was conducted to construct the preliminary networks of projects, funders and their relations.

4.6.3 Document Analysis

It should be noted here that a lot of information came from the documents published by the organisations themselves, mainly from sources available online, which in some cases were made by ordinary people, and could not be entirely accurate. Care was taken to cross-check facts against other sources; however, in many cases, the information came from the documents published by the organisation themselves. In this case, this was indicated in the footnotes. Bowen (2009) suggest that “because documents are context-specific, they should be evaluated against other sources of information” (p. 33).

The majority of data related to Leipzig was in German. Relevant documents were translated and inputted into the qualitative data analysis software NVIVO. Some documents were fully translated, in other cases, a summary of the main point was made. Although this was a lengthy process, it has allowed the data from both cities to be compared more easily.

Documents were also consulted continuously during the research process to check and verify certain information, particularly dates and names. In fact, for Yin (2008), the primary use of the documents is to add or confirm information gathered from other sources.

It should be noted that mainly established organisations had written information related to them. This could be explained in two ways. Firstly it is possible that the organisations themselves needed to generate publicity in order, for example, to obtain funding. Secondly, as projects became more established, especially if they performed some public function, there is an interest in a written account of them. Therefore, newspaper articles, interviews or academic research are sometimes produced about the projects they develop. Projects which have only lasted for a few months or years, might not have needed to attract attention or have not received any yet. Thus, it is important to note that apart from the well-documented projects, there was also a whole set of projects which took place on the more informal basis or for a temporary period and for which the information needed to be collected from other sources.

4.6.4 Interviews

The interviews were used as the primary source of qualitative information. All the interviews carried out in the course of the research were semi-structured, carried out in the place chosen by the subjects. A total of 24 interviews were conducted in both case study locations. These interviews ranged from 30 minutes to 3 hours, on average lasting around 1 hour, and were recorded on the phone and transcribed afterwards.

A mix of in-depth and focused interviews was conducted (Yin, 2008). The choice depended on the amount of time offered to the author. For example, members of the municipality usually didn't have as much time. However, the majority of socio-cultural projects representatives had more time. They could be said to be 'informants' rather than simply 'respondents'. Thus, for example in the case of focused interviews, certain events and projects were focused on to explore further during the interview or pieces of information obtained from other sources checked. Thus interview questions were different in these two instances. For example, with in-depth interviews, a question such as "Can you tell me about your experience with state funding?" was asked. On the other hand, with focused interviews, question such as "Can you tell me about your experience with XXX funding?" was asked. Also, Yin (2008) advised asking 'how' instead of 'why' questions as the latter could cause defensiveness in the interviewees. In each case, however, a short interview guide was used, which had background information on interviewees and main questions.

Although it was relatively easy to obtain interviews in Sheffield, there was more difficulty in getting interviews in Leipzig. There could be many possible reasons for this. One potential barrier for scheduling interviews could have been the language. Perhaps some actors in Leipzig did not feel comfortable conducting interviews in English and author's German was not up to the standard of conducting technical interviews in it. Another reason for not replying to interview requests could have been research fatigue caused by too many student projects being carried out in the area. In the house of document analysis, many student projects were found. On the one hand, this was advantageous, as some of them provided valuable information (especially the work of Vecchini (2013) on Spinnerei). On the other hand, it meant that information could not be obtained through the interviews with many potential interviewees not even replying to the consecutive interview requests.

An unexpected and beneficial source of information was secondary interviews. A number of research reports were produced with full interviews transcripts inside (Reichenbach-Behnisch, 2016; Reichenbach-Behnisch et al., 2008). In addition, various municipal publications had interview transcript, with the most useful being Stadt Leipzig (2016), which focused on Nachbarschaftsgarten. Another important source of secondary interviews that should be especially noted was a project and a website "Wunderwesten" which has conducted and published detailed interviews with a broad range of socio-cultural actors in West Leipzig to document the changes in the area¹.

In the case of Leipzig, a lot of information about studied projects and organisations was already available in various documents. Thus, it was especially important to ask questions, which filled the gaps in documents or probed deeper into specific issues. In some cases, the documents themselves were directly referenced, and the interviewees were asked to elaborate on particular points in them. This also ensured that no duplicate questions were asked, which tried to avoid situations where participants' time was not being valued.

1 <https://wunderwesten.de/>

It was also important to obtain the information on the organisations, which did not have much information written about them. This has been more of a case in Sheffield. In Leipzig, the organisation were particularly good at releasing information about themselves through traditional media such as newspapers or having an archive of newspaper clippings on their website. In some cases, this information needed to be checked through other documents, although some inaccuracies were impossible to escape.

The number of interviews in each city was different in both cases. More interviews were conducted in Sheffield, as less information was available for projects there. The number of interviews was inversely proportional to the amount of documentation available but also related to the ease of scheduling interviews in English. The number of interviews conducted was also determined by a desire to keep going until the author stopped hearing new things (Stewart, 2012).

4.6.5 Observations

A number of visits to the areas were made between spring 2015 and spring 2017. During this period, various events were attended, and information was gathered from observation or informal conversations. Sometimes, the author was invited to attend events. In other cases, the author participated in the event without a formal invitation, by simply visiting them after finding out about them on social media. As these were public events and the author did not hide his purpose when asked, it was considered sufficient from an ethical perspective.

During various trips to the case study locations, no formal interviews were taken, but the environment and activities were observed. These observations were made during the informal meeting, conversations, presentations, or during walks through the area. These observations were recorded, when the time allowed, as quickly as possible - in some cases on the phone, in some cases noted down in the notebook. Quick field notes were recorded on either a mobile device or a notebook and then expanded and completed and inputted into NVIVO.

4.7 Analysis and interpretation of the data.

A mixture of deductive and inductive approaches was adopted to interpret the research data (Denters and Mossberger, 2006). Throughout the research process, data from interviews, observation and document analysis was inputted into NVIVO in a textual format. All of this data was then coded according to project name and the funding name. There were also two other categories - "Reason for funding" and "Effect of funding", showing why organisations have been given funding and what effect it had on them. As Bowen (2009) has suggested, the same coding categories were used for documents, interviews and observations which ensured that the data gathered through different methods were integrated together. The data interpretive framework evolved throughout the research process. Throughout the coding process, nodes were merged, new categories were introduced, such as 'gentrification' or 'culture' and a narrative was developed, which in some cases proved the hypothesis and in some cases, has developed a different explanation. During the process, comments were added in the form of memos, which were later coded as well.

To present the results, a timeline was made, describing how the project clusters in both case study locations developed, concentrating on their relation to official municipal strategies. Afterwards, the relationship of project clusters to funding was presented. The narrative was made to contain as much detail as possible as Flyvbjerg (2006) pointed out that "[t]o the case-study researcher, however, a particularly "thick" and hard-to-summarize narrative is not a problem" (p. 21).

4.8 Problems of Validity and Limitation of the study.

In the case of Leipzig, a lot of information came from secondary interviews available in publications as well as from web sources. Care was taken in stating exactly from which sources the information came from. In addition, the information was cross-referenced against other sources. However, despite these precautions, some data inaccuracies may still occur.

Also, in Leipzig, a number of actors did not return author's request for an interview, even after repeated requests were made. Therefore interviews were conducted only with those actors who had agreed to be interviewed. This was counteracted however by using other sources (such as secondary interviews) to find information about those organisations and actors who were not interviewed.

Most of the information related to Leipzig was in German and was mostly translated into English for it to be coded. Due to the author's intermediate knowledge of German, this might have led to some misinterpretation of what was being said and thus to wrong translation, especially in the cases where more colloquial language was used. Where direct quotes have been used, care has been put into specifying the instances where the author himself translated them.

Whilst the methodology of this study is largely replicable, one of the issues with some of the data collected in Sheffield was that some of it came from author's personal experience and informal knowledge gathered during professional work in Sheffield. This element cannot be replicated by other researchers, however, this mythology is particularly suited to practitioners.

Chapter 5 - Introduction to Leipzig and Sheffield

The context and development of Leipzig and Sheffield are presented below, as the background to the empirical findings. This is in light of Couch et al. (2011) advising that comparative studies should be presented “within a proper consideration of the historical evolution of particular places, problems and policy responses” (p.6). They further emphasised the importance of understating the past events which “reinforce or challenge patterns of behaviour and policy approaches leading to certain outcomes” (p. 6). Therefore, the historical and urban development context of both cities is presented below in detail.

The following section describes the urban issues which both of the cities faced and the approaches they have devised to tackle them. For each city, these approaches are divided into distinct phases. The urban development paths of both cities and the methods used by the municipalities reflect those discussed in the literature review. The following sections present a development timeline for both cities, making a link to general trends as well as highlighting the differences.

In addition, a brief property market analysis in Sheffield City Centre and West Leipzig are presented, which provide structure to the phases of milieu development in both cities. Furthermore, the role of central and local government in both countries is important to describe briefly.

Both Leipzig and Sheffield went through major “regeneration” programmes, investing in large-scale projects and mega-events, during which both cities accumulated considerable amounts of debt. So just as the recovery was close, something sudden happened - property market crash in both cases. In Sheffield, this was more sudden and happened because of the global economic crisis. In Leipzig, on the other hand, the crisis was foreseen by some and was not as abrupt. It was caused by the oversupply of housing and subsequent lack of demand.

This moment could be considered as a starting point for the following investigation into the events which happened after the property market collapse. It documents a period when an alternative approach to property-led development was tried, and the role of spatially-focused entrepreneurs in the process. What the property crash has meant is that previous efforts which relied mostly on the market actors couldn't continue as there were no market actors willing to invest in the built environment and both municipalities were in the bad financial situation. As well as this, large parts of the city were still not regenerated, with a considerable amount of visible vacancies.

Not just the date of the market crash or decline is important. When the recovery started to happen should also be noted. In both places, similar market dynamics can be seen - a freeze to the developer projects because of the property bubble burst in Leipzig and because of the credit crunch in Sheffield, followed by the municipalities trying to attract capital and investors back into the city, followed by the change in the market conditions and comeback of investment. In the following section, the urban development context of specific areas under the investigation is discussed along with the property market conditions of both cities which frame the period during which the areas are examined.

However, before introducing the two cities, it is important to highlight the difference in the power balance between the central government and the municipality in UK and Germany, as it is essential for understanding how both cities developed. The main difference is the degree of centralisation between the UK and Germany.

The UK is a unitary state with devolved powers in Wales, Scotland, England and Northern Ireland. There is no elected regional government structure in the UK (Couch et al., 2011) with

local authorities being a unit of government under the central government “focused on service delivery rather than civic functions” (Couch et al., 2011: 17). “Power in England is concentrated in the hands of central government, a number of ‘quangos’ and privatised service providers (for example public transport and energy and water utilities)” (Couch et al., 2011: 17) with local authority power limited by the central government control.

The centralisation of the UK government decides the centre have a higher impact on the way urban development is carried out by the municipalities. This is especially felt when there is a change of government in Westminster. As the two main parties - Labour (left) and Conservatives (right) have different objectives and policies, every change in the ruling party usually leads to the cancelling or drastic changes to previous government’s policies, which in turn has a high impact on the way municipalities conduct their work.

Germany, on the other hand, has a decentralised federal system of government, where each of the 16 Länder (federal states) have power over land-use planning:

“Whilst the central government has a substantial input into urban regeneration policy making, it is at the regional and local levels where the strongest powers are found and where responsibility for implementation lies. The structures of governance of urban regeneration are fairly traditional with relatively good local democratic control, few quangos and limited, controlled private sector involvement” (Couch et al., 2011: 19).

This makes collaborations essential between different tiers of the government. “Furthermore, the nature of the electoral system makes coalition governments a commonplace at all levels of the system, tending to lead to a continuity of policy over time.” (Couch et al., 2011: 18). The Länder government is elected:

“The reform of federalism of 2006 revoked the right of the Federal Government to define the principles of national spatial planning. Instead, both the Federal Government and the Federal States (Länder) are now entitled to make plans for the spatial organisation of their territory, and the Länder have the right to deviate from national plans.” (Wegener, 2010).

Both countries also have different economic models, roughly broken down into Anglo-Saxon and Rhineland:

“The Anglo-Saxon model, which is more closely related to neo-liberal thinking, is associated with, amongst other characteristics, free markets, short-term profit seeking and restricting government actions away from direct intervention and provision of services in favour of market supportive re-regulation. The Rhineland model, in contrast, is associated with, amongst other factors, long-term perspectives on development, based on elaborate negotiations between a variety of societal partners and collective action that benefits both markets and society.” (Waterhout et al., 2013: 156)

Another important aspect to mention is the division of Germany into two separate countries in 1949 with two completely different governments and their subsequent reunification in 1989. This especially had a drastic impact on Leipzig, as will be shown later.

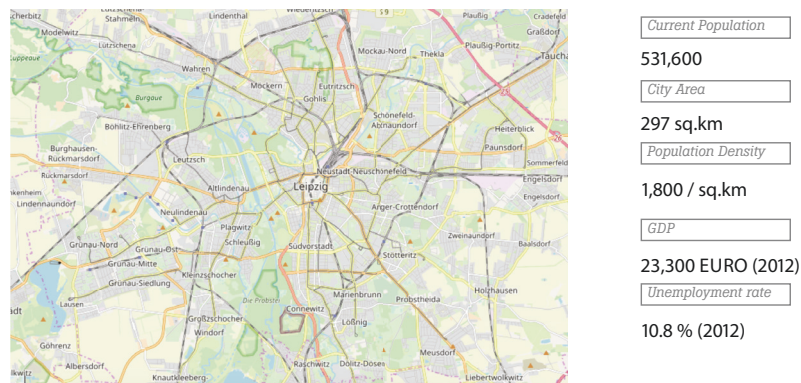


Figure 5.1: Diagram showing key facts about Leipzig; Image: OpenStreet-Map (c) OpenStreetMap contributors; CC BY-SA



Figure 5.2: Renovated houses in West Leipzig; Image: “Leipzig - Plagwitz” (c) PercyGermany (<https://www.flickr.com/photos/9187590@N04/15188393861>) CC BY-NC-ND 2.0; no changes have been made to the image



Figure 5.3: Derelict Altbau building in West Leipzig; Image: “Open” (c) universaldilletant (<https://www.flickr.com/photos/56230769@N08>) CC BY-NC-SA 2.0

5.1 Leipzig

5.1.1 Leipzig - Introduction

Leipzig is located in the Federal State of Saxony 150km from Berlin, 100km from Dresden (Saxony's capital city), and 300km from Frankfurt, 107 km from Czech border and 200km from Prague, and 160km from the Polish border.

The town of Leipzig was founded around 1165 (Grimm, 1995) and has been a trading centre between Central and Eastern Europe since the Middle Ages. Since the 14th Century, Leipzig developed a cultural and educational significance with the founding of Germany's second oldest university there in 1409 (Power and Herden, 2016). Leipzig experienced spectacular growth between the mid-19th century and the 1930s, thanks to the German unification of 1871, industrialisation and expansion of railways, which connected the city to most places in Europe. As well as large industrial sector specialising in machine-building and textiles, the city also had an important trade function with the Messe (Trade Fair) and associated merchant houses. In addition, the city was home to the publishing and printing industry. The city's peak population peaked in the 1930s with 713,000 inhabitants. This was the time when Leipzig for a short period became Germany's fourth-largest city after Berlin, Hamburg and Munich (Bontje, 2005).

The city lost almost 100,000 inhabitants during the period of World War 2. After the war, there was a period of out-migration of mainly young people moving to West Germany before the establishment of the Berlin Wall in 1961. In the subsequent period, more people moved to the new industrial development centres of GDR as well as to more attractive places to live due to "poor housing and environmental conditions due to dilapidation and neglect" (Rink et al., 2011: 9) in Leipzig. In addition to this, Leipzig also experienced a natural population decline. Thus "Leipzig was the only major East German city to experience considerable population losses before 1990 - the population declined from 713,000 in 1933 to 530,000 in 1989" (Power et al., 2010: 110).

After the reunification in 1989, the city experienced a further period of shrinkage, losing an additional 100,000 inhabitants in the following ten years. (Rink et al., 2011: 9) There were three main reasons for this: suburbanisation, which accounted for about half of the losses, movement of mostly young and active people to West Germany, which accounted for about a quarter, and declining birth rates, which accounted for the final quarter (Power et al., 2010: 113).

In the 1990s, the city suffered from a number of problems: "industrial collapse, environmental damage, increasing social problems, especially unemployment, population decline, uncontrolled suburbanisation and sprawl on the urban periphery, housing crisis signified by decay and high vacancy rates, overburdened public administration" (Ploger, 2007: 9). 300 out of 800 companies closed down (Heinker, 2004:161 in Ploger, 2007). Particularly severe deindustrialisation took place in the first half of the 1990s, when "in only seven years - from 1989 to 1996 - 90,000 manufacturing jobs were lost, a decline of 90 per cent" (Weigel, 2006 in Ploger, 2007:10). Unemployment rates were reaching almost 20% by the late 1990s and nearly 25% in 2004. (Ploger, 2007).

Unlike other German cities, Leipzig was less damaged during the war, which meant that many historical buildings have survived not only in its spectacular centre but also in the historical workers quarters surrounding the city centre (Power and Herden, 2016). However, much of this historical core was neglected during the GDR period, as is shown below.

During the 1990s, the city had a building boom fueled by various subsidies and grants. The historical city centre, including the central station and the majority of historic housing stock in the surrounding area, were refurbished. The new airport was built, a high-speed train link service to

Berlin was developed. Also, a lot of new commercial infrastructure was developed including the new Messe Complex and the new Central Business District (Power and Herden, 2016; Bontje, 2005). However, in parallel to a construction boom, the city was also losing population, which only became acknowledged at the end of the decade.

During the 2000s, with all the major regeneration schemes finished, mainly quality of life projects were being implemented to raise the attractiveness of the city. A housing demolition programme was implemented to fix the housing market, and residential areas were made attractive through the creation of green spaces, public transport, cycling infrastructure and the support for social and cultural projects. The reverse in population decline was achieved and the city started to attract young people by the end of the decade (Power and Herden, 2016).

In 2010, Leipzig almost managed to equalise the migration dis-balance with the West German federal states (Rink et al., 2012). However, in 2010 it started to face different problems associated with growth - displacement of some of the previous population of the districts going through upgrading (Haase and Rink, 2015).

5.1.2 Urban Development and Regeneration Context of Leipzig.

After its spectacular growth at the end the 19th Century, Leipzig lost much of its national importance both during the world wars and in the subsequent period when it was part of the GDR and separated from the rest of Germany. The long-term population loss was only reversed in the recent decades. The following chapter describes the urban development of the city following German reunification in 1989 and is divided into three subchapters, each one corresponding to different approaches adopted by the municipality when dealing with urban development and governance:

1. Pro-growth approach (1990-early 2000s)
2. Actively managing shrinkage (early2000s-late2000s)
3. Mediating stakeholder-led development processing (late2000s-now)

5.2.2.1 Pro-growth approach (1990 - early 2000s)

In the first years following the reunification, Leipzig aimed to regain the importance it enjoyed at the start of the century. “In the face of deindustrialization, the city formulated the model of a service metropolis of European importance and produced several concepts for this, such as the ‘media-city’, ‘financial city’, ‘a city of trade, commerce and trade fairs’” (Doehler and Rink, 1996, cited in Rink et al., 2012: 171). It was also hoped that the city would build on its former strong ties with Central European countries and gain a “strategic position as a meeting point of West and East” (Bontje, 2005). A unique model of governance has developed during this period, where various departments within the municipality worked together, forfeiting different party interest, for the sake of city development in the context of growth. The model was referred to as the Leipzig Model (Garcia-Zamor, 2007).

However, a lot of planned municipality-led regeneration activities was happening amongst a wave of unplanned and somewhat uncontrolled private sector-led construction, fuelled by tax incentives and subsidies. In many instances, these two developments went in opposite directions to one another (Nuissl and Rink, 2005; Steinführer, 2004).

The adopted physical regeneration strategies of the period could be grouped into a number of areas, which are either geographical or thematic (Ploger, 2007):

- Refurbishment and upgrading of the City Centre / Central Business District
- Development of the new international Messe Complex
- Attracting investors and employers from service and industrial sectors
- Major improvements in transport infrastructure
- Housing renewal

One of the main projects was the development of the City Centre, or the Central Business District, to become the heart of the East German regions to the south of Berlin which included the federal states of Saxony, Saxony-Anhalt & Thüringen which were home to approximately 8 million people. This objective was partly achieved with the major German banks choosing Leipzig as the location of their headquarters for the region (Grimm, 1995). Historical city core was also refurbished including the renovation of old town hall, churches, merchant houses and shopping arcades. The main railway station was renovated with an addition of a large shopping centre (Ploger, 2007). Because of a sheer number of various constructions projects in the city, Leipzig gained a name of “boomtown of Germany’s east” (Heinkers, 2004 in Haase and Rink, 2015).

A huge new Messe complex was built on the northern city edge away from its original location. The new site was chosen for its good transport links via road & rail network as well as the proximity to the newly modernised airport (Bontje, 2005).

To attract investors from the industrial and service sectors, relocation subsidies were given out by the municipality (Rink et al., 2012), the land was prepared on the city edges where a significant amount of supporting infrastructure was built. To accommodate all the perspective service companies, 2 million sqm. of office space was also constructed in the 1990s (Rink et al., 2012).

Major infrastructure projects include the new fast train link connecting Leipzig to Berlin and Munich, upgrades and new connections to the Autobahn network, upgrading the Leipzig-Halle airport together with a new runway, and the creation of 24-hour flight access to the airport making it into a hub for air cargo and logistics. (Ploger, 2007)

The municipality also tried to attract large companies to the city to replace the jobs lost in the manufacturing sector. It has succeeded in attracting such companies as BMW, Quelle, Amazon, DHL, creating many new jobs in the process. The most spectacular success happened when the city won a bid to be home to the new BMW factory in 2001, for which 250 other cities across the globe competed. Many factors contributed to winning the bid, including large EU and national subsidies, which provided 30-35% of the investment (Garcia-Zamor, 2007: 93-99).

In the area of housing policy during the 1990s, 13 renewal areas with a total area of 600 hectares were created to increase a range of housing offer and to make the city a more attractive place to live. Associated large public subsidies and tax reductions enabled €2-billion of private capital to be invested in the housing market. This not only enabled the refurbishment of two-thirds of the historic building stock but also of newer GDR-built estates on the outskirts (Haase and Rink, 2015).

Due to difficulties connected to working with the historic building stock, such as unresolved restitution claims and unknown ownership structures combined with a lack of developed urban policy at the federal level, a lot of unregulated construction which prioritised quantity over quality took place on the city edges, causing substantial suburbanisation dynamic. In this way, around 30,000 new flats were built in Leipzig and the surrounding county between 1993 and 1998 (Steinführer, 2004, p. 168). This amount of speculative and uncontrolled building on the

city fringe has caused around 30,000 residents to move out of the city (Nuissl and Rink, 2005):

“The end result was an acceleration of out-migration from the city to the suburban areas and the countryside, while many renovated houses in the city remained empty despite their perfect state of maintenance after renovation. Stimulating suburbanization therefore proved to be a policy failure that only increased the already too large housing stock in the region and the inner-city vacancy problems” (Bontje, 2005).

However, this period of suburbanisation was relatively short-lived and pretty much stopped at the end of the 1990s. The main reason for this was the end of state subsidies. Another reason was that the planning backlog was worked through and the local authority was more conscious of unwanted development. Also, the inner city was starting to improve, making it a more desirable investment location and living environment than the city edge (Nuissl and Rink, 2005).

5.2.2.2 Actively managing shrinkage (early 2000s-late2000s)

The period of post-reunification euphoria was to come to an end. At the end of the 1990s, the realisation came that despite all the construction and development throughout the previous decade, the population of the city was still decreasing. While some academic reports have noted a substantial population loss much earlier (for example, Häußermann and Siebel, 1987; Döhler and Rink, 1996), the subject was considered a taboo in German urban politics until the late 90s (Bernt et al., 2014). However, the issue which brought the subject to the public attention was massive vacancy rates of the large housing companies, which was not only causing a problem for them, but also for the respective municipalities and banks. These high vacancy rates were negatively affecting large housing companies, both municipal and cooperative ones:

“For these companies, rising vacancies were an enormous problem, as these led to decreasing revenues at a time when these companies were already burdened with high expenses for debt service (resulting from both renovations and debts they ‘inherited’ from the socialist state). The combination of these effects was so severe that a considerable number of housing companies were said to be close to bankruptcy at the time.” (Bernt et al., 2014: 1754)

Thus the issue was made public mainly through the lobbying of these large housing associations from 1997 onwards (Bernt et al., 2014). A federal commission was set up in 1998 to investigate the housing situation in the new Länder. The commission produced a report two years later in 2000, which stated that around 1 million flats were vacant in Eastern Germany (MVBM, 2000). At that time it was claimed that resorting to a pure market economy solution and letting the worst affected companies go bankrupt was not possible:

“Even if individual sellers declare bankruptcy, the oversupply of apartments continues to exist and could be bought up by potential buyers at debt-free low prices. If due to low real estate prices, the buyers then offer tenants extremely low rents, this would likely cause a further mass exodus of people living in apartments owned by ‘healthy’ housing firms, thus putting them under economic pressure. A pure free-market solution could therefore easily end as a ‘race to the bottom’.” (Bernt, 2009: 761)

Thus, a federal programme Stadtbau Ost was set up in 2001 to assist municipalities in fixing the property market and safeguarding the housing companies from bankruptcy, which was also good for the banks. The programme provided federal subsidies for “smart” demolition (Müller and Siedentop, 2004 in Rall and Haase, 2011) with three main goals:

“(1) to sanitize the housing market by reducing oversupply and thereby saving companies from bankruptcy

- (2) to reduce decay; and (thereby)
 - (3) to 'right-size' cities in a planned way in order to adapt to a reduced population size.”
- (Bernt et al., 2014: 1755)

Stadtumbau Ost was essentially a large-scale housing demolition programme with some additional elements of regeneration. One of the main criticisms of the programme was the issue concerning the differences in priorities of the private and public sectors:

“property owners are interested in a reduction in the supply of housing as efficiently and as quickly as possible. Local administrations and governments must have an interest in a socially adequate solution for the affected neighbourhoods and that might not always be the economically most efficient one. In practice, it has proven difficult to establish policy priorities that all local actors can agree upon, and there are long debates on which neighbourhoods of a city can or should be preserved. Cities are nevertheless in a weak position as the design of such plans is also a matter of resources. In some cities, plans were established by the communal housing companies because local administrations and city governments were too poor and understaffed to do it on their own. Often, it is the most powerful actors in a city who have the best chance of seeing their ideas realized in the final plans” (Glock and Häussermann, 2004).

While complicated market-related issues were being negotiated between large housing companies and the municipality, mainly demolition was happening on the ground (Bernt, 2009).

In Leipzig, 60,000 housing units were found to be vacant at the start of 2000, which was more than the minimum amount needed to be eligible for participation in Stadtumbau Ost (Bernt, 2009). 30,000 of those units vacant units were those refurbished in the 1990s (Stadt Leipzig, 2000). Stadtumbau Ost was a competitive funding programme, where municipal plans detailing the demolition and regeneration programmes, were assessed. In Leipzig, STEP W+S was created for this purpose, on the basis of which the city received Stadtumbau Ost funding in 2001. Most of the demolitions were planned for the GDR housing estates on the city edge, and between 2001 and 2010, 12,000 flats were demolished in Leipzig (Bernt et al., 2014). Some demolition was also happening in the Gründerzeit areas of the city, but these have generated a lot of protests from the local citizens. In 2004, a citizen-led Stadtforum Leipzig was founded with the aim of ensuring “cautious urban development” was happening and important historic districts were not damaged: “The cause of the founding of this forum was the forced demolition of hundreds of listed buildings in Leipzig, often also buildings having a defining effect on the cityscape, using public money” (Haase and Rink, 2012: 9). The forum managed to alter the plans for Stadtumbau Ost and include their recommendations into SEKO, a 2009 update for STEP S+W.

Urban shrinkage was also bad for the municipal financial situation as fewer businesses, and fewer people meant that the city’s tax base was getting reduced. This meant less money for the maintenance of the city infrastructure, costs for which were not decreasing. In addition, more money needed to be spent on local social services like social work and support for the unemployed. This led to a “cycle of abandonment and decline” (Bernt, 2009: 755).

“The city’s indebtedness, which had been around €75 million in 1992, increased up to €860 million by 2000, and the situation was so serious that regional authorities were forced to create a special system to stop generating new debts. To deal with the problem, the municipality has implemented the “Haushaltssicherungskonzept” (Budget Security Plan), according to which public finances should return to an affordable debt-rate within the next five or six years.” (Florentin, 2010)

This financial situation has forced a realisation that “investment in saving all areas was impossible” (Power et al., 2010: 217). In addition to the demolition targets needed to qualify for the Stadtumbau Ost funding, STEP W+S plan contained a number of other strategies under “‘strengthening strengths – weakening weaknesses’ principle” (Heck and Will, 2007). The main aims of the plan were to increase the competitiveness of key areas and to fix the housing market mainly through demolitions (Power and Herden, 2016). Three main objectives of the plan were: “the preservation of the architectural heritage, the extension of green and open spaces, and the creation of a hierarchy of centres” (Florentin, 2010: 89).

Efforts were concentrated on the areas of “special development need” - city centre as well as Gründerzeit areas of East and West Leipzig which had a high number of vacancies in historically-important housing stock. The aim was to make these areas attractive places to live and to increase the housing demand through a number of supply- and demand based measures. Thus, alongside overarching STEP W+S concept, detailed Stadteinplan for smaller areas were made for the areas of East Leipzig in 2003 and West Leipzig in 2005. The plans served as the basis for the application to a number of other funding programmes.

The department responsible for the delivery of the regeneration has been Amt für Stadterneuerung und Wohnungsbauförderung, ASW (Department for Urban Redevelopment and Housing) which was set up in the early 1990s. The department had a special task of coordinating various departments for the purpose of urban development.

The other role of ASW was to attract external funding from the EU and the federal level to the city (Nationale Stadtentwicklungspolitik, 2012). Thus ASW managed to attract €30-40-million from the EU, national and federal sources mainly to the areas of East and West Leipzig. In this way, Sozial Stadt programme was targeted at East Leipzig as it had a higher amount of social deprivation, while URBAN II was targeted at West Leipzig (Power and Herden, 2016). In addition, a number of research programs were utilised to help the city both explore its own issues and learn from other places which faced similar problems. Leipzig 2030 which started in 2001 brought together international experts to help develop urban development strategies for the city (Garcia-Zamor, 2012).

A number of strategies were used to ‘market’ a high number of vacant sites and buildings in the residential areas as an advantage for the city in a similar way to Berlin (Colomb, 2012) with slogans such as “More Green, Less Density, More Individuality” (Blumner, 2006: 17) and “Leipziger Freiheit”.

Various methods were used to boost the attractiveness of East and West Leipzig through symbolic and physical methods projects which utilised many available at the time vacant sites. The strategies were related to a number of categories:

- building owner-occupied housing on vacant sites
- creation of green and open spaces
- creating spaces for experimental and community uses

Selbstnutzer (owner occupier) programme was set up in 2001 as support infrastructure for people who wanted to own their own homes. The programme helped prospective house owners forming building groups, initially aimed at the renovation of vacant Gründerzeit properties (Stadt Leipzig, 2012). As the programme developed, a new-built element was added, which supported groups in constructing townhouses on vacant sites in the priority areas (Haase et al.,

2012). By mid-2006, 97 new townhouses and 115 condominium apartments in 19 old buildings were completed (Stadt Leipzig, 2006, pp. 51–52 in Haase et al., 2012). Although there was no direct funding, the programme coordinated networking and counselling functions, bringing together small developers, architects, building experts and potential owners. Bus tours were organised to the potential sites and the programme was heavily marketed through local media and various fairs (Garcia-Zamor, 2012). Thanks to the programme, a new type of housing offer was created in the areas of the city where previously only high-density apartments were available: “[T]he Selbstnutzer added to the stabilization and [...] structural differentiation of the inner city” (Haase et al., 2012).

A number of strategies were also utilised in order to reuse vacant sites where the municipality “developed a monitoring program through its planning and development office to keep track of property in the city” to identify potential sites for temporary uses (Blumner, 2007: 19). Parallel to this, a whole range of temporary use measures were developed in the late 1990s by the municipality, which were managed by a dedicated officer within ASW. As part of this range of measures, ASW developed special Authorisation Agreements to allow temporary use of the sites, performed mediating role between private users and owners, and provided guidance to the property owners (Blumner, 2007).

Authorization Agreements (Gestattungsvereinbarung) were developed in 1999, freeing participating landowners from the responsibility of looking after their vacant lots in exchange for turning them into green or open spaces. To increase the impact of the scheme, multiple sites were assembled together. Some of these sites were planted, turning them into attractive green spaces. The owners had an obligation to give control of their site for at least ten years. The projects were mostly located in the areas eligible for the support from various area-based improvement programmes - i.e. in East and West Leipzig (Heck and Will, 2007). As part of the programme, ASW worked with other city departments so that for example owners can be exempted from property- or tree taxes (Rall and Haase, 2011):

“The Leipzig municipality waives tax revenue despite enormous financial difficulties. But designed temporary planting has a positive impact on the environs, remedying the lack of greenery in neighbourhoods. As a result, the population has risen slightly, bringing the city higher tax revenues and helping to balance the books.” (Heck and Will, 2007)

As there was more demand from landowners than municipal resources, a selection process was made based on the possible impact of greening on the area where they are located, its “urban development importance” and the level of cooperation with the owner (Heck and Will, 2007). By 201, 134 Authorisation Agreements were concluded for 235 plots of land with the total area of 165,900 sq.m. (Rall and Haase, 2011: 191). Various community groups also became important stakeholders in the process of site reuse by sponsoring some educational programs and running a dedicated website¹ which listed all of the available sites suitable for temporary use (Rall and Haase, 2011: 195).

The city administration also actively mediated and brokered relationships between landowners and potential users through a programme titled “Open Spaces for Residents’ Dreams.” where the municipality helped with various agreements and contracts and performed a networking function (Heck and Will, 2007). Various options and possibilities for getting involved were publicised by the municipality through a variety of events and publications (Blumner, 2007).

These temporary use schemes enabled the creation of valuable green spaces in often densely built urban areas which was achieved with limited financial outlays. This, in turn, contributed to

1 www.flaechen-in-leipzig.de

the strengthening of inner city areas (Heck and Will, 2007). The municipality encouraged these uses as they not only improved the quality of the area but also “keeps all development options open for property owners and local authorities while improving the situation in the short term. This is made possible by the temporal and substantive flexibility of interim planting, which allows local authorities and owners to design and activate existing sites in an uncomplicated fashion.” (Heck and Will, 2007: no pagination).

During this period, various collaborations with local actors were tested, where a number of successful projects were achieved. These have brought praise to the methods adopted by the municipality through many awards given to the actors.

5.2.2.3 Mediating stakeholder-led development processes (late2000s-2016)

From the late 2000s, the property market interest came back to Leipzig, with refurbishment and new housing construction happening across the city. By the end of the 2000s, most of the major infrastructural projects were delivered, and approximately 85% of the pre-1918 building stock in the inner city has been renovated (Haase and Rink, 2015: 238). The municipality was now mainly concerned with making various districts more liveable and mediating the development process led by various private and civil actors. This new role was becoming more important, as gentrification was starting to become an issue and conflicts between different stakeholder groups were starting to develop.

During the late 2000s, there was a reverse in the population dynamics - the suburbs started to shrink, and the city centre was gaining population again. The city was also attracting young people from the surrounding region with 75% of new migrants being under 40 years of age. This period of regrowth which disproved some of the population predictions made in the previous decade was having an impact on the urban development policy (Haase and Rink, 2015).

It is during this period that the city adopted a “softer” governance approach to urban development (Garcia-Zamor, 2014: 6). One of the reasons for this could have been city’s large debts reaching €842Million by 2008 (Bernt and Rink, 2010: 684). Alternatively, perhaps the city realised that some of the social and cultural projects developed by the bottom-up actors in the first part of the 2000s were having a positive effect on the areas in development - activation them and making them more attractive to new residents and businesses. The new set of policies were developed concerned with the “improvement of quality of life of the people. For example, new parks and green spaces were created in the heart of the city. A new strategy was tested, based on enhanced cooperation between policy makers, planners and other stakeholders” (Garcia-Zamor, 2014: 6)

SEKo2020, an upgrade to STEP W+S was published in 2009, as some of the original population predictions had changed - the city was again growing. The importance of local stakeholders is highlighted in the introduction to the document where it states that “the urban development strategy for Leipzig relies on the use of existing potentials and clear priorities. At the same time, it encourages citizens, businesses, educational institutions and civil society actors to actively participate and develop their own initiatives.” (Stadt Leipzig, 2009: 3; own translation). As well as the city-wide plan, also detailed plans for East and West Leipzig were updated. These changes are presented in the next section, where the area under investigation - West Leipzig, is discussed in more detail.

Along with the regrowth, gentrification trends were also starting to be highlighted by a number of critics as well as the mass media, from the early 2010s: “Due to ongoing massive investment in both upgrading and new construction, the social make-up of the whole district is changing in a way that is typical for “classical” gentrification” (Haase and Rink, 2015: 242).

5.1.3 Framing the time and location of the investigation

In Leipzig, large vacancies in the residential sector and the lack of demand at the beginning of the 2000s caused the property market to crash. One of the causes for this was the handling of Gründerzeit housing stock during the GDR times when urban policy emphasised building new system-built housing instead of repairing the old housing stock which “was regarded as being both symbolically and functionally typical of the capitalist society” (Hoscislawski, 1991 referred to in Couch et al., 2005: 126). This led to the considerable dilapidation of the historic housing stock, with many properties becoming uninhabitable, which is illustrated by a 1989 piece in *Der Spiegel*, which described television scenes shown shortly after the reunification of the city’s older housing areas:

“The city is broken. The flats are wet, toilets are dilapidated, there is no electricity; boarded up windows between peeling plaster and damaged beams. Doors don’t work, children are not allowed to play here: ‘Risk of Collapse.’” (*Der Spiegel*, 1989; own translation)

The massive increase in housing supply due to a variety of subsidies available for new construction and refurbishment was also generating housing patterns contrary to the actual market dynamics. Between the mid-1990s and 1996, the federal Fördergebietsgesetz (Funding Area Law) allowed up to 50% (40% in subsequent four years) of refurbishment costs in the first year to be offset against tax:

“These high, indirect subsidies made the refurbishing of old housing stock extremely lucrative for investors with a large taxable income, especially if costs were high and rents low, since the ‘costs’ of investment could be transformed into tax savings for the investing partners involved. As the balance sheet of the investment could be evened out by tax advantages, investors could afford to forego high rental income for a while, as well as to build in areas without apparent affluent demand. Therefore, investments took place largely irrespective of realistic post-refurbishment rents and location” (Bernt, 2012: 3055)

In parallel, the city’s population was also decreasing, leading to the decline in demand, which led to growing housing vacancies. After the reunification, almost 30,000 housing units were vacant. However, this amount more than doubled to 62,500, which represented 20% of the overall housing stock, by 2000 (Stadt Leipzig, 2006 in Power et al., 2010). The city became known as the “capital of housing vacancies” by the late 1990s (Wiest and Zischner, 2006).

These large vacancy rates were leading to lower housing prices, devaluation of sites and a loss of mortgage value (Haase and Rink, 2015). They also meant lower rents, with the rents in newly built flats and older housing stock dropping by roughly a third between 1994 and 2002 (Großmann et al., 2015). In Leipzig, this was a particular issue for landlords as 85% of residents rented privately and only 12% owned their flats (Power and Herden, 2016). These developments, in turn, led to low profits for the development industry and a standstill in investment and subsequent decrease in construction activity (Glock and Häussermann, 2004). This dynamics can be seen from the rent levels and sale prices - with the substantial drop in prices after the end of the 1990s. This can also be seen from the graph showing the number of housing units being constructed (refer to figure 6.1 for reference).

These high housing vacancies also caused a substantial financial burden for the municipality, as more than 40% of the total East German housing stock was owned by the housing cooperatives, wholly or partly owned by the municipalities (Franz, 2001: 31 as referred to in Glock and Häussermann, 2004: 924). This situation eventually led to a property market collapse and the need for the government to step in to fix the issue with *Stadtumbau Ost*, which was discussed in the previous section.

In addition to high vacancies in the housing sector, the city had more than 3,000 brownfield sites in the 1990s. It was estimated that at the end of the 1990s, 800,000 sqm of office and commercial space stood empty in the city (Daldrup and DoeplerBehzadi, 2004).

There were also additional issues related to location and ownership of vacant buildings. Vacancies were not concentrated in particular areas but occurred in patches across the city - with pockets of growth and decline coinciding side by side, which has led the local planners to coin the term “bi-polar city” (Lütke-Daldrup and Döhler-Behzadi, 2004) or perforated city (Lütke Daldrup, 2003). In addition, 80% of vacant sites belonged to private owners, 90% of whom did not live in Leipzig (Blumner, 2006: 17). This was partly due to the restitution laws with similar results to Berlin where the new owners were selling their properties on to property developers (Bernt, 2012).

After the real estate market collapse and the end of state subsidies in the 2000s, the situation for property owners changed. This was mainly an issue for those property owners who received their properties after a long process of repatriation. There was no subsidies or private finance for the repairs as there was no market for it afterwards leading to properties standing vacant and deteriorating over time (Gawron, 2010). This was mainly a problem for small property owners, as the large ones could actually earn money from keeping the properties vacant:

“[R]eal estate funds earn under certain circumstances more on a vacant property by depreciation, than if they were rented out at below the market price. Due to the tax benefits, the owners continue so much better than if they do not rent the building.” (Tobias Habermann interview in Stadt Leipzig, 2016: 18; own translation)

Even as the population started to increase in the 2010s, there were still 23,000 vacant housing units in Leipzig even in 2014 (Haase and Rink, 2015)

At this point, a specific area within Leipzig which would be looked at in the course of the following investigation will be introduced. West Leipzig is a former industrial area with associated workers housing, mainly from the Gründerzeit period made up of a number of separate Ortsteilen (sub-districts), which would be described below. The area which will be examined in the study has roughly the same boundary as that used in original KSP West masterplan (Stadt Leipzig, 2005).

The area was an important centre for industrial production until 1989. After reunification and subsequent de-industrialisation, the area lost its manufacturing function, along with 30,000 jobs in the sector (Stadt Leipzig, 2005). The decline of the industrial sector has led to high unemployment and associated social issues with the area suffering from a number of overlapping deficits - social, urban, economic. However, especially along the river and the canal, there are also pockets of affluence - with a patchwork of affluent- and problem areas happening side-by-side.

During the 1990s in West Leipzig, a parallel development was taking place with both the emptying of former factories and the private-sector-led development of high-end housing and office buildings mainly around the attractive locations around the waterways (BBSR, 2014). In addition, a lot of state-led physical upgrading took place with the creation of green spaces and cycling- and pedestrian infrastructure such as the development of Henrietta Park and Karl Heine Kanal cycle router.

Around 2000, West Leipzig became one of the priority urban development areas through STEP S+W with the interventions in the area aimed at improving competitiveness and restoring the profitability of the housing market to ensuring the long-term security of housing supply (Stadt Leipzig, 2005: 7)

A more fine-grained plan for the area, KSP West was published in 2005. A collaborative and incremental approach was undertaken to create the plan, incorporating results of the various workshop with both local and international experts and practitioners. The plan was very subtle and light-touch incorporating a wide range of possible development scenarios - considering both further shrinkage and population loss, as well as growth.

Both STEP S+W and KSP West have guided how various regeneration funding was spent and where it was targeted. However, unlike the more rigid masterplans in Sheffield, this document served more like a set of loose strategies.

Because of its multiple issues, the area was eligible for a number of different urban redevelopment funding schemes. In fact, the municipality has been very good at attracting a wide range of different funding from national and EU sources to the area - for physical measures as well as for practice-based research.

The growth of the areas can be seen from the data in “Statistischer Quartalsbericht” reports. The area of Leipziger West consists of a number of Ortsteilen: Leutzsch (71), Altlindenau (70), Lindenau (70), Plagwitz (51), Schleußig (50), Kleinzschocher (52). The overall population of the area increasing from 49,265 to 71,123 from 2000 to 2015 (that is 44%). In some sub-districts such as Plagwitz, the population has more than doubled.

KSP was updated in 2009 when population growth surpassed even the former upper estimates. The situation was improving and the district was changing:

“The use of [URBAN II] with its integrated approach, which has enabled in particular the creation of a variety of opportunities for participation with a network of private, public and civil society actors, led to a noticeable development dynamics in the district. This can be seen alongside a constantly increasing number of inhabitants, especially the younger residents, particularly in exceptional high share cultural and creative economy enterprises and actors.” (Stadt Leipzig, 2010: 3; own translation).

In the beginning of the 2010s with the rise of the property market in the city, a lot of construction was also taking place in West Leipzig:

“From 2010-2014, 1,400 housing units in discrete neighbourhoods of the western part of the inner city were upgraded to the upper price segment by renovation or by new construction, representing, altogether, some 7 per cent of the total housing stock. Additionally, within this area, some 3,000 housing units are currently under construction or renovation or waiting to be built. Gentrification has become, in other words, a deliberate strategy to develop the most attractive parts of the inner city that are most in demand” (Haase and Rink, 2015: 242)

Currently, the area can be classed as a mixed-use area, comprising of residential, commercial, social, and cultural uses. The area still has a relatively large amount of vacant spaces and sites, although a number of interviewees have commented that these were becoming rarer.

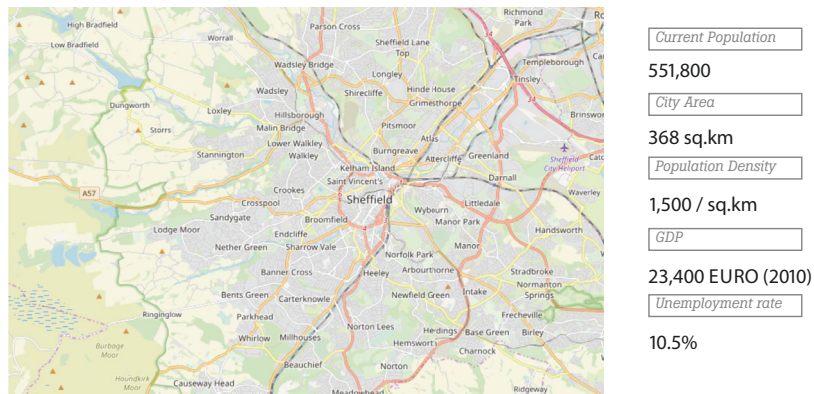


Figure 5.4: Diagram showing key facts about Sheffield; Image: Open-StreetMap (c) OpenStreetMap contributors; CC BY-SA



Figure 5.5: Peace Gardens in Sheffield City Centre, one of the main public spaces; Image: "hmp..." (c) gin soak (<https://www.flickr.com/photos/34891221@N00/2576326032>) CC BY-NC-ND 2.0; no changes to the images have been made

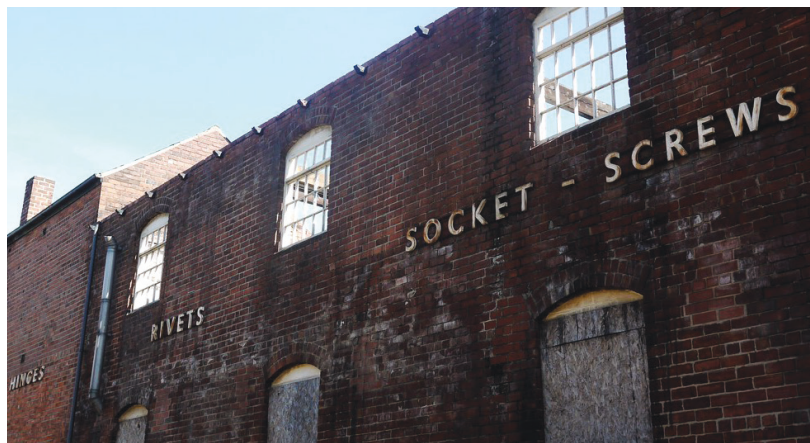


Figure 5.6: Remnants of one of the factories in the Kelham Island area; Image: "Hinges - Rivets - Socket-Screws" (c) the justified sinner (<https://www.flickr.com/photos/54799099@N00/5607010941>) CC BY-NC-SA 2.0

5.2 Sheffield

5.2.1 Sheffield - Introduction

Sheffield is located in Northern England, 50km from Leeds, 50km from Manchester, 100km from Liverpool, 100km from Birmingham; and 230km from London. The Peak District National Park surrounds the city.

Sheffield's historical development and its current form can be explained by its topography and geology. Sheffield was founded in the 7th Century as an Anglo-Saxon settlement, at the point where rivers Sheaf and Don merge. The availability of iron ore deposits, wood for melting the ore and flowing water to power the mills, has enabled metal industries to develop in the city during the Medieval period. Historically, industrial employment areas were located along the two rivers, with housing on the sides of the valley along the river. Wealthy suburbs were located to the west of the city away from prevalent wind directions (Winkler, 2007).

The settlement started to really grow during the Industrial Revolution of 18th Century. Subsequently, a number of production processes such as silver plating for cutlery, Bessemer converter for steel production, and invented stainless steel were pioneered in the city (Power et al., 2010: 150). During the 19th century, Sheffield quadrupled its population to almost 450000, which helped it to gain a city status in 1893 (Winkler, 2007: 7).

Until the 1970s, the city had close to full employment (Winkler, 2007). However, this was to change at the end of the decade. Sheffield was hit hard by the oil crisis of 1974 and increasing globalisation of trade and manufacturing briefly referred to in Chapter 1. The heavy reliance on manufacturing, inability of the local firms to adapt to changes in the market as well as restructuring in the steel and heavy engineering sectors put Sheffield at a considerable disadvantage. In addition, the privatisation of coal and steel industries under Margaret Thatcher after 1979 made the situation worse (Grubb et al., 2016). By the end of the 1970s, the city's industry was unable to compete on the international level. This has led to the closing of numerous firms and associated staff layoffs. The manufacturing sector went from 48% of all jobs in 1971 to 25% of all jobs in 1984. 124 firms have closed between 1979 and 1985, resulting in around 75,000 people becoming unemployed (Beauregard et al., 1992: 419).

Between the 1970s and 2000s, the city population experienced a slight decline while the city struggled to develop new economic sectors to replace the job losses in the manufacturing sector. However, the city has experienced regrowth after the 2000s, expanding from 513,234 in 2001 to 525,800 in 2006 (NOMIS, 2007 in Power, et. al, 2008). Recent population growth has been explained by the immigration and "a high birth rate among immigrant communities" (Grubb et al., 2016: 6),

Although the economic situation of the city improved since the 1980s, still a third of Sheffield's households live in the 10% most deprived wards in the UK, and over a quarter of these households receive income support from the state (Sheffield City Council 2004, cited in Power, et. al, 2008).

Since 2010 there has been a considerable shrinkage of local budget, with 26% reduction of central to local government contribution (HM Treasury, 2010). For Sheffield, this has resulted in around £240 Million budget cuts between 2011 2015 (SCC, 2014), manifested both in resource- and service reductions as well as staff redundancies, including in those departments related to urban development.

5.2.2 Urban Development and Regeneration Contexts of Sheffield

Over the last 40 years, the approach of the municipality to urban development and regeneration has changed dramatically. Mostly these changes have been enforced by the central government for which the local municipality did not have much control. The chapter has been divided into five sub-chapters, each one corresponding to different approaches adopted by the municipality when dealing with urban development and governance:

1. Providing approach in the context of growth (1850s-late-1970s)
2. Radical socialism in the context of decline (the late-1970s - early-1980s)
3. Encouraging growth through early partnership working (early-1980s-late-1990s)
4. Improved partnership working in the context of growth (late-1990s - late-2000s)
5. Austerity urbanism in the context of the recession (late-2000s - late-2010s)

5.2.2.1 Providing and delivering role in the context of growth (1850s - late1970s)

Between 1919 and 1940, Sheffield City Council (SCC) took on a more significant role in housing provision and between, when almost 27,000 publicly-owned dwellings have been built (Watts, 2004, cited in Winkler, 2007). After World War 2, another wave of municipal housebuilding followed consisted of both slum clearance and the building of large modernist housing estates located at key points in the city. Before 1970, half of all household lived in the municipally-provided housing (Seyd, 1990).

For almost 50 years until the mid-1980s, Labour-controlled SCC practised a strand of socialism “of a paternalistic and welfarist kind, with labour-capital relations being relatively conflict-free” (Strange, 1996). During this period, the municipality was committed to a high level of spending for a broad range of local services including education, provision of housing, the establishment of city’s own direct labour force, supporting the arts and protecting the environment (Seyd, 1990). There was at the time little connection between the city’s businesses and the municipality, which saw production as outside of its remit and mainly concentrated on delivering services outlined above. “Although the council played a role in zoning, acquiring, and servicing industrial land, policies for production were seen to lie with the market and national government.” (Digaetano and Lawless, 1999: 564).

5.2.2.2 Radical socialism (late1970s - mid1980s)

At the end of the 1970s, the city was hit hard by both deindustrialisation and severe economic recession (Digaetano and Lawless, 1999). After realising that the city’s current economic base was crumbling, the Labour-controlled SCC for a short time between 1981 and 1983 adopted a more radical economic strategy which was fundamentally in opposition to that implemented by the Conservative party-controlled central government under the newly elected Margaret Thatcher. Strange (1996) has called this period ‘Sheffield’s local socialist period’. Digaetano and Lawless (1999) refer to this period as social reform managerialism.

Local municipal leaders put the blame for the city’s economic crisis on the central government and its macroeconomic policies causing a “severe recession in steel-using sectors” (p. 564) as well as their reduction in spending for the national industries and their subsequent privatization: “Public assets, it was charged, had initially been handed over to the private sector” (Digaetano and Lawless, 1999: 465).

For a brief period in the early 80s, the city shifted even further to the left:

“David Blunkett’s election as Sheffield’s Labour leader in 1980 symbolized the new left’s emergence to power. Over the next five years many other symbols of this new radicalism were prominently displayed: flying the red flag from the Town Hall on May Day, establishing an annual council-sponsored Marx memorial lecture, twinning the city with Donetsk in the Soviet Union and Anshan in China, establishing the city as a nuclear-free zone, contributing £100,000 to the miners’ support fund during the year-long coal dispute and banning *The Times* from municipal libraries during the Wapping dispute. If by the mid-1980s South Yorkshire was a “socialist republic”, then the jewel in the socialist crown was Sheffield - ‘little Moscow on the Don’!” (Seyd, 1990)

This was the time when SCC for the first time was directly involved in job creation and production policy “through public sector interventions in the economy” (Strange, 1996). One of the associated policies was the creation of Department of Employment and Economic Development in 1981: “The department was given a wide brief: to coordinate the council’s activities to prevent further job loss, alleviate the worst effects of unemployment, stimulate new investment, create new types of jobs, and explore new forms of industrial democracy” (Digaetano and Lawless, 1999). On the main ideas behind the works of the department stated that

“Sheffield’s economic reconstruction would not be based upon attracting footloose, irresponsible, corporate capital. A very clear anti-capitalist ethos prevailed and this was reflected in the department’s active support for organized labour in local disputes. Restructuring of the local economy in the interests of labour rather than capital was its goal” (Seyd, 1990: 338).

The newly created department was supporting the development of “useful goods in democratically controlled organizations” (Digaetano and Lawless, 1999: 565). However, the resources which were available to the department, £18 million for the first 7 years of its operation “were minute in comparison to the massive disinvestments in steel and heavy engineering” (Brabazon and Mallinder, 2006: 100)

Without the central government support, these efforts did not last very long and the governing structure was “rapidly dismantled as the Thatcher government imposed fiscal and other restrictions” (Digaetano and Lawless, 1999: 571).

In a way, the above period can be described as the only period where the SCC was making its own economic development path and coming up with unique solutions to deal with local issues, which did not originate with the central government but were made locally. However, the approaches piloted during the period were not allowed to develop and were quickly curtailed by the central government.

5.2.2.3 Partnership working (early1980s-late2000s)

The following period, from the mid-1980s to the late-2000s, was characterised by a phase of partnership working. Two distinct phases were identified during this period by a number of authors - mid-1980s - late-1990s; and late-1990s-2007. Kerslake and Taylor (2004) label these two periods as “Survival” and “Revival”. During the period of “Survival”, the economic decline was partly reversed and early partnerships structures (Sheffield Development Corporation, Sheffield Economic Regeneration Committee, etc.) were developed, some against the will of the

local municipality. During the “Revival” phase strengthening of partnership, arrangements were carried out with the creation of Sheffield First “family” of partnerships, covering the entire regeneration activity arena as well as the creation of “Sheffield First for Investment” and Sheffield One. In the beginning, these partnerships were made up of businesses, with a wider stakeholder interests becoming integrated by the end of the period (Seyd, 1990).

Another way to describe these periods would be to say that during the first one partnership working was trialled with the results which were both successful and the ones which failed. However, during the second period, the approach was perfected. Also, different phases belong to different economic conditions - in the 1990s there was an economic recession, and in the 2000s there was a period of prosperity.

In 1983, Thatcher-led Conservative government gained a second term in the UK Parliament, increasing the pressure on the municipality of Sheffield to change its economic strategy. In the mid-1980s, the Central Government reduced the municipal ability to raise its own money by restricting the amount of local tax it could raise and redesigning the way regeneration funding was accessed with an introduction of a competitive element. In order for the city to receive any of the central government funding, the relationship between the local municipality and big businesses in the city needed to change.

A range of partnerships were created - some of them were initiated by the municipality and some were imposed on it by the national government (Strange, 1997). These partnerships had varying degrees of independence from municipality - some having limited time spans, and others having limited geographical reach. This new range of partnerships, which in many cases shared board members, were tasked with attracting private investment to the city and regenerating the economy. Part of their work was also related to city marketing, changing the city image from that of industrial decline and business antagonism.

The first partnership to be created was Sheffield Economic Regeneration Committee (SERC), set up in 1986 to develop a long-term economic regeneration for the city and the Lower Don Valley in particular. Its board included representatives of SCC, local businesses, trade unions, universities, central government agencies and local organisations (Henry and Paramio-Salcines, 1999). Similarly, Sheffield Partnership Limited was created in 1987 to market the city as committed to economic development. A year later in 1988, a private sector-led investment bank Hallamshire Investments was created with the leading businesses on its board including the City Treasurer. In addition, various other partnerships were created to manage separate projects such as the creation of Science Park and organising the World Student Games (Seyd, 1990).

Large amounts of physical regeneration projects initiated at the time were concentrated in the Lower Don Valley, at the time a desolate landscape of closed-down factories and industrial ruins, an almost blank canvas:

“By 1986 it was recognised that steel and heavy engineering would never return and that therefore an elaborate programme of land reclamation, environmental improvement and alternative development was necessary” (Seyd, 1990).

SERC itself developed a plan for the regeneration of the Valley, which in addition to creating business space and jobs, also included much bolder schemes such as the hosting of Student Games, which is discussed later. This regeneration plan, which needed external funding, was, however, rejected by the central government. Instead, the project was to be delivered by centrally-mandated Urban Development Corporation, tasked with the regeneration of the area in 1988 (Strange, 1997).

Sheffield Development Corporation (SDC), an Urban Development Corporation had a full planning authority and was governed by a private-sector dominated board (Power, et. al, 2008). SDC was given an initial budget of £50 Million and a seven-year time-frame to regenerate 2,000 acres of derelict land in the valley and the aim of creating 20,000 new jobs as well as “‘levering’ in as much mobile capital investment as it could attract” (Raco, 1997). Its main activity consisted of assembling sites through compulsory purchase, decontaminating them and offering them to investors from a variety of sectors. It was also tasked with the creation of infrastructure which would service the sites. In addition to attracting light manufacturing and at the time booming service sectors, large areas of the valley were also given to leisure and retail, with the creation of Meadowhall shopping centre (which had been granted planning permission by Sheffield City Council before SDC began its work) and other low-density developments such as a cinema complex and large box stores. It could be argued that these facilities hurt the development of the city centre.

As well as opening up its organisational structures to new actors, the council was also opening up to new ideas for the regeneration of the city’s economy, moving away from the focus on manufacturing and production. Concepts of leisure, culture and entertainment were being introduced. The city opened up to new investment, in some cases without much thought about its long-term effect on the city: “Between 1986 and 1989, more than one hundred £1 million plus schemes were granted planning permission” (Sheffield City Council, 1988 in Digaetano and Lawless, 1999). During this time, a number of retail and commercial schemes were built in the City Centre, and a business district was developed from a derelict canal basis on the edge of the City Centre (Lawless and Ramsden, 1990). Risks were also taken on many large schemes, which had turned out to be detrimental to the development of the city not only in the short term but also in the decades to come. These projects were Meadowhall Shopping Centre, World Student Games, City Airport and Supertram.

In 1987 Meadowhall, a large out-of-town shopping and leisure centre was given planning permission by the SCC on the site of the former steelworks 3km from Sheffield City Centre. The €250Million project opened in 1990 and at the time was the second largest shopping centre in the UK and one of the largest in Europe (Lawless & Ramsden, 1990). The sheer size of the premises, concentration of shops and good transport connections have made Meadowhall at times equal alternative and a competitor to the Sheffield City Centre amenities (Grubb et al., 2016).

World Student Games was another project, which not only damaged Sheffield’s reputation nationally but also pushed the municipality into massive debts. The idea of bidding for a chance to host the games came out of an external consultants’ report published in the mid-1980s, which was based on the idea of “developing one or more flagship projects that would clearly demonstrate the city’s commitment to regeneration and to the changing image of the city” (Henry and Paramio-Salcines, 1999), attracting investment and at the same time providing state-of-the-art leisure and sports facilities for both local people and tourists. The initial idea was that some of the costs of the games would be covered by the central government and business sponsorship.

The initial bid was submitted without much consideration, and as described afterwards “research-based impact, cost-benefit and market forecasts, and feasibility studies were either nonexistent, ignored, or produced too late to influence the decision-making process. The community was not asked to indicate whether it wanted the event and/or what it was prepared to pay for it” (Roche, 1994: 9). As the original cost estimates escalated, the finances needed to host the games were £177Million, £150Million of which was used for infrastructure (Don Valley

Athletics Stadium, Sheffield Indoor Arena, Ponds Forge swimming pools, Hillsborough Leisure Centre, refurbishment of Lyceum Theatre and Hyde Park flats to serve as accommodation for the athletes); and £27Million for the event itself. Initially developed by a private partnership, which was wound down even before the games began due to large debts, the financial responsibility was transferred to SCC (Henry and Paramio-Salcines, 1999).

As well as becoming responsible for 93% of capital costs (£136Million), the SCC also became responsible for £11Million financial loss which the games themselves generated. As the money required for the games was taken out in the form of a loan, it ended up being paid by the local taxpayers, with every adult paying an additional £25 annually in local taxes for ten years after the games (Seyd, 1993). With the restrictions set on the council borrowing by the central government at the time, the SCC had to implement a number of cuts in the following years, which included public sector worker reductions, closing residential homes for the elderly, public lavatories and libraries (Power, et. al, 2008). The games received a substantial criticism both in the local and national press as well as in the academic literature: “The overriding question is whether so much should have been spent when the opportunity cost is reduced ability to meet other challenges and demands for capital resources which could have been directed at more effective and beneficial regeneration of the local economy” (Loftman and Nevin, 1996). The Don Valley Stadium has since been demolished to save on its running costs (Hart, 2013).

Another large unsuccessful project which should be mentioned here is the development of the tram network connecting Meadowhall to Sheffield City Centre as well as to a number of more distant city districts. The project has received £233 Million from government and £7 Million private funding but was later sold for just £1 Million to a private bus company in an attempt to cut ongoing losses (Winkler, 2007).

The whole regeneration strategy for the Lower Don Valley came under criticism from Strange (1996), who remarked that “the approach adopted was not strategic in the sense that it did not build up into a long-term business agenda for a newly revitalised Sheffield. Rather, it was about the incremental pursuit of relatively short-term opportunities and the dominance of hard-nosed business pragmatism over the relatively ephemeral nature of any wider business agenda for regeneration” (p. 151).

5.2.2.4 Improved partnership working in the context of growth (late1990s-late2000s)

A number of changes took place at the end of the 1990s, which have altered the way urban development and regeneration was governed. The first change was the end of 20 years of Conservative government and the election of Labour to parliament in 1997. This political shift was followed by a number of policy changes, affecting local funding and partnership structure, as discussed in Chapter 1. For a short period, new institutions were created to govern regeneration at a regional level - Regional Development Agencies with one responsible for the region of Sheffield being Yorkshire Forward, which formed in 1999.

The second change was the reorganisation of Sheffield City Council, following the election of Bob Kerslake as the Sheffield council leader in 1997 (Catney and Henneberry, 2016). The year Kerslake was elected in 1997, SCC reconfiguration took place with 14 departments being streamlined into five executive sections and a quarter of Council services becoming outsourced to trusts and the private sectors with new systems being set up to measure and monitor their performance levels. The municipality primarily managed the resources it was given and coordinated a wide range of centrally-mandated initiatives, agencies and funding streams at the city level (Power, et. al, 2008).

During this period, a number of new partnerships were created and old ones reconfigured. An umbrella partnerships body, Sheffield First Partnership, was created in 1998 to coordinate all the other partnerships in the city and to provide a strategic direction for all the regeneration activities in the city, which included city centre restoration, new transport links, enterprise development, and new incubators created through the universities, amongst other things (Grubb et al., 2016). Coordination of this system required a rather complex governance structure - under the main management board were seven specific partnership boards each responsible for their theme (Catney, 2009). Each specific partnership board included stakeholders from the public, private and faith sectors and their regular meetings were open to the public (Power, et. al, 2008). Thus it represented a wider range of interests “specifically, the City Council, higher education, the health services, the private sector and development agencies [...] Unlike SERC, it was also no longer a committee of the City Council but rather an agency in its own right even if it was chaired by the council’s Chief Executive” (Booth, 2005). The model was so innovative, the central government required all the other local authorities to develop similar partnership boards under the name of Local Strategic Partnerships (Grubb et al., 2016).

With the central government idea behind “Urban Renaissance”, major regeneration resources became concentrated in both Sheffield City Centre and the deprived residential neighbourhoods, as opposed to the mainly production-based area of the Don Valley which was the focus of the previous period. “Sheffield’s city centre was identified as an engine of growth for the wider region. It was given its own Objective 1 measure (‘Measure 28’) and a funding allocation of around £35 million (Sheffield One, 2001: 3) to stimulate investment and to create regional competitiveness and growth through support for major capital projects in the city centre.” (Catney and Henneberry, 2016).

Sheffield One was one of the partnerships under Sheffield First Partnership, specifically set up for the regeneration of the City Centre. Created in 2000 as one of the three initial central-government mandated Urban Regeneration Companies, with its geographical scope covering the area within the inner ring road. Three of the main partners were Sheffield City Council, Yorkshire Forward, and English Partnership, a national regeneration agency (Catney, 2009).

It is important to note the high level of experience within the board of Sheffield One: “Sheffield One was chaired by Sir Peter Middleton, former Chairman of Barclays Bank, and its deputy chair [and later also chair] was Sir Hugh Sykes, former Chairman of Yorkshire Bank [who was also the chair of Sheffield Development Corporation]. Its board reflected a heavy bias towards the private sector with 5 of the 11 places going to the private sector” (Catney, 2009). Two places were given to the representatives of the local authority and one to South Yorkshire Women’s Development Trust. The following words of Sheffield One officer (2002, cited in Carney, 2009) are quite telling of the general approach and the attitude of the organisation: “We exist here for business; we are not really here to deal with the local community. Our top priority is increasing business take-up of commercial premises within the city centre” (p. 61)

The main objectives of Sheffield One were to increase GDP and to create jobs. One of its main activities was the creation of Sheffield City Masterplan which was to guide the development activity in the City Centre. The plan built on “Heart of the City” strategy developed in 1995 and incorporated consultation with local employers, community representatives and public sector, as well as external experts. The masterplan highlighted seven key schemes for the improvement of Sheffield, which were named “magnificent seven”:

- Heart of the City project including public space improvements, building of Peace Gardens & Millennium Galleries (a cluster of cultural and public amenities, offices inc. hotels, restaurants, indoor botanical garden and a museum)
- New Retail Quarter

- Improvement to the main train station including the surrounding area
- City Hall & Barkers Pool project to “create a cultural and conference venue within a mixed-used area” (Winkler, 2007: 26)
- Transformation of the historical Castlegate quarter into a mixed-use area
- Improvement of public and private transport network in the City Centre
- New E-Campus (Winkler, 2007)

A lot of national and EU funding was available for the realisation of these projects, which were critical in removing the risks from the projects which were deemed too risky by the private sector (Catney and Henneberry, 2016).

The Masterplan and the physical regeneration it orchestrated was a catalyst for attracting private sector activity into the City Centre. The period between 2000 and 2007 can be considered as a building boom in Sheffield: “In 2005, a study by the estate agents Knight Frank (2005) found that, after London, Sheffield was the second fastest growing city in Britain for office rental growth” (Catney, 2009).

In addition to the publicly-funded projects and commercial space creation, much development was driven by two city universities aimed at the creation of a large number of student housing and new educational buildings in the areas close to the main campuses. However, there was some criticism of this approach: “Residential property development (if not occupation) is booming in Sheffield as land is released for private sector investment. However, the residential and activity mix is not necessarily creating the Creative Sheffield identified in the Core City Prospectus” (Evans and Foord, 2006).

It was not just the quality of the student accommodation which received criticism, with Rousseau (2009), presenting the following remark concerning the quality of buildings being constructed across the city:

“a former member of the Planning Department declared that ‘the Council were so desperate because they were not managing to attract inward investments that they said OK to every property scheme they were proposed. That’s why the projects that happened at this time were such bad quality’ (former member of Sheffield Planning Department, April 2006). Moreover, attracting property developers was not the only problem: throughout the 1980s and 1990s, in a system of fierce interurban rivalry, Sheffield suffered from the structural problem of being comparatively unattractive and yet completely dependent on external investments.” (p. 781)

In 2007, Creative Sheffield was founded as a local economic development delivery vehicle. A separate company, whose board comprised of a mix of private and public sector representatives, owned jointly by Sheffield City Council and the regional development agency, Yorkshire Forward, Creative Sheffield has consolidated in itself Sheffield One, “Sheffield First for Investment” and the “Knowledge Starts in South Yorkshire” partnerships. The newly formed organisation was tasked with developing and delivering Sheffield’s Economic Masterplan.

In the final years of the period, a number of ambitious plans and strategies were developed by the newly founded Creative Sheffield - Sheffield City Masterplan 2008 & Sheffield Economic Masterplan. In addition, a series of more detailed masterplans for the ten City Centre Quarters, which predicted the continuation of growth and development in the City Centre: “In progressing from economic recovery to the transformational stage of economic regeneration, change must be sustainable, business-led and market driven” (Yorkshire Forward, 2008). The delivery of

these plans relied on the private sector and with the municipality mainly controlling and guiding the growth, unaware of what might happen if this growth would suddenly stop.

During the same period and in the areas outside of the City Centre outside of the market interest, an increased level of responsibility and resources were given to the local communities based in deprived areas. As well as becoming part of various partnerships, newly formed community organisations became responsible for the governance and management of specific deprived areas, supported by a variety of European and national fundings, as discussed in Chapter 1.

The funding programmes responsible were SRB from 1995 to 2006, and URBAN, which run in parallel. As described in Chapter 1, these programmes were targeted at deprived areas and required community-based partnerships to take the lead:

“URBAN programme documents stated very clearly that the decision-making process should be community led and that this should be promoted through early expenditure on the necessary capacity building measures. Only when the community itself was ready to lead the process would the remainder of the funds be allocated, according to community priorities” (Bache & Catney, 2008: 421)

A number of civil society organisations emerged to take advantage of this funding. In this way, Netherthorpe and Upperthorpe Community Alliance (NUCA) was established to the north-west of the City Centre to deliver both SRB and URBAN funding, who “went on to develop responsibilities for a wider range of government programmes for the area” (Bache & Catney, 2008: 421) as well as Manor and Castle Development Trust (MCDT) to the east of the city. These newly founded organisations were given responsibility for the delivery of the programmes as well as a “degree of autonomy from the council, which allowed them to expand their organisational capacity and acquire other resources – financial, informational and in relation to political legitimacy” (Bache & Catney, 2008: 421). MNDC was developed in a bottom up way when a local community group developed a vision document for the area and then applied with the proposal for SRB funding. Following a success of this, a Development Trust was created. The structure of the organisation should be quoted in full here:

“The community provided the Chief Executive and a further six board representatives. The partnership also consisted of four local authority representatives and three from the private sector, thus giving the community half of the available votes. Below the board level, there were four local forums through which different communities met to approve projects that came forward for funding. Each of these forums held meetings once a month, all of them open to local residents. To ensure a link between these forums and the board, each forum provided a board representative. In addition, many of the MCDT staff employed were also from the local community.” (Bache & Catney, 2008: 422).

In this way, a number of independent community organisations were formed in response to the opportunity provided by the funding from the central or EU government, as in the case of Manor and Castle Development Trust (MCDT) and Netherthorpe and Upperthorpe Community Alliance (NUCA). In the case of Southey and Owlerton Area Regeneration (SAOR) Partnership, however, it was the municipality that was actively involved in the set-up of the organisation. The organisations have used the funding to build and improve community assets and housing which they owned, preparing to be self-sustaining after the funding run out (Bache & Catney, 2008). It could be said that these organisations were created to directly take over the function of the state in the deprived areas where they operated. All of the organisation are still active today.

However, the community-led New Deal for Communities partnership was less successful. In 2001, £52 Million of New Deal for Communities funding has been allocated to a new

community organisation based in an area to the north of the City Centre for ten years until 2011. As well as spending the money on training, education and health programmes, the aim was in the course of the programme to develop “a portfolio of income generating assets which would be held by a community-based partnership” (Pearson et al., 2012: i) which would ensure the running of the organisation after the end of the funding. However “the failure of the assets to deliver against business projections meant that succession plans were abandoned and the partnership has been formally wound up” (Pearson et al., 2012: i)

The governance of the organisation was complex and should be presented here in full: The partnership boards which governed the organisation consisting of 10 elected community representatives, 3 voluntary sector representatives, 2 business representatives, 2 young representatives, 1 elected local government representative, and 1 representative from each of the following groups - Sheffield Chamber of Commerce, Jobcentre Plus, Sheffield City Council, South Yorkshire Police, 10 Sheffield PCT, South Yorkshire Learning and Skills Council, Sheffield First Partnership, Black Community Forum, Burngreave Community Action Forum. Community representatives were elected every two years. In the evaluation document, it was noted that the “board took time to become established and its early years were characterised by tensions and inward looking questions of process which resulted in a lack of early delivery” (Pearson et al., 2012: 12)

During this period, the City Centre development was guided mainly by higher level complicated partnerships led by experienced people with experience of leading large companies on the board, i.e. former chairman of Barclays Bank. At the same time, community organisations responsible for the redevelopment of deprived areas on the outskirts were mainly led by members of the local community with little experience.

5.2.2.5 Creative Industries Quarter

An area of Sheffield City Centre which was developed through all the periods described above needs to be given special attention as it is there that the concepts of cultural production and social objectives were combined. In the early 1980s, the municipality started to look at the possibility of culture to reverse economic decline. A number of initiatives which were based in a derelict industrial area between the train station and the City Center was set-up and funded by the council (Moss, 2002). A number of independent projects were already in the area at the time like Yorkshire Artspace Society, which is discussed in more detail in the empirical part.

In the early 1980s, Department of Employment and Economic Development started to experiment with new ways of creating employment, specifically in the field of cultural and creative production. Starting in 1982, the municipality funded the establishment of the Leadmill, a musical performance venue with the funds from UK Urban Programme. In 1986 the area was officially designated as the Cultural Industries Quarter (CIQ) with a mission to “stimulate employment in the cultural sector, but also to enhance cultural provision and tourism” (Moss, 2002: 214). The same year, a municipality-owned social enterprise music recording studio with rehearsal rooms, recording and editing suites and training spaces under the name Red Tape Studios were set up with local public finance and UK Urban programme. The subsequent running of the space was funded by the EU. “All this constituted an early and very daring use of taxpayers’ money to seed the development of new sectors of employment, at a time when most UK local government restricted itself to the provision of services to residents.” (Moss, 2002: 214).

At the time, culture was considered a means to an end - as a way to create employment. Partly, this was because of the unemployment in the city, but also partly because of the special funding which the municipality was able to access was for this purpose only (Moss, 2002).

In 1994 the municipality supported the redevelopment of the old tramway building into a creative workspace cluster called Workstation. To realise the idea, central government funding was needed and the only way to access it was to set up independent agencies to draw down the funding. In a similar way to the development of the rest of the city as well as wider national trends, a number of specific-purpose non-profit arm-length organisations were set up to obtain various funding resources to deliver a variety of projects (Conduit, 10.02.2015).

Innovative methods were used to promote the idea, involving famous and influential people, who made Sheffield known around the world and as Matt Conduit, the co-founder of Workstation, mentions:

“the very clever thing that [the municipality] did, [...] was to involve the cultural sector. So they went to Phill Oakey at Human League, and they went to Kevin Bacon at Alexis Studios. [...] [A]t that time, the Human League were Number 1 in the [USA] but refused to leave Sheffield. It was like coming together of a lot of like-minded people and saying: “Well, we are doing this and we are doing this is Sheffield. We don’t want to get sucked into London; we want to do it here.” (Conduit, 10.02.2015)

However, there was a fragmentation of interests in the area, with a multitude of separate newly created companies eligible for significant amounts of national and EU funding:

“The availability of National Arts Lottery funding from 1995 served to emphasis fragmentation. Organisations within the Quarter individually submitted ambitious bids to the Lottery, which readily found partnership funding from European sources aimed at urban renewal and job creation, as Sheffield was a designated area for the receipt of such funds. Three of the major occupants of the Quarter (the Showroom Cinema, Site Gallery, and Yorkshire Arts Space) gained substantial Lottery funding for capital refurbishment or new build in the first rounds of bids, while the new National Centre for Popular Music was awarded £11 million.” (Moss, 2002: 216).

These organisations received funding from a number of other sources, with for example Showroom Cinema receiving funding from Sheffield Arts Department, the British Film Institute and Yorkshire and Humberside Arts (Montgomery, 2004).

By 1996 the area had around 400 businesses, which collectively employed 2000 people. However, many firms in the area relied on public funding, with 66% of service providers to the creative industries in Sheffield relying on public funding in 2001 (Harris, et al., 2001 as cited in Moss, 2002: 2018).

In addition, by the time the rest of the country developed its own cultural strategies around a mix of production and consumption, CIQ was still primarily production-focused: “By 1997, despite the impressive growth of new organisations, facilities and venues, the CIQ lacked a strong sense of place. There were very few shops in the area, and few bars other than some traditional pubs catering for students of Hallam University.” (Montgomery, 2004: 10).

The decline of the CIQ was attributed to two factors. First one was the failure of National Centre of Popular Music Centre, a £11 Million museum which opened in 1999 and had to be closed a year later due to low visitor numbers. The second factor was the plans of Sheffield Hallam University to centralise their campus in the area, which meant buying a lot of property in the area, thus raising prices:

“[T]he National Centre going bust affected everything because politicians run for cover and as soon as the National Centre for Popular Music failed, it was suddenly: “the CIQ is finished, we’ve done it. We are moving on.” So the agency which was set up by that time politically had nowhere to go. Because there was a lot of embarrassment about the National Centre. And coupled with this, Hallam University deciding to centralise their campus. So suddenly there was a huge demand for all the spare land in that area from the university.” (Conduit, 10.02.2015).

5.2.2.6 Post-2007 period of “austerity urbanism”

Major changes happened in 2007. The property boom suddenly stopped with all the major regeneration projects coming to a halt:

“The credit crunch, the subsequent recession and the change to a Coalition government in 2010 fundamentally altered the policy context. And Sheffield’s agenda changed. Kerslake left the Council and Sheffield One came to the end of its operational life in 2007.” (Catney and Henneberry, 2016)

It took the municipality a number of years to fully appreciate the effects of the financial crash. Only a few years after has a new strategy emerged after it was realised that some of the earlier predicted development either would not happen at all or would happen with delays and with substantial cost-engineering applied to them. However, there was still hope that at least some of the flagship projects, which relied on the international developers to construct them, might still happen.

A number of factors which made the municipal regeneration efforts even more difficult were not only the recession and the associated stall in most commercial development, but also the reorganisation of local government, with the abolition of the regional-level organisations responsible for regeneration i.e. Yorkshire Forward, drastic cuts to the local municipality’s budgets, which were discussed in Chapter 3.

The municipality found itself in a difficult position - all the masterplans which it has drawn up in the years prior to the recession were left without anyone to deliver them. Municipality’s main regeneration partners who it trusted, were pulling out, with most of the development activity ground to a halt. There were so many negotiations over large schemes to be dealt with that all of the officer’s time in the first few years were spend trying to minimise the damage which would be done to the city if the developers pull out altogether.

To understand the effects of the credit crunch on Sheffield, first, the origins of the global financial crisis need to be presented briefly, which has roots in the early 2000s. Two factors were key: too much credit being made available in the area of housing and the rise in housing prices (Parkinson et al., 2009) After equities market collapse of 2001, large amounts of capital were invested into new sources comprised of real estate, private equity, hedge funds and asset- or mortgage-backed securities. These mortgage backed securities (MBS) allowed banks to convert property-related loans into bonds which could be sold to investors:

“The investors receive the payments of interest and capital due from borrowers, and in the pure form of MBS carry all the risk of non-payment. The originating bank has moved the loan off its balance sheet and is, therefore, free to issue more loans. MBS, in principle, spread risk which would otherwise be concentrated in a small number of mortgage originators across a large number of investors.” (Parkinson et al., 2009).

The real issue was created by sub-prime mortgages, a large number of which were given to high-risk people who eventually started to default on their debt, with “early estimates that up to perhaps \$100 billion of total \$605 billion subprime MBS could eventually be in default.” In 2006, mortgage defaults led to the collapse of the value of MBS, which led to the collapse of many hedge funds linked to MBS market and then onto the large banks who had invested in MBS market. This was followed by a subprime crisis followed and by a bigger “financial crisis propagated through the pricing of other types of assets, and the impacts on the financing of the banking system. It is the fall in the asset values of the banking system which has triggered the credit crunch.” (Parkinson et al., 2009).

What credit crunch meant in practice was a drastic reduction in the availability of credit from banks and lenders. This has meant that the banks were not lending to the developers to develop the sites which caused a stall in construction activity. As the crisis started in the construction and property sector, it affected that sector the most.

In the UK, the credit crunch itself manifested in the reduction of mortgages and credit, fall in property prices, which led to a contraction of the building industry from 2008. Parkinson et al. (2009) note the pre-crisis bubble conditions which developed in a number of sectors including new flats, which has seen substantial growth in Sheffield. In order for the construction and property industry to reduce the losses, particularly risky developments in marginal areas were abandoned in favour of less risky schemes. Sheffield was considered as one of those marginal areas and suffered considerably following the crash.

An illustration of this dynamics can be seen well in the case of Sheffield, and Sheffield City Centre in particular. As noted by Sheffield Economic Strategy, the recession following the 2007 crash “has fundamentally changed financial markets, putting a sharp halt to the speculative development that has supported the city centre pre-recession” (Creative Sheffield, 2012). It has put a stop to “new construction in housing, office and retail, the reduction or winding down of many public regeneration funds [...] and a general fall in confidence, retail spend and investment.” (Sheffield City Council, 2013), which manifested in over 30 stalled housing sites (with already approved planning permission) in the City Centre alone (Sheffield City Council 2013: 48). These stalled sites were either cleared before the crash or where the construction started but was stopped half-way through. There was also a large number of formerly industrial sites in the central areas which were bought with the aim of redeveloping them into housing - these plans were also put on hold. In addition, there was also a high amount of vacant office space, which was either speculatively built or has been recently vacated, perhaps by people moving into newer office spaces, of which there was a large number.

The lightly regulated pre-recession speculative development phase considerably contributed to the harshness of the crash which followed. Even before the crash, the number of vacancies in newly built development was considerable with Sheffield City Centre Residential Market Assessment (Sheffield City Council & DTZ, 2007: 57) carried out in 2007 showing vacancies levels in new developments being 7-18%.

A lack of confidence and investment in the local property market after the crash also caused a number of stalled schemes throughout the city, which have considerably contributed to the slow-down of city centre development (Sheffield City Council: 2013). This can be seen from the number of submitted planning applications and the number of projects, which have been completed in that period (refer to Figure 6.27). Most of the major projects were either stalled or entirely cancelled.

The major one was the New Retail Quarter or Sevenstone, as it was branded, which was planned by an international developer Hammerson. The developer was appointed by the SCC in 2006 (Sheffield City Council, 2006) with the outline planning applications for the scheme approved the same year (The Star, 2009a). However, the compulsory purchase of land needed for development took a little longer, causing some controversy with the official list of properties to be compulsory bought only being formally approved in 2008 (Sheffield Telegraph, 2008a). The £600 Million scheme was meant to have opened in 2011 (Sheffield Telegraph, 2007). However, the delays with the compulsory purchase of the land and land assembly for the whole scheme as well as the crash have possibly given the developer time to rethink the overall viability and profitability of the scheme. After many delays and lengthy negotiations, the scheme was cancelled altogether in 2013 with the developer pulling out (Burn, 2016).

The other major project was the redevelopment of the Moor, which was meant to start with the relocation of the markets from the Castlegate area. Subsequently, the area of Castlegate was planned to be regenerated, following the demolition of the original markets. Similar to Sevenstone, the Moor regeneration was led by a private multinational developer - this time RREEF, a property arm of Deutsche Bank. The original plan was for the new market to open in 2009 (Yorkshire Forward, 2008), with the construction of the new market and subsequent relocation of old tenants there planned to start a few years earlier. However, similarly to Sevenstone, the financial crash has changed the development climate, with the whole site being almost sold to the Manchester property developer Artisan in 2008 (The Star, 2008) and then two years later finally sold to Scottish Widows (Insider Media, 2010).

However, the relocation of the markets proved to be a difficult point. After years of delay and a number of ownership changes, the SCC at the end decided to take matters into its own hand and to actually become the developer for the site, borrowing the money from the central government to undertake the task (Yorkshire Post, 2014). Finally, the new market opened at the end of 2013 (BBC, 2013), four years after the originally-planned date. This development goes in complete contrast to the enabling function of the state, discussed in Chapter 1.

£2.9 Million public space improvement scheme was carried out on the Moor by the SCC during 2009 (Yorkshire Post, 2010). This could have been a good delaying tactic to show both the people of the city that some activity was going on and that some visible regeneration work was being done - a sort of a distraction from the lack of actual construction. The work was financed by the government, so the local authority itself spent little money. Although there was a catch - the markets would have to be relocated; otherwise their money could be “clawed back” (Ogden, 2009: 21).

The public space improvement schemes were also being carried out in other “regeneration” areas of the city centre - probably with the same aim of showing that at least some development was at least taking place. As the financing for them was coming from a variety of national and EU sources and not from the private sector, it was not affected by the economic downturn. Various public- and greenspace improvements were one of the strategies the city has adopted in this period to make certain parts of the city attractive to the private investors and developers. The council made a series of pocket parks and improvement schemes which were meant to show a willingness of the council to invest in these areas and to subsequently encourage private developers to invest in the nearby sites. Some of these strategies have roots in a number of the INTERREG-funded collaboration projects going back to the early 2000s. One of these projects, tellingly titled “Creating a setting for investment” which ran from 2003 (South Yorkshire Forest Partnership, 2008) “argued that if you wanted investors to move in - you had to improve the local environment to make it attractive” (Parratt-Halbert, 17.11.2015). A number of projects were partly funded through various INTERREG programmes were implemented in the city such as various pocket parks and landscape routes.

The delay in the relocation of the markets also had a domino effect on the renovation of the Castlegate area. The whole Gastlegate redevelopment was centred around the public space which would be created when the ruins of the Sheffield Castle, buried underneath the current market site, would be uncovered following the demolition of the old markets. Originally office and leisure development was planned around the site (Yorkshire Forward, 2008).

One of these planned schemes was West Bar development led by a property developer Casltimore, who planned to build a high-rise development comprising of a luxury hotel, 750 apartment, student accommodation and around 80,000 sqm. of office space and leisure attractions. The project received planning permission, but unfortunately, the developer went into the administration in 2009 which put an end to the project (Sheffield Telegraph, 2011).

As well as the large developments stalling, small developments were also put on hold as the housing market slumped: “Agents in Leeds reported falls in prices of new-build apartments of 30-40pc, pushed down by discounted bulk buys, with similar declines and low levels of transactions in Sheffield” (Ruddick, 2008). This meant that not only a number of projects which were already on site were mothballed, but a number of industrial buildings which were bought speculatively to be converted into flats were left mostly vacant, waiting for the market to pick up again.

The sheer number of delayed projects has subsequently contributed to a high percentage of vacant retail units in the City Centre with 116 shops vacant in the city centre in 2013 (Sheffield City Council, 2013). Most of these were mainly in the buildings earmarked for regeneration projects - either Severstone, Moor development or the Castlegate. The issue of vacancy was already highlighted in a number of reports issued by Sheffield City Council, which in the 2009 “Vacant Shop Strategy” has written:

“One specific issue that cuts across several of the key themes outlined in the above report and which has a significant impact on the economic well-being of the City is the increasing number of vacant retail units. This is mainly due to the delay in progressing Sevenstone and the stalling of regeneration schemes for parts of The Moor. The unoccupied and potentially dilapidated appearance of shops can lead to a negative impact on public perception, business confidence and safety and security in the City Centre.” (Sheffield City Council, 2009: 1-2).

However, the solutions which were developed within the report mentioned above were somewhat questionable with Sheffield City Council backed by the developers of The Moor & Sevenstone proposing “dressing up” the shop windows (Sheffield City Council, 2009). Two separate schemes were developed. Sheffield City Council together with the developer Hamerston launched Sheffield Showcase in summer 2009, a project which made colourful hoardings to cover up the vacant units and building. As the development was not planned to start for the next two year, a strategy was developed on how to continuously change the displays in other vacant shop windows, working with the local creatives and non-profit organisations.

In Autumn 2009, students of both universities were brought in to help with the vacant shops’ issue. Art students were using some of the empty shops for the exhibitions and architecture students developed a set of proposals for the re-use of other units. In addition, a public exhibition was organised to showcase their proposals. Half a year later in 2010, the management of the Moor has commissioned one of Sheffield’s top street artists to paint one of the large fences surrounding one of the vacant sites with the slogans “Everyone’s a winner” and “You can’t go wrong” (Yorkshire Post, 2010). Neither of these schemes used the full potential of the vacant spaces.

At the time of writing, the SCC did not have a map of vacant buildings and did not have a strategy for what to do with them. However, a number of officers were acting as ‘submarines’ (Hentilä and Lindborg, 2003), brokering relationships between property owners and potential users (including arranging viewings), mediating relationships, advising as well as assisting certain organisations and people through a bureaucratic process in terms of rates, health and safety permits. Other practices have included leasing municipality-owned vacant properties to certain third sector organisations. As well as this, the municipality also ran a number of small initiatives to revitalise the city centre by partnering with a number of local actors. These strategies and experiments would be discussed in more details in the imperial chapters.

A European project which continued infrastructure and green space theme for the purpose of area activation has been a collaboration projects funded through INTERREG titled ‘Stimulating Enterprising Environments for Development and Sustainability’ (SEEDS) which run between 2012 and 2015 had an aim to “promote the reuse of vacant sites by working trans-nationally to implement innovative spatial planning policy instruments, and by stimulating regeneration and sustainability across the North Sea Region to create thriving locations in which to live, work and invest” (The North Sea Region Programme Secretariat, n.d.). Comprising of a number of knowledge sharing activities, where members of Sheffield municipality travelled to various European cities, which were also part of the project, to learn about innovative methods, SEEDS also funded some local pilot projects, including Renew Sheffield, which is discussed in the next section.

Chapter 6 - The development of project clusters in Leipzig and Sheffield.

6.1 Leipzig

The section traces the development of project milieu in West Leipzig, from settlement of initial seed projects, to formation of networks and use clusters. The point when the area started to be perceived as a creative is discussed. The discussion concentrated on the role of funding in supporting both seed projects and networking between projects. Thus, the development of individual projects into networks and clusters is traced, paying particular attention to the effect of funding on the development of these networks. The main aim of this section is to show the interdependence of projects, and how the whole milieu has evolved. The connections between various projects are highlighted. The following section discusses the effects of funding on the development of individual use clusters and boundary spanners (Williams, 2002) in more detail.

The development of the project milieu in West Leipzig could be divided into three phases. In the first phase in the 1990s, pioneers settled in the area, creating first seeds for the clusters to come. A lot of these projects developed in a very informal way. Some of these early pioneers were able to secure their spaces on a long-term basis in the following decade, developing them into anchors for what would become Leipzig's creative district (Blond, 2015). In the second phase in the 2000s, clusters of uses developed around first pioneers. This was against a background property market stagnation, resulting in oversupply of space and cheap prices for land and buildings. Socio-cultural projects which developed in this phase mostly happened on short term leases with minimum security, although some organisations were already taking advantage of still affordable land prices to secure themselves a permanent asset. During this phase, various networks started to form between projects. In the third phase, as the property market came back in the 2010s, prices started to rise and available space decreased. The existing projects were either forced to adapt to the new conditions by changing their business models and professionalizing, or they simply moved to other location or disappeared completely. The was the time of network and project consolidation, where networks developed in the previous phase, took on a more political functions, campaigning for certain projects to be protected.

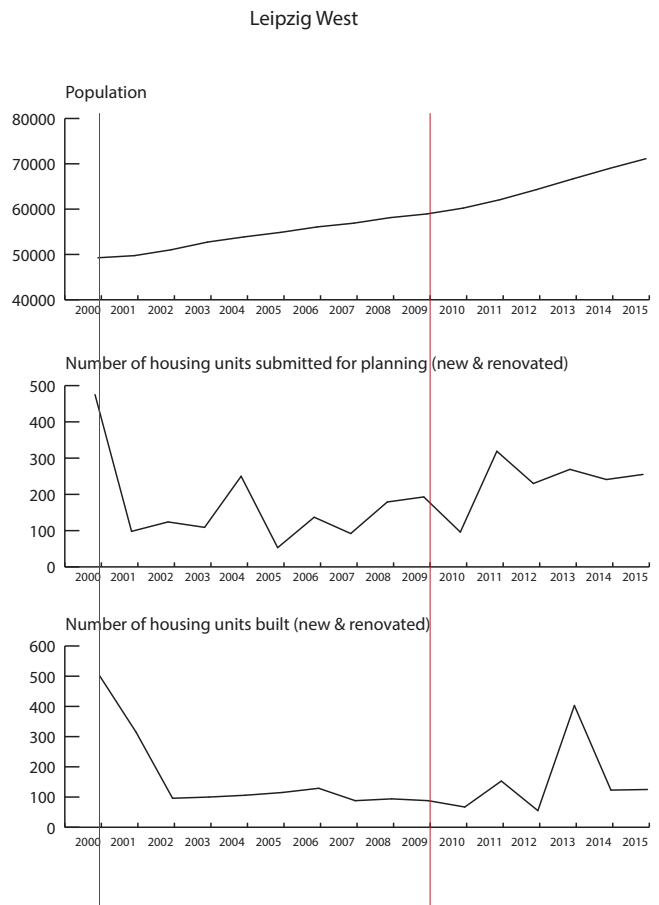
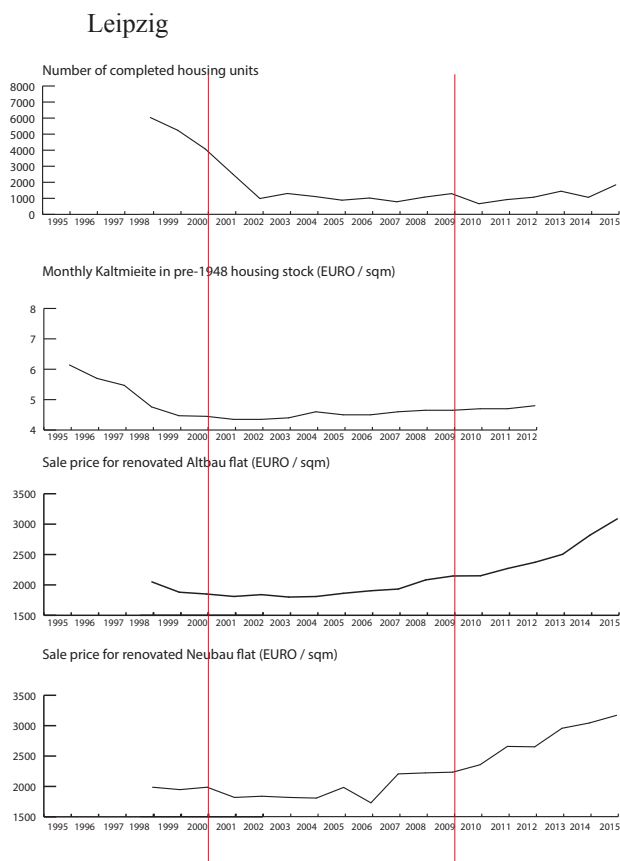


Figure 6.1: Diagrams showing the state of real estate market in the whole of Leipzig and in Leipzig West. Red lines indicate different cluster development phases (i.e. seed, growth, consolidation). Most projects developed in the period between 2000 and 2010. This is the period of stagnation. In the following period in 2010s, the market became more heated, with more applications, and larger rise of real-estate prices. Sources of data: (Stadt Leipzig, 2009; Stadt Leipzig, 2014 & Statistisches Bundesamt Sachsen); Designed by the author.

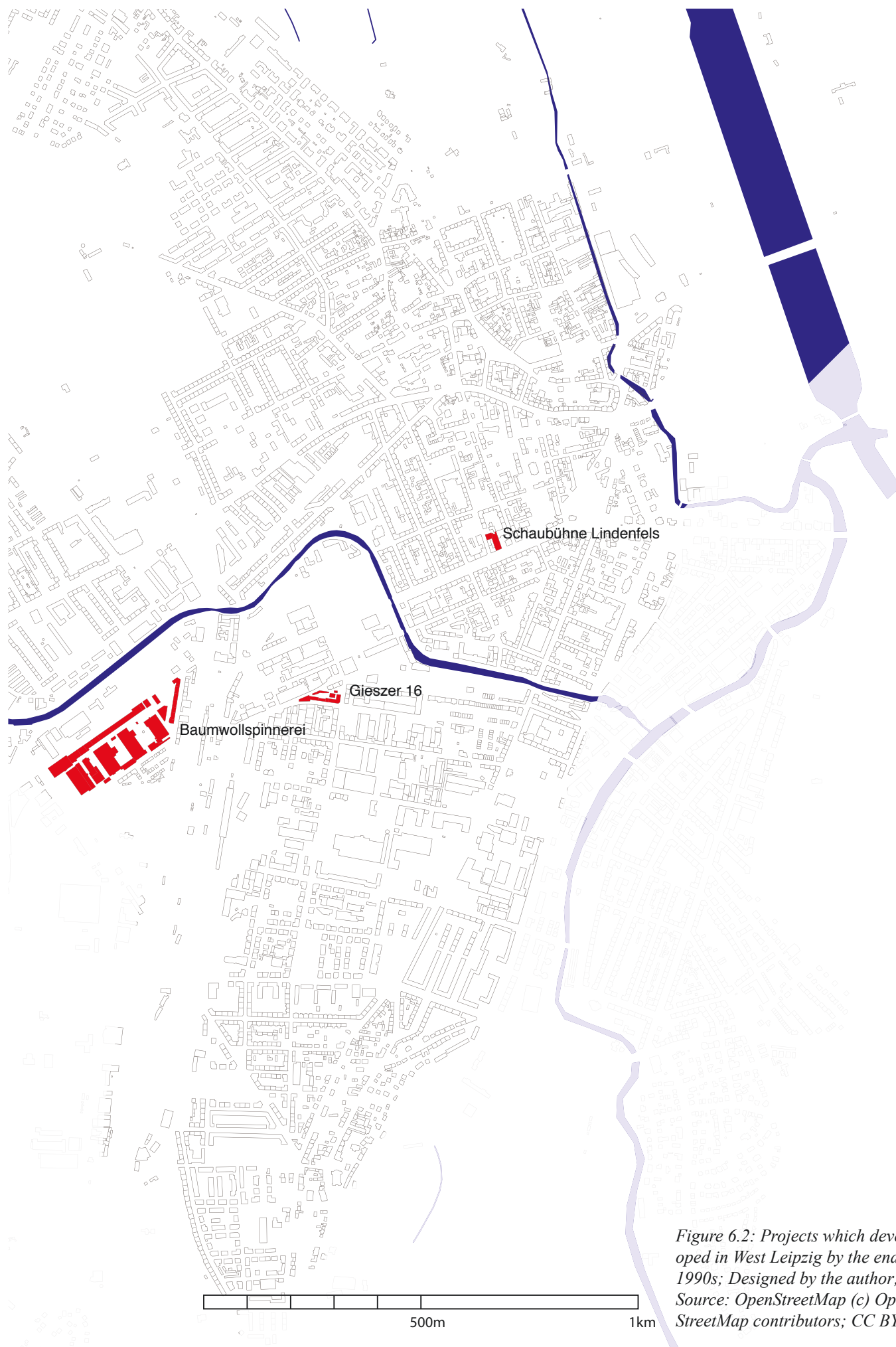


Figure 6.2: Projects which developed in West Leipzig by the end of 1990s; Designed by the author; Map Source: OpenStreetMap (c) OpenStreetMap contributors; CC BY-SA

6.1.1 Seed Phase in the 1990s.

As was mentioned in the previous chapter, West Leipzig experienced considerable decline in the 1990s. The industrial production almost completely stopped, the factories closed and people were moving out of the area. There were not only vacant factories, but also vacant tenement blocks, a large part of which have not been repaired for decades. Former state-run enterprises were getting sold off, and the area was in a state of transition.

As many of the industrial buildings were closing in the area, with the winding down of production, they started to be occupied by creatives. As production was scaling down, some administrators would let the spare space be used for other uses. From the early 1990s, various vacant buildings started to be used for creative purposes, including alternative forms of living. In this way, factories were used as studios and cultural centres, abandoned cinemas as performance venues. This process was facilitated mainly through private means and was more or less organic with little intervention from the municipality, who were at the time concentrating on other parts of the city.

One of the first cultural pioneers to develop in the area of Karl-Heine Strasse was Schaubühne Lindenfels. It was initiated by a young theatre group from Jena, who decided to convert an old cinema in 1993 into a cultural space which combined theatre performances with film screenings, concerts and performances (Eickhoff, n.d.). The initial contact was for 12 years (Reinhardt, 2015). The municipality only started to support the project after four years of its existence, starting with 20,000 DM (Eickhoff, n.d.). The initiators of the projects expanded their artistic activities into the wider area, the co-founder René Reinhardt even ploughing a huge vacant plot with the horse and cart and sowing it with wheat. Jahrtausendfeld, as the project was called, also combined performances and theatre as part of EXPO2000 (Reinhardt, 2015).

In the early 1990s, underused spaces in an enormous cotton spinning mill Baumwollenspinnerei started to be used by artists for studios and workshops. This was the catalyst for what would in the next decade become a cultural site of international importance, as some of the early tenants were Neo Rauch, Christiane Baumgartner, Michael Triegel who would later come to define the New Leipzig School as a world-known arts brand (Schultze, 2013 interview in Reichenbach-Behnis, 2016). Small galleries followed the artist, with, for example, Kunstraum B/2 opening on the site in 1998. By 2001, the building had 60 tenancies - half held by artists and the other half by craftspeople, such as a bike workshop, and various occupants of loft space. Nonetheless, the only managed to take up 6,000 of 90,000 sqm. of useable space on the site (Busse et al., n.d.).

Other buildings in the area were squatted, especially after a change of city policy which allowed negotiations with the squatters to take place if sustainable use concepts would be presented (Stellmacher & Heise, n.d.). For example, Gieszer 16 was occupied under the guise of an art project at the end of the 1990s. (Stellmacher & Heise, n.d.)

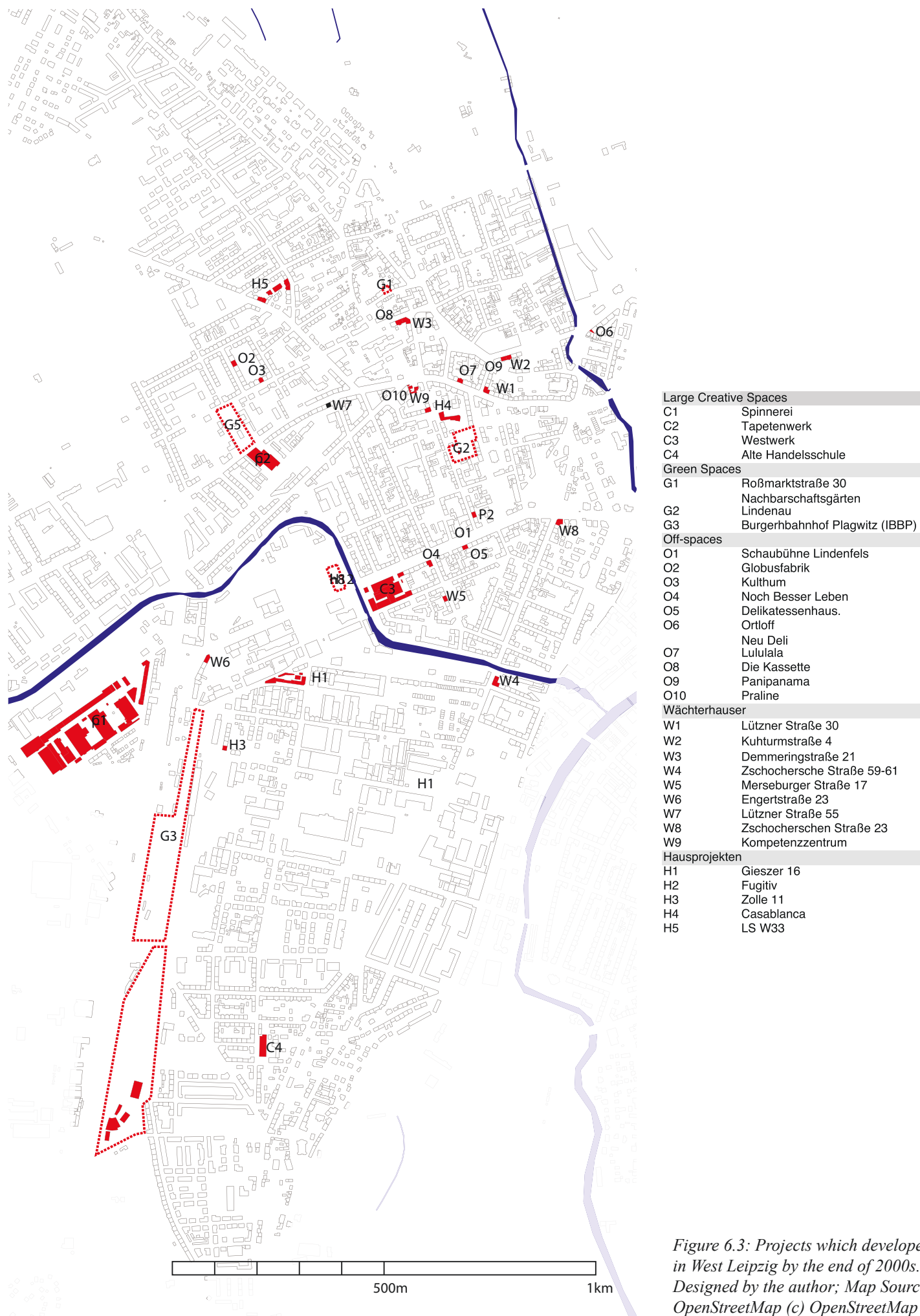


Figure 6.3: Projects which developed in West Leipzig by the end of 2000s. Designed by the author; Map Source: OpenStreetMap (c) OpenStreetMap contributors; CC BY-SA

6.1.2 Growth Phase in the 2000s.

The 2000s are characterised by the settlement of many socio-cultural projects in the area, and the formation of various networks between them, which later grew into clusters of uses. Local residents were coming together to form community groups, in order to carry out physical projects related to neighbourhood improvement. Other networks, like HausHalten developed with a help of the municipality, provided space and facilities for creative uses, and important ingredients for the formation of a creative clusters: creative people and cheap space (Montgomery, 2003). Many projects developed out of meetings and networking between various actors in the milieu. This, as well as the availability of interesting spaces for little money attracted students into the area, who were using the space for living and setting up of various galleries and off-spaces in vacant buildings. At the end of the phase, the area became recognised as a creative destination, a creative milieu.

In the early 2000, a self-organised group of local residents formed around the area of Lindenau in order to improve their neighbourhoods. It should be noted that the founding members were fairly new residents in the area, with its main representative Christina Weiß moving to the area in 1997 (Weiß, 2014). In this way, Lindenauer Stadtteilverein was set up in 2001. The organisation was acting as a liaison (Gould and Fernandez, 1989) between the local citizens and the municipality. Its function was to provide a contact point for the municipality, get the voice of the local community heard by the municipality, and receive funding:

“It is a different story, when you contact the authorities under the banner of Lindenauer Stadtteilverein, rather than as a private person. [...] We were taken seriously by the authorities, even though it was still about private involvement. An association does miracles!” (Weiß, 2014: no pagination)

Creating the association was about getting involved in the city development, so that the city is designed together with everyone who lives there. It was also about exchanging and developing ideas with local, presumably like-minded people:

“The city is not an abstract concept, it is us. Everyone, who works and lives here in Leipzig. We set direction and have to get involved, so that something happens. That’s why a table is important, where everyone can sit and exchange idea. Those people need to come together, who want to do something together” (Weiß, 2014: no pagination)

One of their first projects of the association was the conversion of a wasteland on Roßmarktstraße 30, where many of its founding members lived, into a green space with a children’s playground in 2003 (Stadt Leipzig, 2016). The space was cleared with the public funds (Weiß, 2014).

Based on the success of their first project, the same year, the organisation started to make enquires about converting a number of adjacent privately-owned vacant sites a few streets away from Roßmarktstraße 30 into another green space. At the time, the area was in a bad condition:

“You did not go there at night. There were drug dealers, who set fire to the shacks in turns. A disembowelled sheep was lying [in one place]. For a long time, a burnt-out pony carriage was in the middle of the street.” (Cristina Weiß in Stadt Leipzig, 2016: 9; own translation).

The association researched, found and made temporary use agreements for five different plots of land which made the site in the autumn of 2003 (Stadt Leipzig, 2016: 50). The development of the project was possible through a year-long post, funded by “Ein Jahr für Leipzig” programme

facilitated by a non-profit association Villa e.V. (Stadt Leipzig, 2016: 50). There was also support from Quartiersmanagement (Weiß, 2014). After a temporary use of the site was agreed with various owners, local residents started to clear up the site with the help of volunteers from Internationalen Bauorden (international building order) in the spring of 2004 (Stadt Leipzig, 2016). Various local and external network, and funding were utilised to develop the project in stages. For example, Lindenauer Stadtteilverein publicised calls for materials and tool in the local press, receiving many donation from the local community. Furthermore, the building camp was supported through URBAN II funding, facilities by Quartiersmanagement. As the project gathered more support, further municipal assistance was drawn in in order to access other sources of funding. In 2006 the project received funding from Aktion Mensch and Landesprogramm LOS, which was used to purchase tools to build a straw-bale house on the site (Stadt Leipzig, 2016: 51). Although various sources of funding and support from a whole range of sources in its initial set-up and development phase, no running costs were covered by funding (Karla Müller interview in Stadt Leipzig, 2016: 46).

The project was named Nachbarschaftsgarten and was took up 8000 sqm of useable space. In the following years a woodworking workshop and a bike workshop as well as a community garden. In 2008, a separate association was founded to manage the project - Nachbarschaftsgärten e. V. With the initial successes, which included extensive press coverage of the project, the residents started to pressure the municipality into setting up a participatory processes, which looked at participatory development of area around the site (Stadt Leipzig, 2016). Thus, they encouraged the municipality to concentrate their efforts on the area they wanted to see improved.

Through the years, the project developed into a model project, showing collaborative and productive relationship between citizens and the municipality, who not only developed the gardens themselves, but also of the whole area - creating a pedestrian street, building a kindergarten, self-build model housing, and renovating the abandoned houses around the site (Stadt Leipzig, 2016). With around €915,000 from the city, €7,000,000 was invested by the private sector (Karsten Gerkens in Stadt Leipzig, 2016: 48).

Out of the initial collaboration between the municipality and members of Lindenauer Stadtteilverein within the context of Nachbarschaftsgarten, an idea emerged to develop a schemes, which would look after the dilapidated vacant buildings whose owners did not live in Leipzig by offering them for creative uses on a temporary basis - thus the idea of a Wächtershaus (guardian house) emerged:

“From the temporary use of land in 2004 we developed the temporary use of buildings. Because we thought: what works for land, can also work with buildings. As Astrid Heck, coordinator for urban II Stadtraum und Verkehr (urban space and traffic), and I had breakfast together with Christina Weiß [co-founder of Lindenauer Stadtteilverein], the following scenario revealed: We knew that we needed someone who would take care of vacant, unrenovated and dilapidated buildings in Lindenau, when their owners did not live in Leipzig. Christina Weiß defined the term as a Wächter (guardian). Based on this, the terms Hauswächter and the Haushalten followed. [...] In autumn 2004 the HausHalten eV was founded” (Kerstin Gall, ASW, interview in Stadt Leipzig, 2016: 14; own translation).

HausHalten went on to develop a whole cluster of 11 Wächtershauser in the area, which provided cheap space to creative people and students who wanted to experiment with various forms of artistic production, new forms of living and working. The first three Wächtershausen opened in 2005 within 200m from Nachbarschaftsgarten (Heck, 2006; Schimkat, 2013). These housing would attract a younger demographic into the area, with 50% of its users being students. Associations and separate projects, which in time would spread beyond the initial Wächtershaus would develop in the following years. The tenants of Wächtershaus would develop

galleries and other public functions, as for example A und V Projekt und Hörgalerie, which developed in the first Wächtershaus:

“This house was already a Wächterhaus [which] started in 2005. It was the first Wächterhaus. There were already some people living in there. And also there was a project space downstairs [...]. It was like FoKü - kitchen for everyone. There were three of us and we came into this house and had our studios here on the other side of the lower level. And then we asked the people who were already living here to do a project with us [...] and we founded A und V Art and Project space.” (Schimkat, 03.10.2017)

Later, the tenants, which came together through running of the gallery space, decided to rent the house by themselves, and buy it as an association a few years after:

“And then we did this art space for three years. The Wächterhaus time finished and we made the contract with the owner of the house, that we want to stay here and we want to organize everything by ourselves - do the housekeeping like the Wächterhaus, but without the [Haushalten e.V. association]. And when we had this 3-year contract, we decided to buy the house. We knew that we could work [well] together because we organised the artspace in a collective [way] without hierarchies and tried to do it in a democratic and collective way.” (Schimkat, 03.10.2017)

A cluster of Wächtershaus developed in the area, with the main headquarters of Haushalten also being located in the area. This served as a knowledge hub, where not only Wächtershaus tenants, but initiators of other co-housing projects could access information and advise. In total, 11 Wächtershaus developed in the area. In its setting up phase, the association was heavily supported by the municipality, which helped it to access a whole host of EU and national funding. This funding helped not only to develop the organisation itself, but also allowed it to pilot and perfect first projects. Furthermore, funding helped to spread the models developed to other communities and cities across Germany, embedding the association in a whole host of national and international networks, as is discussed in detail in the next section.

Other vacant building started to be used for collective living forms. This was different to normal housing by having much more public function in the building. Most of these projects had a public space on the ground floor, which was not only available to local organisations, but also hosted a series of activity, which provided a networking functions for the members of the cluster. At these events, members met, knowledge and know-how was exchanged, spreading the idea, leading more people to start their own projects.

In 2003, a group of young people rented one of the abandoned houses on Zollschuppenstraße, a short street with six houses on it, all of which have been vacant. In fact, in KSP West, the development plan for the area, the houses on the street were recommended for demolition as they were thought to create competition with other better housing areas. In the plan it was also recommended not to fund any renovation work on the street (Stadt Leipzig, 2005: 36). In 2004 some of the new tenants founded an association Zollschuppen e.V. with an aim of regenerating the street and the surrounding area. Their first project was the renovation of one of the houses which the members of the group both lived in and where the association was based. The following year, a street festival was organised, where a meeting with the owner of another house on the street and potential residents took place. Since then the organisation has engaged in a number of socio-cultural projects in Plagwitz (Zollschuppenverein, n.d.). This way, a network developed around the street.

In 2000s, Spinnerei also became into a creative clusters of international importance. In 2001, as “the bottom had already dropped out of the overheated property market of the post-reunification

period”, a group of investors bought the entire Baumwollenspinnerei site (Busse et al., n.d.). In 2003, more commercial facilities like an art supply store and a restaurant moved into the Spinnerei cluster. Other galleries stated to move in as well, like Eigen + Art Gallery, which settled there in 2004. “On the 1st of May 2005, the galleries officially opened their new spaces, with a spectacular open weekend that received well over 10,000 visitors. Overnight, we put Leipzig on the global art tourism map.” (Busse et al., n.d.). Galleries were networked together, with the network organising a regular Rundgang, or a joint opening which amplified the impact of each participant. The international recognition of the New Leipzig School and the fact that the galleries representing its artists were located in Spinnerei has drawn the representatives of the global art market to the Spinnerei:

“The opening of several new galleries in a former cotton-mill complex in Leipzig last April drew international collectors arriving in private jets. “Many American collectors grab into this pool of Leipzig very blindly,” Rauch observes. “They buy it from the trademark. ‘Is he young? Does he come from Leipzig? Then I buy it.’”” (Lubow, 2006: no pagination)

By 2007, Spinnerei managed to attract more international attention, with an article in the Guardian (Burn, 2007) referring to it as “the hottest place on Earth” with reference to Joachim Pissarro of the Museum of Modern Art in New York who described the New Leipzig School as such.

From 2005, many bottom-up gallery spaces and cultural projects opened in the area around Karl-Heine Straße and Lindenau. For example, Delikatessenhaus was founded by a group of art educators as an exhibition and workspace on Karl-Heine-Straße to showcase both local and international up-and-coming artists through a regular programme of events. Similarly, Galerie Sommer, Galerie KO and Kolekcja Polska developed in the area of Lindenau. Later, die Kasette, Lalalulu, and Para Pluie opened in vacant spaces around the area between Wächtershauser and existing art spaces (Ortloff, 2008). Noch Besser Leben, opened in 2006, started as a combination of an art project, a self-service bar, a concert venue, and a small guesthouse, hosting regular music events, readings and cultural event on the donation basis (Schernbeck, n.d.). Before the space was turned into a bar, it hosted a number of art events, including a 24-hour exhibition with 50 artists.

Other spaces developed which combined galleries and accommodation for artists and students who managed the spaces. In 2007, three students founded Ortloff, converting a vacant unrenovated three-storey house into a combination of living-, individual studio- and gallery space. Same year, a young French artist who had studied a semester at Leipzig has bought an unrenovated house on Josephstraße, turning it into a space for artist residencies and exchange programmes between France and Germany. The same year, he co-founded an association Fugitif to manage residencies and various cultural programmes (3VIERTEL, n.d.).

The amount of creative and social projects which were able to develop in the area at the time has been partially attributed to a significant number of vacant buildings and sites and resulting relatively cheap rents and purchase prices:

“The vacancy rate here in Leipzig was the reason for everything. There was just infinitely more leeway. In addition, a relatively large creative scene that was looking for such a leeway. But these were the initial conditions, which could take place in developing Leipzig” Tobias Habermann (QMLW) in (Stadt Leipzig, 2016:18; own translation).

“In the times of emptiness, this was a huge playground here. You could try everything and see if it works.” (Roland Beer in Stadt Leipzig, 2016:22; own translation).

“Unrenovated and usually vacant workers’ tenement buildings could still be purchased for under 100,000 Euros until recently. These buildings close to former industrial areas have served as foundations for a variety of bottom-up projects and initiatives, experiments with low-threshold strategies often experimental and innovative concepts of appropriation of vacant properties.” (Michael and Goodinson, 2014: 147, own translation).

The presence of an art school in the city has been important for bringing both students and artists to the city, who saw potential in its un-used urban fabric. Rene Reinhart, the director of Schaubuehne Lindenfels mentions that it required the view of an outsider to appreciate the potential offered by all the vacancies and cheap spaces: “Most guests from abroad saw the potential straight away, guests from West Germany sometimes, but the locals never” (Reinhardt, 2015; own translation).

Another networking vehicle and an important catalyst for the development of the area have been Westbesuch and Westpaket - a series of activities combining events, flea market, food & activities, initially started along the Karl-Heine Strasse in 2006. The event was a result of various interactions between cultural actors who have at the time lived and worked in the area - members of Schaubühne Lindenfels, Noch Besser Leben, Delikatessenhaus, Galerie Sommer & Galerie KO, as well as the main organiser Steffen Balmer. During the event, various cultural spaces, shops and venues hosted a special programme of activities. In 2006 there were 20-30 stalls, a couple of exhibitions in vacant shops along the street, an evening concert and around 500 visitors. In 2007, the event took over the whole street and attracted people to the area from the whole of Leipzig (Balmer, 2014). The event has been attracting around 5,000-10,000 people to the area, depending on the weather. During the event, the whole of Karl-Heine-Strasse has been closed off for traffic. Rene Reinhardt from Schaubühne Lindenfels, one of the original initiators of Westbesuch notes a reason for organising the event: “We wanted to show people in the hope that they stay, rent the vacant shops and sell their stuff from them. Until 2006 it was not imaginable that this street can come alive” (Reinhardt, 2015; own translation). Thus, these events were important in bringing new people into the area, connecting them to the local network, in the hope that they would themselves develop vacant spaces into exciting projects.

In 2007 two large factory complexes were converted into creative clusters, comprising of spaces for work, events and hospitality. Each of the complexes was developed around different principals and aims, which will be discussed later. One of them was 8,000 sqm Westwerk, and 6,000 sqm Tapetenwerk. As the CEO of Westwerk remarked:

“I think one of the main reason that Westwerk was initiated in 2007 is because of Spinnerei, because we are on the main road to the real city center to Spinnerei, and then we have the view that all the people from the city center they have to pass and they have to see that we are here” (Vecchini, 2013: 46).

In 2008, many independent cultural spaces and projects described earlier formed a network - Netzwerk Unabhängiger Kunsträume Leipzig Lindenau (Network of independent art spaces Leipzig Lindenau). The network organised a regular festival, where participating galleries would open on the same weekend.

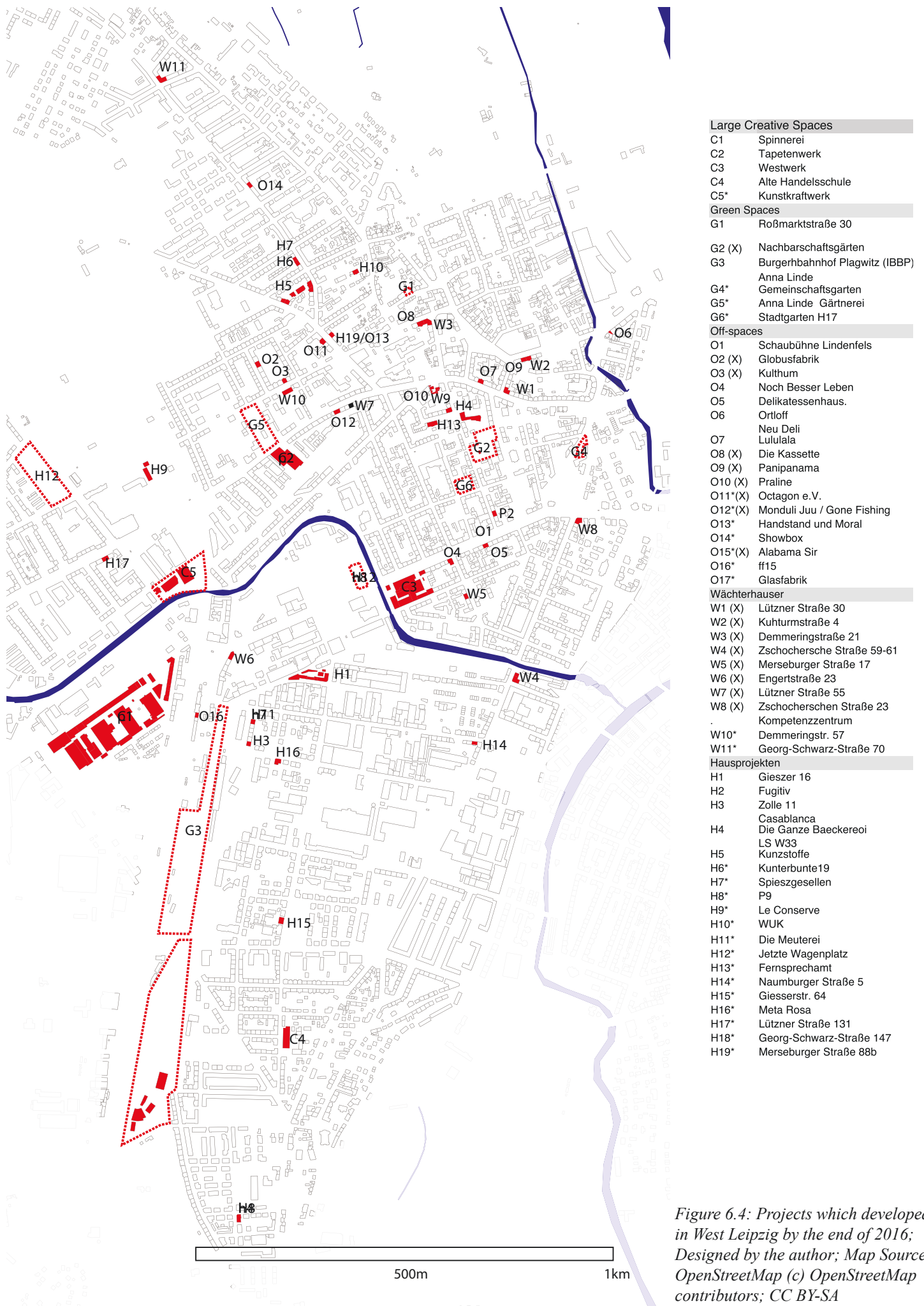


Figure 6.4: Projects which developed in West Leipzig by the end of 2016; Designed by the author; Map Source: OpenStreetMap (c) OpenStreetMap contributors; CC BY-SA

6.1.3 Consolidation Phase in the 2010s.

Starting roughly from the 2010, the property and real estate market interest returned to the area of West Leipzig. The vacant properties, which became seedbeds for projects in the previous phase, were becoming more scarce. Also, the prices for already available space were also increasing. This had a knock-on effect on individual projects and project networks. Firstly, it forced many projects to professionalise their operations by changing their operational models in order to generate higher more revenues. The ones which have not been able to adapt to new conditions have either moved to other parts of the city or have ended their projects. At the same time, a small number of new projects were able to start in the area, operating in a different way from the start. While the projects in the previous phase were mainly organised around temporary and short-term leases, projects in this phase were opting out for more permanent ownership structures, which also operated with different models. This led to formation of new networks, like Haus-und-Wagon Rat. At the same time, there was a solidification of networks formed in the previous period changed their role to campaigning, lobbying municipality for the more socially-conscious area development.

In 2013, €0.9 Million of ERDF funding was invested in the physical improvement of Josephstrasse, on which Nachbarschaftsgarten is based. A few years prior to this, a lot of private innovations is carried out on the adjacent streets. And a new kindergarten is built (Stadt Leipzig, 2016). The process through which have been developed involved local residents through many workshops with municipality:

“Nachbarschaftsgarten was a good project because it [brought together] the neighbourhood and artists and all the development came from bottom-up, from the people who were living there. But at the end it is a very nice street now. It was very expensive - the [renovation work for] the street. But also the houses around are also very expensive now. The houses in the Josephstrasse are owned by the people who were part of this process, so this is quite good. The people are still there and they have build their own place, so this is a good thing.” (Schimkat, 03.10.2017)

Already back in 2011 there were discussions about the possible purchase of the site by the association, however no action was taken then. In 2013 the use of Nachbarschaftsgarten came under threat, when half of the site, owned by a Swiss owner, was put for sale. The Nachbarschaftsgarten e.V. did not want to purchase the site at that time (Stadt Leipzig, 2016: 56). The users pressured the municipality to purchase the site. But without a financial contribution by the association this was politically not possible. The municipality came under pressure when it could not purchase the land of Nachbarschaftsgarten from the owners once its existence was in danger. However, the municipality at least attempted to assist the actors:

“Through various discussion, Karsten Gerkens was willing and eager to use EU funds for the purchase of brownfields. This led to clashes with the state government in Dresden who found this measure unnecessary. But they were not really aware of the issues because they had no experience with similar developments. We were there in Leipzig much further. That would have been a time when the city council would come together and work out how to create appropriate conditions.” (Sven Riemer interview in Stadt Leipzig, 2016; own translation)

At the same time, the community itself was also not willing to buy the site:

“Sums of money were mentioned which none of us had in their piggy bank. It was about liabilities, loans and charges which would have to take on every individual. The dimension was daunting. For me it is unrealistic to take a loan for 100,000 euros, so that the gardens would remain.” (Karla Müller interview in Stadt Leipzig, 2016)

The end of the project was seen as a turning point for the area, which led to the disillusionment of groups with the way city development was happening, which did not take in their views into the account. That was a chance, when ownership was considered as the only option to keep assets in public use:

“We try to, but it is not that easy. I tried. I was also part of Nachbarschaftsgarten. And I tried there to organise, and get in touch with politicians, and say to the city government: “Hey people, you have to keep this place. This is what made this area great.” But it was impossible. This development showed me that I nearly have no voice. Before this development, I always said: “We have the voice. We are part of this city. We are part of the development of the city.” But after this, we lost. The only solution is to buy space.” (Schimkat, 03.10.2017)

This case had two effects. Firstly, it showed the fragility of temporary use, that with a sudden change of owner, the use can be threatened. And without ownership, there is no way to save that use. It also showed that sometimes campaigning and the will of municipality is not enough, especially when private ownerships and the need for the municipality to spend money for possible purchase of the site at market rates is in question. The public funding instruments were simply not structured to finance a purchase of land and properties on the market for community use, it had a different purpose. The sums for the purchase are much greater than for activation, and political frictions get in the way of decision, especially when public finances are constrained in the times of austerity. In the case of Nachbarschaftsgarten, the state support went into the development of the project but no resources have been available to make it permanent.

These realisations has led to the change in tactics of the networks, to bigger emphasis on ownerships and permanence. A number of public projects were facilitated through an ownership model, where groups would buy houses, and then offer certain spaces in them for the community use. Like in the case of A und V:

“I know now that you only [can] keep free space when you buy the space and give it back to the people. Like this corner shop - the association bought the house, and now has the possibility to give it back to the people.” (Schimkat, 03.10.2017)

Most of the original Wächtershäuser, initiated from 2005 were finishing their five-year leases. A number of them have been “released” either through the tenants buying the buildings or getting a full lease. Other ones finished without the extension of the lease with tenants having to leave. However, as this limited time frame was specified in the original contract, there was not too much conflict between the temporary users and owners. In some cases, the tenants who could not get their lease extended have been able to come together collectively and purchase a house in a different location (Große, 2012). Secondly, it was difficult to find any new houses:

“The concept of Wächtershäuser will become extinct here in Leipzig in a few years. There are hardly any suitable corner buildings. Even buildings in gruesome condition are already bought, because there is a lot of cheap money on the market” (Shwarzel, 2014: no pagination; own translation).

Due to this lack of suitable properties in West Leipzig, many new Haushalten projects started happening in the eastern part of the city, which still had a lot of social issues as well as physical decay and vacancy. Others were also looking for the new spaces there as well (Geßner & Delev, 2016). This reduction in the available Wächtershäuser was having effect on the network of users. As they saw that no new Wächtershäuser were appearing in the area, they started to look for other ways to access spaces.

This reducing of cheap living space, which before was available through Wächtershäuser, and the rising rents in market housing sector was leading some people to consider other more permanent housing options. A development which would set the tone for the next phase of development was the appearance of the first Miethäuser Syndikat projects in Leipzig at the end of 2000s. In 2009, a group of people associated with Zollschuppen e.V bought building number 11 on the street with the help of Miethäuser Syndikat, with the first tenants moving in 2010. The project was named Zolle11. In 2011, buildings number 1-3 on Zollschuppenstraße were also bought with the help of Miethäuser Syndikat naming their project “Die Mauterei” (Mietshäuser Syndikat, 2013). In the following four years, seven other houses were purchased through the model. These houses were owned collectively by the tenants, with strong networking between the houses, underpinned by solitary principles of Mietshäuser Syndikat, where tenants who went through the process would help potential new houses with the process of acquiring the building.

As well as houses brought through Mietshäuser Syndikat, from 2009 to 2014 around 20 Hausprojekten (House Projects), self-organized houses in collective ownerships or Kollektivhäuser (Collective Houses) were set up in West Leipzig (Wendt, 2014). In addition to cheap real estate prices, Wendt (2014) notes “attractiveness of the city for young immigrant groups with an affinity for alternative forms of living and working, formation of solidarity networks of house projects scene, and an openness of city administration towards self-organized project initiatives.” (Wendt, 2014, own translation)

Strong networking developed not only between Mietshäuser Syndikat projects, but also between the wider Kollektivhäuser cluster, and even wider non-market housing cluster, as will be discussed in more detail in the next section. These networking developed from informal advice and support with Going from informal help and support in terms of sharing knowledge and tools, to a group of tenants setting up open hours for potential new projects to get advice, and finally setting up a formal association. The formal association, Haus-und-Wagonrat, represents interests of its members in negotiations with the municipality. It can be understood as a representative broker (Gould and Fernandez, 1989). This networking between projects has been important for their spread in the area. It is important to note that both the Mietshäuser Syndikat and Haus-und-Wagonrat developed without support from the municipality. However, the municipality did appreciate the success of Haushprojekten and integrated their knowledge and expertise into a city-wide network Netzwerk Leipziger Freiheit, which also has HausHalten, self-builders and cooperatives as its members, and tries to develop a substantial non-market housing offer in the city, which is made available to a wider portion of population (Gerken, 2017).

As space was getting more scarce, some networks of projects started to blame other networks for unwanted changes. The concept of gentrification became popular in the local debate: “The people who have made Leipzig vivid and colourful come under increasing pressure, because they can’t afford their rents or their temporary uses come to an end” (Kerstin Gall (ASW) interview in Stadt Leipzig, 2016: 14; own translation) On the other hand, various creative projects were being blamed for causing it through bringing the attention to the district. Particularly Westbesuch and Haushalten were singled out as main instigators. For example, alternative Hausprojekten were blaming Westbesuch, leading Stefan Balmer, the founder of Westbesuch to make the following comment: “They thought that Westbesuch was not good for the area and should be stopped. They were afraid that we accelerate the process of change” (Balmer, 2014; own translation).

However, the original aims of these projects need to be noted. Both Haushalten and Westbesuch were created to bring new people into the area. The following quote from an interview with one of the founding members of Haushalten conducted in 2007-8 shows this:

“Through Wächterhäuser we are performing a sort of “Wirtschaftsförderung” (support for economic development), which enabled projects which would not be possible otherwise. For example food-cooperative for organic produce in Eisenbahnstraße [...], studios such as “Seifensiederei” or “Feierabendlounge”. The kind of ‘support for economic development’ is explicitly the intention of Haushalten e.V. This, in a way is the beginning of “gentrification” which is intentional from our point of view.” (Mothes, 2007-8 interview in Reichenbach-Behnisch et al., 2008: 181; own translation).

The blame was also placed on the municipality for not stepping in and protecting the actors from the market forces, or for not letting them have access to their properties: “Without wishing to accuse the city I do not understand why they do not intervene and rein things in, for example, they have not given municipal property to the Ateliers” (Sterzing, 2014).

Some managers of more commercially-focused projects also saw an opportunity to generate more revenue and attract higher-paying tenants to their spaces. In 2017, the management of Westwerk has also given notice to some of the less income-generating projects in the complex, which have been either paying reduced rent or no rent at all. Two of these have been well-established projects - a large exhibition space and workspace Westpol AIRspace and a hacker space maker lab Sublab. In response to this and the termination of ten other leases, a demonstration was organised in the district (Köbler, 2017).

However, new projects were also getting set up. Starting from 2011, two community gardens started in the area by Annalinde (Annalinde, n.d.(a)). The idea for Annalinde first came from an exhibition in a gallery space of one of the Wächtershaus (Ottilinger & Kurzwski, 2012). Also Stadtgarten H17, a communal green space, which has leased the site on a temporary basis since 2010 has managed to purchase their site after it has gone on sale with the help of Edith Maryon Stiftung in 2014 (Stiftung Edith Maryon, n.d.). There is a difference between these projects with H17 owning their site.

Other projects were also developing in the area, despite the rising prices:

“I don’t know how long it will work like this - maybe it is like trees, which produce much more fruits before they die. I was really astonished that people still want to show here. And they do it on their own, without associations, money, institutions in the background - they do it for themselves at the end.” (Schimkat, 03.10.2017)

Also, a new type of projects was entering the area - the one not starting from temporary use, but with initial large financial investment and a development plan created before the purchase. In 2013, two local investors - Markus Löffler (architect) and Ulrich Maldinger (Professor of Medical informatics, statistics and epidemiology at the University of Leipzig) have bought a former power plant near Spinnerei to turn it into a cultural centre under the name Kunstkraftwerk. The space has been refurbished to a high standard from the start and has opened in 2016 (MDR, 2016). From the author’s point of view, this type of project has a different philosophy and approach to all the prior projects started in the area in a bottom up way - refurbishing their spaces one at the time, as the money came in. In the case of Kunstkraftwerk, the refurbishment was done in one go and could be said to lack a certain character, looking slightly artificial. Kunstkraftwerk mainly hosted larger ‘showcase’ events, there were no studios or workspace in the complex, it had activity in the times when high-profile events were on, but empty in the rest of the time. The feel of the place was more like a official concert hall, rather than a buzzing creative cluster.

At the end, many actors were disillusioned in the way the area was developing and that they did not do enough to steer the development in the way they wanted:

“We knew it. And this is maybe something special from this area, because many groups were buying their houses, especially in the Georg-Schwarz-Strasse and other places. Because we were aware, because we knew what happened in Berlin and in Hamburg, it is the development you can see everywhere. And so it was clear that it would happen here, and it took very long, and it felt like it. We thought always: “We are so strong and we are so aware. We are so good, and it will not happen in this massive way [here].” And in the last three years it happened, and it is over. It feels like we lost. Because at the end we have not bought enough. And all the places which were important for this area, like the Nachbarschaftsgarten, which was Siemeringstraße - now they are building houses [on the site].” (Schimkat, 03.10.2017)

In 2010s, some of the old projects were finishing in the area, and new projects were developing. Instead of spatial experiment and more creative-focused projects developed in the previous decade, this decade saw projects develop with a robust businesses model already built in them from the start. Previous temporary cluster of Wächterhäuser gave way to the cluster of permanent Hausprojekten, who saw ownership as the only way to keep space public and accessible in the time of rising property prices. Instead of promoting the area, the networks were campaigning for projects to be safeguarded.

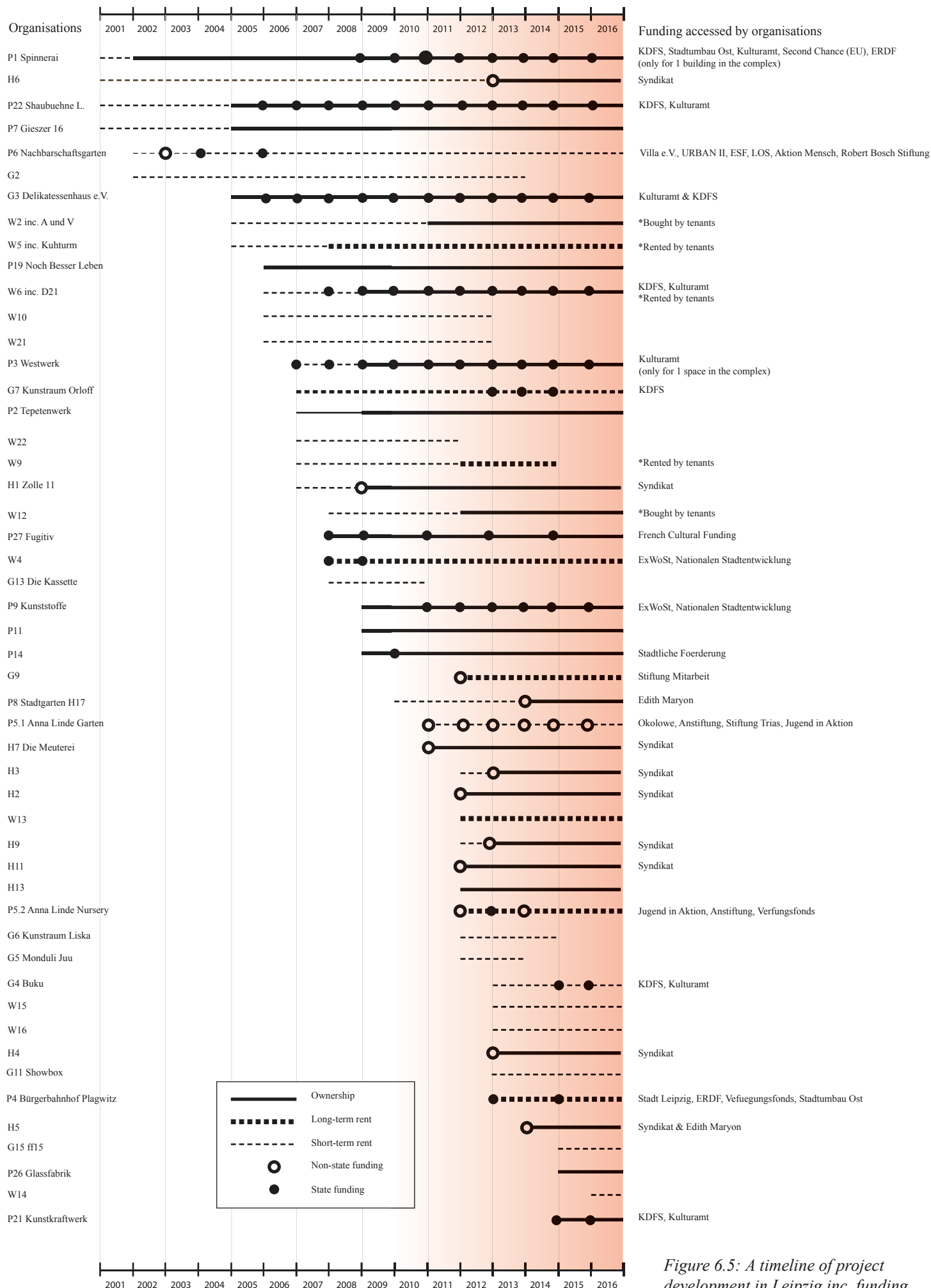


Figure 6.5: A timeline of project development in Leipzig inc. funding they have received. Designed by the author

6.1.4 Use-clusters, network spanners and funding.

The section provides an analysis of project clusters and their brokers (Gould and Fernandez, 1989) and boundary spanner organisations which link multiple projects from separate clusters (Williams, 2002). How funding affected the development of each cluster is discussed in terms of supporting seed projects, networking of projects and boundary spanners (refer to the Figure on the next page).

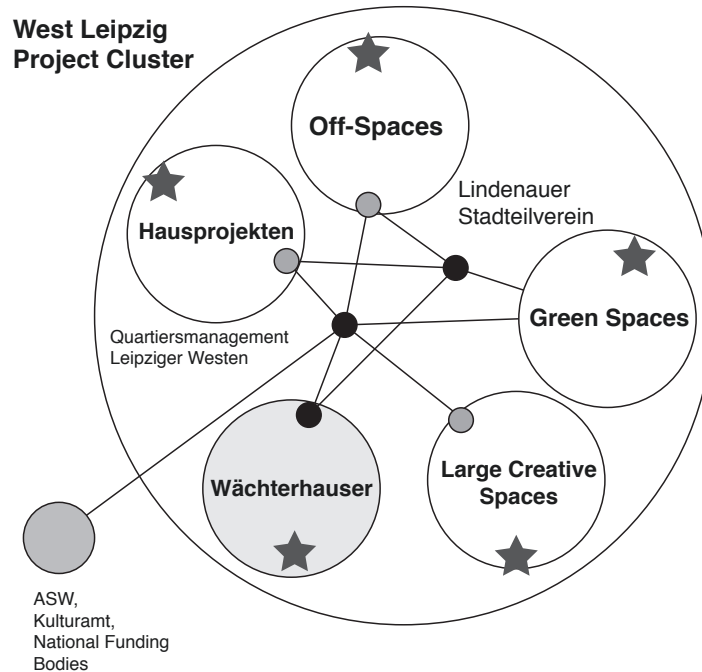
Each use cluster (i.e house project cluster, off-space cluster) is discussed separately. Projects within the cluster are listed, similarities and differences between projects are discussed, and 2-3 examples are presented, listing properties of a project in terms of organisational arrangement, financial models and physical properties.

Some projects contain more varied or different uses than other projects within a cluster. For example, Noch Besser Leben combined a bar, performance area and a hostel on the upper floors. Some project contained an even greater use mix with for example Spinnerei also having residential functions for artists and Haushalten providing space for almost the whole spectrum of uses, except garden space. Still, however, these projects were part of off-space and large creative spaces clusters respectively because they were linked to the other projects in the cluster through users and relationships (Porter, 1995).

For each cluster, a broker is discussed and how they developed over time to represent individual projects within a cluster. For example Haus und Wagon Rat is a representative and coordinating broker for house projects (Gould and Fernandez, 1989); Netzwerk Unabhängiger Kunsträume Leipzig Lindenau performs a similar function for off-spaces. Although there is no official organisations which links creative clusters, the founder of one of the projects serves as a coordinator (Gould and Fernandez, 1989), facilitating interaction and conversations between other project founders.

Then for each cluster, the role of funding is discussed. The role of funding on the development of seed projects is talked about, on creating networking between projects and on supporting the broker organisation. Also, changes in funding methods for individual projects are discussed, if this is relevant to the development of the whole cluster.

In addition to projects clusters, there are also a number of boundary spanner organisations (Williams, 2002) or intermediaries (Andres, 2011). These are both bottom-up associations like Lindenauer Stadteilverein and Haushalten e.V. and official top-down ones like Quartiersmanagement. The organisations facilitate interaction between different networks.



Green Space =  + 


These usually accommodated a variety of public facilities and functions. Annalinde Gemeinschaftsgarten combines a growing space for vegetables, a cafe and an event space. Nachbarschaftsgaten combines a green space with bike workshop and event space.

Hauhprojekt =  +  / 



This mix of live and work or public spaces such as "freiraume". In Casa-blanca, there is a bakery / free space on the ground floor and housing on the top floor.

Wächterhaus =  +  +  ?


Public space and workspace, possibly with some temporary housing.


Off-space = 


These are primarily located on the ground floor of the buildings. These mainly have exhibition public space, but are sometimes used as workspace in the time of no public usage.

Large Creative Space =  + 

All three of the projects belonging to the category had more established and longer-working hours public facilities - Tapetenwerk has a canteen, Westwerk has a restaurant, and Spinnerai has a cafe/restaurant

 Workspace - can be either offices or studios. Offices are generally fitted out to a higher standard than studios.

 Public / event space - Bar, cafe, restaurant, empty halls, cinemas, theaters, gallery, outdoor performance space

 Housing - can be temporary (hostel or short-term accommodation) or permanent.

 Green space - outdoor spaces for growing or simply outdoor activities

 Shop

Figure 6.6: Cluster of spatially-focused entrepreneurs, use sub-clusters, cultural intermediaries; Designed by the author

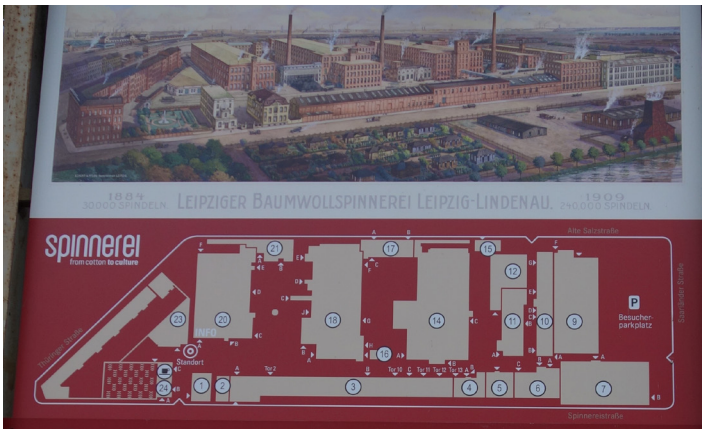


Figure 6.7: Spinnerei - plan & view on the buildings; Image by the author



Figure 6.8: Spinnerei - exhibition; Image by the author



Figure 6.9: Westwerk; Image by the author

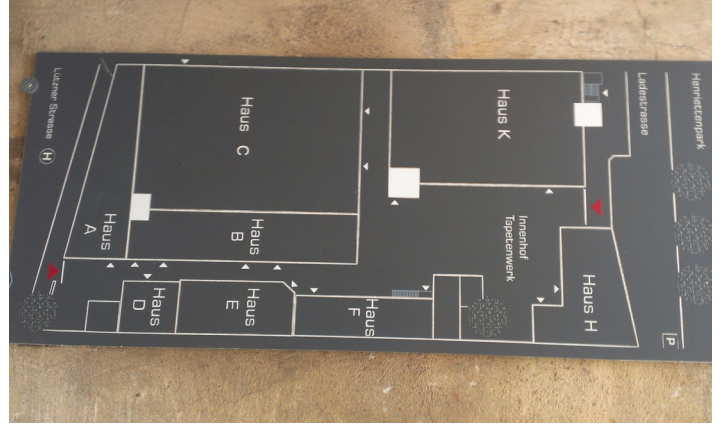


Figure 6.10: Tapetenwerk - plan of the site; Image by the author



Figure 6.11: Tapetenwerk; Image by the author



Figure 6.12: Rundgang at Spinnerei; Image: “20090502LESpinnereiAusw75” (c) Stahlbauer (<http://www.flickr.com/photos/48139458@N05/4652575498>) CC BY-NC-SA 2.0



Figure 6.13: Rundgang at Spinnerei; Image: “20090502LESpinnereiAusw67” (c) Stahlbauer (<https://www.flickr.com/photos/48139458@N05/4652570528>) CC BY-NC-SA 2.0

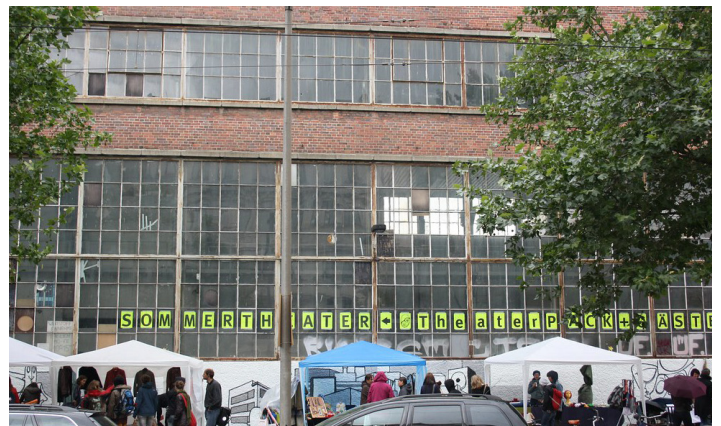


Figure 6.14: Westpaket; Image: “Westpaket” (c) michimaya (<https://www.flickr.com/photos/49253583@N02/5906231962>) CC BY 2.0

Jana Reichenbach-Behnisch
(Network Broker)



Spinnerei
(Lighthouse Project)

Projects*

- Spinnerei
- Tapetenwerk,
- Westwerk
- Alte Handelsschule
- Kunstkraftwerk

*For more details on the individual spaces, see Appendix.

Common Properties

- combine public uses (cafes, shops, exhibition spaces) with workspace for art or creative production.
- located in former factory complexes, with names referencing history of the buildings
- owned by private for-profit companies, provide public functions.
- renovated in stages (apart from Kunstkraftwerk), as the finances from rents were coming in. The projects are financed from rent.

The projects in this sub-cluster have been important for forming the creative image of the area, both locally and internationally (Coldwell, 2016; Beanland, 2016; Seils, 2007; Friemel, 2009; Popp, 2012)

Differences

- differ in size: the biggest and arguably the most important project is Spinnerei; Westwerk and Tapetenwerk are of roughly the same size and with similar mix of uses
- differ in the organisational structures; this is reflected in their approach to funding

6.1.4.1 Large Creative Spaces

Spinnerei (Lighthouse Project)

Baumwollenspinnerei or Spinnerei is a former cotton spinning mill spread over 10 hectares site with 90,000 sqm. of useable space. The space contains 13 galleries, more than 100 studios, a restaurant, cinema, art supply shop, wine bar, office and event spaces. It can be considered as a gallery and studio cluster of international importance “walking a fine line between being a living and working space and being a visitor attraction” (Busse et al., n.d.). The space accommodates around 600 jobs, mostly in the creative sector. Some spaces are rented out to service industry companies (Ferstl and Raschke, n.d.: 4). Due to its enormous size, the project can be considered as a cluster on its own right: “The Baumwollenspinnerai with [90,000] square meter is the city within a city. They have the network of their own.” (Reichenbach-Behnisch, 07.07.2016).

Spinnerai was bought in 2001 by a group of investors made of a local developer Bertram Schultze, Berlin developer Tillmann Sauer-Morhard, and a Munich developer Florian Busse, in the form of Leipziger Baumwollspinnerei Verwaltungsgesellschaft mbH, a limited company. They could “see the potential in the site” (Busse et al., n.d.). In 2002, another partner joined - Karsten Schmitz from Munich, who was professionally involved in the art world, as a collector, and knew the artists from New Leipzig School since mid-1990s (Vecchini, 2013). The group had an extensive property development-, art world- and local knowledge, as well as international connections. The management has strict curation process, with artist being selected for studios on the basis of their current and future importance. The selection is done in cooperation with art schools and universities. “Assuring this ‘exclusivity’ appears as a key factor in ensuring the site’s long-term artistic success” (Ferstl and Raschke, n.d.: 4).

The manager of Spinnerei, Bertram Schultze, also managed Auf AEG, another large creative space located at a former factory in Nuremberg. He is the representative of the project and its individual tenants and sub-projects:

“There is one person you can now refer to in order to understand [how the place works] now, the one that put a new structure on Spinnerei when there was not a defined plan for it. This man is the managing director of Spinnerei, Bertram Schultze. If you say “the Spinnerei Man”, everyone will understand whom you are referring to, even if his role is supposed to belong to the real estate market than other businesses. He knows everything in details about the place, he takes care of it and firstly [for] its inhabitants, and he is responsible for giving a common imagine on the outside world, by developing a local experience into an international one.” (Vecchini, 2013)

“[Bertram Schultze] is front figure - cement for the project”.
(Reichenbach-Behnisch, 07.07.2016)

Due to the difficulty in financing the project, the renovation of the building has been gradual - developing one space at the time as the finances allowed. Also, the philosophy has been different as well - with the new owners wanting to preserve the existing tenants and creative atmosphere at the time of building purchase (Busse et al., n.d.).

In the municipal documents, Spinnerei is considered “an important factor in the image and citing of [new] businesses in the area” (Stadt Leipzig, 2008; own translation), “an anchor point for culture and innovation” (Stadt Leipzig, 2010; own translation). Academic report have hailed it as “one of Leipzig’s great success stories” (Power and Herden, 2016), and even Angela Merkel once opened an exhibition there in 2009 (Hünigier, 2009)

Network Brokers.

There was a number of instances of best practice, knowledge and experience exchange between managers of Westwerk, Spinnerei and Tapetenwerk. In some cases, this is related to its members working together in the past. In another case, Jana Reichenbach-Behnisch informally advised the new manager of Westwerk Peter Sterzing about the best way to conserve the building step-by-step with minimal investment (Architektur Apotheke, 2014). However, these interactions are not regular: “We don’t have time for a big network, it is not possible. Too much work.” (Reichenbach-Behnisch, 07.07.2016). There is also exchange through the research projects and various knowledge exchange workshop facilitated through the work of Jana Reichenbach-Behnisch, which are discussed in the next section.

Jana Reichenbach-Behnisch can be understood a representative and coordinating broker (Gould and Fernandez, 1989). She is in contact and constant knowledge exchange with other members of the clusters through regular funded research projects and exchanges, which transmit knowledge and know-how between members: “I speak with everyone” (Reichenbach-Behnisch, 2016). She has also represented various projects as part of various funding projects, like Creative Cities (€2.5 Million ERDF-funded project connecting five creative clusters in five central european cities (European Commission, 2014)): “For Creative Cities I have volunteered and followed the project for the city as a creative person and have travelled to partner cities and presented our projects and talked about brownfield re-use and have tried to push the project in a practice-led way.” (Reichenbach-Behnisch, 07.07.2016). The role of these funding projects in facilitating networking between projects is discussed in the next section.

6.1.4.2 Large Creative Spaces - role of funding.

Organisations managing and owning Large Creative Spaces were primarily unfunded, operating as commercial businesses. Some, like Tapetenwerk and Westwerk, received no funding at all. This was a very conscious decision, based on perceived inflexibility of funding, in addition to other reason related to the ethos of spaces. In the case of Spinnerei, only a particular building received funding, and not the whole complex or the owner-manager-organisation. In addition, a separate non-profit organisations was set up to manage that project - a sort of project within the project, separate from the overall structure.

Spinnerei had a complex relationship with funding. The only case where the owner organisation itself received funding was for the conversion of one separate building, Halle14 into an international arts centre. The project came out of a 2002 international symposium organised by the Federkiel Foundation, an organisation co-founded by an owning partner of Spinnerei, Carsten Schmitz. The symposium, and a subsequent book (Motz et al., 2004) was supported by the Kulturstiftung des Bundes, held at the Spinnerei which explored how former industrial buildings can be turned into spaces of art and culture. The symposium brought internationally and nationally important people to the site, connecting it and establishing it in national and international cultural networks. Another outcome of the symposium the plan to turn one of the larger spaces in the Spinnerei, Halle 14 into an international arts centre.

A separate organisation was created for the development of the projects - Halle14 e.V. The actual conversion of Halle 14 into an international arts centre was funded through a host of various programmes including various streams of ERDF, Stadtumbau Ost and national employment creation programme (Arbeitsbeschaffungsmaßnahme):

“Halle 14 is a model where we lease this building for 15 years for the public benefit and dedicate to a Verein “Halle 14”, which we ourselves also founded. On this basis one can get urban funding of up to 85% for certain construction projects.” (interview with Bertram Schultze in Reichenbach-Behnisch, 2016: 333)

However, due to difficult financial situation in the city, in terms of the municipality not being able to pay the required 1/3 of the amount, Spinnerei paid 25% of the total project - meaning it paid some of the share required to be paid by the municipality. Thus out of the total €2.8 Million, Spinnerei paid €0.7 Million (interview with Bertram Schultze in Reichenbach-Behnisch, 2016: 333). Because the funding was given to a private company, one of the conditions was that the space needed to be kept for non-profit use for 15 years (Ferstl and Raschke, n.d.). Public funding covered renovation of the roof and the facade, and making the building energy and fire-safety compliant. The costs for running the space have been paid by the Spinnerei, with the revenue coming from renting the space for other uses. However, because the space received funding, there are certain limit of who it can rented to and for how much (interview with Bertram Schultze in Reichenbach-Behnisch, 2016: 333)

Tapetenwerk consciously steered away from public funding for their project. There are a number of reason for this. Firstly, there is feeling that public funding always have certain conditions associated with it, and issues might arise if they are not fulfilled:

“we didn’t want to become dependent, because when you are given funding, you have certain conditions, requirements. [...] If you are a start up, you may need [funding] to begin. Then it is a good thing, but if you can do it on your own, it has a lot of advantages. Usually if you get funding, you have a lot of rules and often, if you don’t perfectly follow the rules, they stop the funding, so you don’t get the money you have planned for any more. And the problem is that sometimes the rules are a problem. Sometimes you need a little [more] time to fulfil them all. [...] And then you get problems and it gets complicated. So as long as you can do it on your own, you have the advantage of freedom, you don’t have to specific certification to get the money.” (Reichenbach-Behnisch, 07.07.2017)

The issues of the lack of flexibility with funding was further highlighted in the interview with Jana Reichenbach-Behnisch. There, the example of Spinnerei, which was presented above, was mentioned by Reichenbach-Behnisch, as a case where public funding brought with itself a host of obligation for the management organisation including an obligation to keep it non-profit for 15 years. Thus there was a perceived lack of flexibility with funding, with a potential to generate a lot of issues for the applicant. The second reason was more ideological, with the idea being that creative economy should not need funding:

“We are here non-non-profit. I work here. The profit is not big, but it is a profit. For cultural projects, you need funding. If they are non-profit organisations, they of course need funding because you can’t make the association with no money. [...] Kreative Wirtschaft - creative economy - this is an economy - funding is not for economy - this is what I think. And this is the philosophy.” (Reichenbach-Behnisch, 07.07.2017)

The third reason is related to the professional practice of Jana Reichenbach-Behnisch, who is not only a practicing architect, but carries out a lot of research projects funded by the federal government (funded by various programmes as part of Bundesamt für Bauwesen und Raumordnung, BBR (The Federal Office for Building and Regional Planning)) related to re-use of vacant buildings. In many research projects she initiated, Tapetenwerk served as a live case study, where it showcased how the renovation of a former factory building can be done on a low budget:

“[With] Tapetenwerk, we want to show that [the conversion of the building for creative economy use] is possible without funding. And this is also good for the research. When we come to small cities and speak with the mayor, who says “No, this will be so expensive - it is not possible to do”, then we can say: “No - it is not so expensive and you can have funding.” And there is a plan how to do it because it already works, you can show to the people: “If you do it this way and this way - it can work without having to invest too much money.” It is the best best-practice example.” (Reichenbach-Behnisch, 07.07.2016)

Amongst other things, these research projects also allowed knowledge transfer between various organisation operating in the area. Not only representatives of Large Creative Spaces were interviewed as part of the research, but also members of the local municipality and other actors like Haushalten and Quartiersmanagement. Thus, funding facilitated networking between projects, reinforcing connection and exchanging know-how and best practice.

For example, in “Konservierung, Erhalt und Leerstandsmanagement von wertvoller Bausubstanz durch Nutzerbeteiligung mittels der vier Grundmodelle Verkauf-Miete-Pacht-Leihe” (Conservation, preservation and management of valuable building stock through user participation using four model of Sale-Lease-Rent-License), various case studies of vacant building re-use were analysed and transferable strategies were developed including financing and legal matters related to contracts and liabilities (Reichenbach-Behnisch et al., 2008).

As part of it, various groups related to Haushalten, including landlords and tenants were interviewed, representatives of municipality, banks, and groups doing similar works in Berlin (i.e. Initiative Ackerstrasse 18 GbR, Zwischennutzungsagentur). In addition, it provided a guide for the users on how to deal with vacant building. However, it was not clear how many people in the area used the guides in their projects. However, the information might have influenced other external projects: “We have a good networks with the ministries and participate in various symposia and workshops, which are very practical. Through these we distribute and share these ideas.” (Reichenbach-Behnisch, 07.07.2016)

Another more recent project “Niedrigschwellige Instandsetzung brachliegender Industrieanlagen für die Kreativwirtschaft” (Low-threshold restoration of the vacant industrial buildings for the creative industry) surveyed the way various industrial spaces across Germany have been converted for creative use. As part of the project, various workshops have been organised both to learn about various methods and to share knowledge between participants, which brought national experts and practitioners to Leipzig, further contributing to sharing of knowledge and connecting the local cluster to national networks. Many of the local projects participated in the project, including Westwerk and Spinnerei as well as Quartiersmanagement, Kreatives Leipzig e.V., as well as projects in other parts of Leipzig.



Figure 6.15: Wächterhaus; Image: "Lindenau, Demmeringstrasse Ecke Odermannstrasse, Wächterhaus" (c) LE Mon. hist. (<https://www.flickr.com/photos/33947381@N05/3199539791>) CC BY 2.0



Figure 6.16: Wächterhaus; Image by the author



Figure 6.17: Haushalten - plaque on a "released" Wächterhaus; Image by the author



Figure 6.18: Wächterhaus; Image by the author

Haushalten
(Cultural Intermediary)



Spinnerei
(Lighthouse Project)

Projects*

- Lützner Straße 30
- Lützner Straße 39 (Kompetenzzentrum & Headquarters)
- Lützner Straße 55,
- Kuhnturmstraße 4,
- Demmeringstraße 21
- Demmeringstraße 57
- Engertstraße 23
- Merseburger Straße 17,
- Zschocherschen Straße 23
- Zschocherschen Straße 59-61
- Georg-Schwarz-Straße 70

*For more details on the individual spaces, see Appendix.

Common Properties

- all projects facilitated by Haushalten (cultural intermediary)
- combine workspace, housing and event spaces
- located in former tenement blocks, built in the 19th Century
- properties are leased

6.1.4.3 Wächtershäuser

Haushalten (Cultural Intermediary)

Haushalten can be considered a cultural intermediary, fitting very well to the definition by Andres (2011). Its founding members have been connected to different local and national network: Fritjof Mothes, Stephen Freese, Astrid Heck und Tim Tröger were architects and planners with years of experience, working at and with the municipality as both consultants as part of urban planning office StadtLabor and employed staff of ASW (Schwärzel, 2014). This also provided them with experience of marketing places, and ability to develop projects and idea.

The association HausHalten e.V. was set up in 2004 to support the work of municipality: “From the outset, the goal of the association was to support the municipality” (interview with Fritjof Mothes in Reichenbach-Behnisch et al., 2008). The association continued to maintain a close working relationship with the municipality, with both parties bringing mutual benefit to one another, as is shown below.

Haushalten facilitates re-use of vacant properties for a whole range of uses. It does this by serving as an intermediary between users, owners, and the municipality. Haushalten developed a number of models, each one working with a particular building typology and each one respectively enabling a different kind of use. Wächtershäuser model is used for re-use of historical housing blocks for up to five years, Wächterladen for re-use of vacant shops, AusbauHaus for re-use of housing blocks on a longer basis & AterlierHaus for re-use of industrial spaces. By 2014, the association had 16 Wächterhäuser, 6 AusBauHäuser and more than 30 Wächterläden (Architektur Apotheke, 2014). The model which is discussed here in Wächtershäuser, as it is this model which was most present in the area. In other areas, other models were more prominent.

In 2014, the association had 14 members, 9 of whom were actively involved (Schwärzel, 2014). The members work on a voluntary basis (interview with Fritjof Mothes in Reichenbach-Behnisch et al., 2008). Association members suggest the course of action. Then the board, which is made up of 3-5 association members, who are voted in each year, makes decisions on those (Haushalten e.V., 2014). The board meets once a month for two hours (Schwärzel, 2014). In 2014, the association also had two employees who are responsible for day-to-day running of the organisations, taking care of buildings and tenants (Architektur Apotheke, 2014).

A lot of set-up and initial pilot project costs were covered by various state funding programmes. However, the day-to-day running costs of the associations are covered by membership contributions and donations. Research funding covers pilots and research projects (Shwarzel, 2014). Each user pays a membership contribution, which in addition to covering the running costs of the association, also covers utilities for each building. For example, with the Wächtershäuser, in the beginning tenants paid €80/month for each shared flat, plus €0.50/sqm, and any running costs (interview with Fritjof Mothes in Reichenbach-Behnisch et al., 2008). In 2014, it worked out as €900/month for a house. This covers the salaries of permanent employees, marketing material and costs of the Haushalten e.V. headquarters (Shwarzel, 2014)

Wächtershaus was the first model developed by Haushalten in 2005. Through it, the organisation ‘rescues’ decaying historical building stock in prominent locations from decay by means of temporary use. The model allowed users, mainly from the creative sector, to get space at a very low price. It allowed the owners, who typically did not live in the city, to secure their building through use and get a free marketing opportunity for their properties. 50% of the users are students. In exchange for doing minor repairs and looking after the property, users got the building for no rent (they only had to pay running costs and a monthly membership fee to Haushalten). For the municipality, it meant that through cultural projects which took place in them, the users would have a social or cultural impact on the neighbourhood. There was a careful curation

process in the selection of the tenants where mainly users who could have a social or cultural impact on the neighbourhood were chosen, animating the area. The buildings which were chosen were mostly located on prominent corners. The usage rights were transferred to the association for five years. (Bretschneider, 2014; Schwärzel, 2014; Mothes, 2007-8 interview in Reichenbach-Behnisch et al., 2008; Stadt Leipzig, 2016).

The procedure which Haushalten developed for each Wächtershäuser is worth quoting in full:

- “- Identification of suitable properties based their key location, a poor condition and in accordance with the municipal urban development goals (basics: Urban Development Plan of the City of Leipzig, prioritized list of building security program of Leipzig, Stadtentwicklungsplan der Stadt Leipzig, Prioritätenliste des Gebäude- Sicherungsprogramms der Stadt Leipzig),
- Contacting the owners and presenting them with the project concept which suggested new use ideas in a seemingly hopeless situation,
- Assessment of the structural condition and preparation of technical assessment with necessary security measures for the general reactivation of the properties,
- Completion of a ‘Concession Agreement House (Gestattungsvereinbarung Haus)’ between the owners and HausHalten eV for the temporary use of the building. [...]
- Based on the concession agreement and the related sustainable revitalization of the building, the city of Leipzig can give grants for building security to the owner. [...]
- Property-specific search for ‘suitable’ users. Finalising contracts [...]
- Implementation of necessary securing or repair work by specialist companies and subsequent transfer to the ‘House Guardians’
- Support of ‘House Guardians’ by HausHalten eV when performing repair work and production of usable space for non-profit purposes,
- Public opening of each Wächtershäuser with an event and an exhibition about the association, its goals and objectives, integrated into an overarching promotion strategy, to reinforce the approach,
- Support for the new community of the house by HausHalten eV as to what happens after 5 years in relation to possible long-term lease, or the handover of the building back to the owner” (Bretschneider, 2014: 66-67)

The first three Wächtershaus, which opened in 2005 combined studio apartments for students from Academy of Visual Arts (HGB, workspace or even space for theatre groups on the upper floors with public functions on the ground floors. There were galleries, an open stage for theatre groups, a storage unit where tenants of other Wächtershaus could obtain tools and advice for future repairs (Heck, 2006), offices for social projects, which for example worked with immigrants from Eastern Europe or with children (Schimkat, 2013; haushalten.org)

The association has a strict selection process with the users, where it selects users based on the use concept which they submit.

“The aim of user [selection] is “to bring the right people together”, to stabilise and organise groups, guiding them towards independence, e.g. through creation of an association responsible for the house. When this is founded, we step back” (Interview with Fritjof Moths in Reichenbach-Behnisch et al., 2008; own translation)

First potential users come to the house viewing, where everyone meets each other, and Haushalten can see the dynamics between people. Then some tenants can be asked if certain uses would function, and which tenants they would prefer:

“We had met each other for the first time at the house viewing. It was then already clear if we would work together. I think the mix worked with us. There were two applicants for the space upstairs. Then HausHalten asked us who we would prefer, and they went with our decision.” (Patrick Oswald, a tenant of one of the Wächtershaus in Reichenbach-Behnisch et al., 2008; own translation)

Thus, the association selects the key stakeholders involved in the development of individual projects, another criteria of cultural intermediary described by Andres (2011). This adds to the aim of the organisation to provide activating thrust to the district, as mostly publicly-visible users are selected, who do various visible activities in the houses. In addition, this selection leads to the evolution of the loose groups responsible for each house into something larger. As the houses are of rather substantial size - whole multi-storey tenement blocks with multiple apartments per floor, they have a lot of tenants. As the tenants are young and mostly involved in creative work, there is a lot of interaction and collaboration between them:

“Of course we help each other internally. There is a graphic designer in the house. He designed our flyers and our display window. Then there is an electrician. He also helped us about in the beginning” (Interview with Jana Schulz, a tenant of one of the Wächtershaus in Reichenbach-Behnisch et al., 2008; own translation)

As this collaboration between tenants develops, stronger internal networks build and the associations can solidify and take on more responsibility. For example, with Lützner Straße 30, the association which managed one of the gallery spaces, which was run by the tenants of the house, decided to take on the management of the house themselves. And after a few years, they even bought the house together from the owner. More about this is in the section on off-space clusters.

Haushalten also facilitates networking between users through regular newsletters (Interview with Jana Schulz, a tenant of one of the Wächtershaus in Reichenbach-Behnisch et al., 2008; own translation). The association also shares with the tenants tools and know-how related to the renovation of the property. However, this exchange seems to be mostly through the association. There are no events to link various houses together, the knowledge gets exchanged mainly through Haushalten.

6.1.4.3 Wächtershauser - role of funding.

Public funding has been key to setting up Haushalten, enabling them to develop a number of innovative models for dealing with vacant buildings. In fact, helping municipality access funding, which required a match from the city was the reason why the association was created. The role of Haushalten in assisting private owners in accessing municipal conservation funding also contributed to its success in persuading owners to let them use their properties at no costs. Public funding also facilitated the spread of the model to other cities. This examples also captures a lot of complexities related to an association managing multiple funding programmes, and at the same time not becoming reliant on funding for the running of the organisation.

The setting up of the association itself is related to the previous work of its founding members with the municipality, and was meant to consciously support the municipality in its regeneration efforts. It is primarily related to helping acquire funding, which the municipality couldn't access because of its bad financial situations: “Against the background of the tense municipal financial situation, we founded the association HausHalten e.V. in September 2004 with the aim of exploring possibilities for a creative acquisition of funding in order replace missing municipal match contribution” (interview with Fritjof Mothes in Reichenbach-Behnisch et al., 2008)

From the side of the city, funding the association also has multiple benefits. Firstly, they perform the tasks which the administration finds difficult due to bureaucracy involved - i.e. taking over private buildings on temporary basis. Secondly, the association is much closer to people on the ground - it is funded precisely because it performs the role of a cultural intermediary (Andres, 2011), and finds the right people to build networks on the ground:

“at the very beginning the conversation about Haushalten was that we as a city should do it. And we couldn’t do it because we need [to abide by too many regulations] - the legal [background] for us was much more complicated. And if it is on a private basis, it could be much simpler. So therefore it makes sense to fund the people who are working in this direction, and not to do it on our own, otherwise this would be a failure. The success at the end was really to keep the houses, [and] to offer chances to the people who came to the area and were working in these houses, activating the whole neighbourhood. So it is double effect. And therefore Haushalten is a very good example of how funding makes sense in terms of finding the right people.” (Gerken, 03.03.2017)

In its first few years, the association was able to access a host of funding, which helped it to develop the organisation itself, contracts as well as procedures in terms of taking on, renovating and managing vacant buildings. The first funding the association received in 2004 was the donation of a monetary prize, which the city of Leipzig received as part of “Städtebausonderpreises der Stadt Leipzig” (Leipzig Urban Design Special Prize) (interview with Fritjof Mothes in Reichenbach-Behnisch et al., 2008). Further funding for the development of the first pilot project came from URBAN II as part of MuKo-Block project (Stadt Leipzig, 2009). However, the very first project did not materialise because of the issues with the owner of the property (Lindenauer Stadtteilverein, n.d.).

The work of the association through 2006 was made possible with the help of federal funding as part of “Bürger initiieren Nachhaltigkeit” (BIN) programme (Haushalten e.V., 2005). The funding helped the organisation realise the projects they planned during that year (Haushalten e.V., 2015). Additional funding for that programme came from Jump-programme, which provided a number of young people, who spent three weeks clearing out and renovating the house (Freese and Will, 2004). URBAN II provided further funding for setting up the association itself (Willberg, 2006).

The City’s Employment Services Department (Arbeitsamt, AMB) also funding the creation of two paid staff positions for the first year of operation. Also the Arbeitsamt provided people, who worked on renovation of the properties. (interview with Fritjof Mothes in Reichenbach-Behnisch et al., 2008). Arbeitsamt further assisted on other projects, for example, on the renovation of the building, which is currently used as the headquarters of Haushalten. In fact, on that project, Haushalten worked with a whole host of city departments, including Sozialamt (Social Welfare Office) and Rehabprogrammen (rehabilitation programs) to renovate the headquarters building for a comparatively low price (Schwärzel, 2014)

The association also acted as an official intermediary between the municipality, which distributed renovation funding and the property owners, who wanted to repair their houses. This was an important factor in getting owners of the houses to provide the properties for the scheme. In this way, Haushalten were able to take advantages of conservation funding programs, and they mainly operated within the Sanierungsgebiete and with the buildings on the Gebäudesicherungslists, which was discussed in the previous chapter. In some cases Haushalten also helped the owner of the house to obtain Sicherungsgeldern (securing funds) from ASW for emergency repairs to the building structure - such as fixing the facade in danger of falling on the street, fixing a leaking roof, as well as carrying out structural work on the building envelope. In this way, the Wächterhaus at Kuhturmstraße 4 had its roof repaired through städtischen Sicherungsfonds (Heck,

2006). The city would also direct the property owners to Haushalten, as Alfred Mayer-Piening, the owner of Wächterhaus on Zschochersche Str. 59 says:

“The municipality directed us to Haushalten. They have then taken on the initiative, organised the renovation funding (Sicherungsmaßnahmen) with the municipality, which we were able to access by contributing our own equity of around €40,000. [Haushalten] have supervised the renovation works, and found the users. It is a very good cooperation” (interview with Alfred Mayer-Piening in Reichenbach-Behnisch et al., 2008)

In addition to start-up funding, the association also received a number of pilot and research grants, covering the development of new processes and models for dealing with vacant space, improvement of working practices and the transfer of already developed models to other cities (Shwarzel, 2014). For example, ExWost was not only aimed towards the development of the local capacity, but also at the development of replicable tools and methods which could be applied to other locations to be developed and tested in a bottom-up way.

Through ExWost, Haushalten received funding to develop Projektvorhabens Bildungs- und Kompetenzzentrum (Knowledge and Competence Centre) HausHalten in 2008. The project contained three strands - development of procedures for dealing with vacant building in villages and smaller towns, and along the main roads, with the pilot projects being located along Georg-Schwarz Strasse and Lützner Strasse in West Leipzig. The third strand developed use concepts for vacant shops.

As part of the project, a physical space - Bildungs und Kompetenzzentrum (Knowledge and Competence Centre) was set up on Lützner Strafe 39. The project was carried out in collaboration with ASW (Nationale Stadtentwicklungspolitik, 2013). As well as housing the headquarters of the association, there has been a seminar room, a case study library with various literature on various construction and renovation techniques (Haushalten e.V., n.d.).

As well as these physical projects in West Leipzig, the programme helped Haushalten to share knowledge with other municipalities by working with them on live projects, in other urban situations. As part of the programme, Haushalten was contacting various German municipalities, presenting them various models to deal with vacancy which were piloted in Leipzig previously. A conference was organised in Leipzig, where municipal officers from interested cities discussed how Leipzig’s positive experience in the re-use of vacant properties could be translated to their cities (Haushalten e.V., n.d.). In addition, the association performed a consultancy function, advising municipalities in Dessau, Dresden, Wuppertal & Görlitz on how to apply the model to their city (Nationale Stadtentwicklungspolitik, 2013). Further knowledge and experience dissemination was done through participating in a number of high-profile public events and fairs. Thus, through both its own efforts, and with the help of research funding, Haushalten helped to set up similar organizations in other cities: Haushalten Halle e.V. organisations in Chemnitz, Gorlitz, Dresden, Magdeburg, and Rochlitz (Mothes, 2008-2009 interview in Reichenbach-Behnisch et al., 2008; DAKS e.V., n.d.)

However, it should be noted that in a similar way to the separation of spaces into funded and non-funded in the case of the culture clusters, Haushalten separated activities into funded and non-funded. For example, the core operations of the organisations are financed through user contributions and donations. In the start-up phase and for the development of new practices, the organisation received a whole range of funding from both local, national and European sources. This separation makes organisation independent of funding: “the ongoing management of Wächterhäuser is independent from [funding].” (interview with Fritjof Mothes in Reichenbach-Behnisch et al., 2008). This is also the case for the whole organisation: “There is little crossover between categories” (Shwarzel, 2014)



Figure 6.19: Noch Besser Leben; Image: “Noch besser leben” (c) Le Radiophare (<https://www.flickr.com/photos/144153098@N08/29843340006>) CC BY 2.0

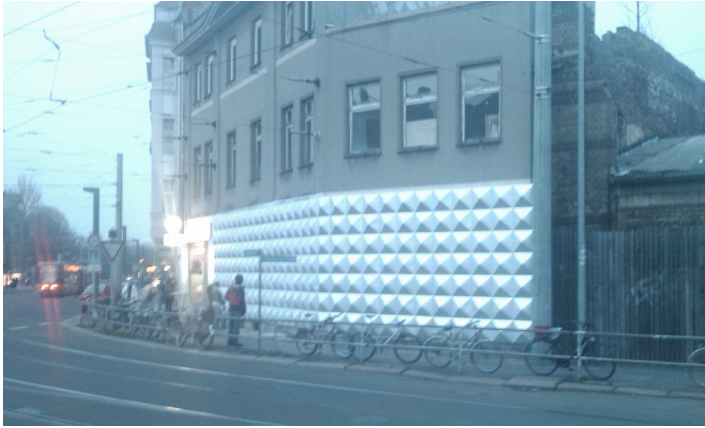


Figure 6.20: Ortloff; Image: “come to where the flavour is | Kunstraum Ortloff” (c) ares64 (<https://www.flickr.com/photos/ares64/4565230707>) CC BY 2.0



Figure 6.21: Schaubühne Lindenfels; Image: “Schaubühne Lindenfels” (c) michimaya (<https://www.flickr.com/photos/michimaya/6178923294>) CC BY 2.0

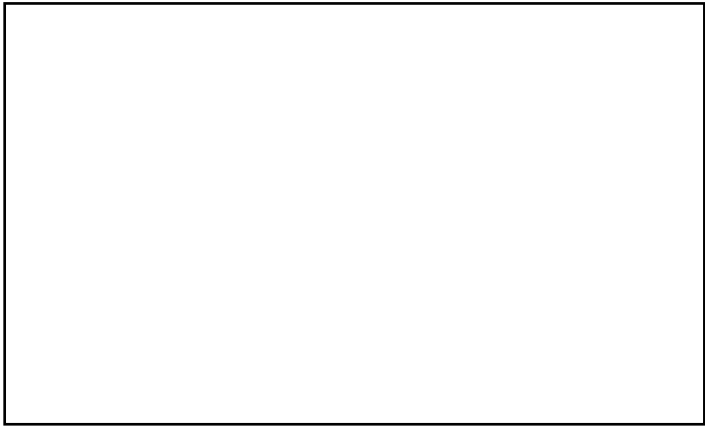
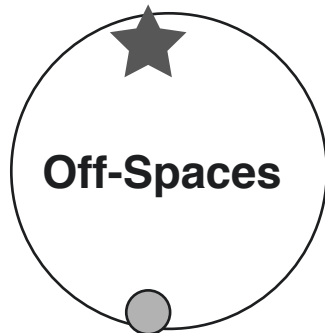


Figure 6.22: A und V; Image removed for copyright reasons

*Schaubühne Lindenfels
(Lighthouse Project)*



*Lindenow
(Network Broker)*

Projects*

- Noch Besser Leben
- Octagon
- Schaubühne Lindenfels
- Kuhturm
- Globusfabrik
- Delikatessenhaus
- Monduli Juu / Gone Fishing
- Ortloff, Neu Deli / Lululala
- Handstand und Moral
- Showbox
- Die Kasette
- Alabama Sir
- ff15
- Glasfabrik
- Panipalama
- Praline
- D21

*For more details on the individual spaces, see Appendix.

Common Properties

- located mostly in former ground-floor shop spaces, combining a number of adjacent rooms
- primarily used for exhibitions, events and performances
- mostly run on voluntary basis, subsidised by space rentals (Ortloff Gbr, 2012)
- many of the projects developed from original Wächterhauser: A und V, Kuhturm, D21, Praline.

Differences

- some spaces have additional uses, ranging from housing and studio space (Ortloff), or cinema, theatre and a restaurant (Schaubühne Lindenfels).
- organisational structures differ between projects;
- different approach to programming: some spaces curate their own programme of event (i.e. Praline), others sublet the space for others to use (i.e. A und V during the later stage of their development), many combine the two approaches.

6.1.4.4 Off-spaces cluster

The cluster off-spaces which developed in West Leipzig is considered by its members to be “away from the banal scene events of Leipzig”, which they saw as catering to a different demographic than spaces in the centre of town (Ortloff, 2008). They are part of the Freie Szene (free scene):

“The Freie Szene has no place in institutions - it is not a museum, not an art gallery. Not a commercial institution. Freie Szene are the artists themselves and the associations like Lindenow for example, and groups like Ortloff. They are Freie Szene because they do not work together with an institution or the government - [they are] independent, underground.” (Schimkat, 03.03.2017)

Lindenow (Network Broker)

In 2008, a number of off-spaces around Lindenau noticed that they had more people coming to their events when they organised them at the same time:

“There were a few art spaces around here. D21 Kunstraum, Kuhturm [...], Ortloff, [...] Panipinama, [and] Lalalula. We were more or less alone in a very rough quarter. It was very rough 10 years ago. One day we had a concert, D21 had an exhibition opening and Kuhturm also had an exhibition opening. And we noticed - there are so many more people coming to our events if we did it together.” (Schimkat, 03.03.2017)

After meeting each other, these art-spaces decided to organise a join event on the same evening as each other, and publicise it collectively:

“We didn’t know each other. But then we said: “Something is going on when we do it together. It seems that the people are coming and it seems to be more interesting for the audience.” And then we said: “Let’s try to do it together.” And it was only one weekend - this was the first Lindenow. We tried what would happen when we do it together. And then we noticed that if we do it together, we are much stronger than alone. And we are also stronger if we work together and don’t compete with each other.” (Schimkat, 03.03.2017)

The informal network has organised a number of events under the banner of Lindenow, as well as two foreign exchanges. However, in 2012 it decided to incorporate as Netzwerk Unabhängiger Kunsträume Leipzig Lindenau (Network of independent art spaces Leipzig Lindenau) to get more voice with the municipality:

“But then at one point, in 2012, we said: “We are already [on] a high level. We did many things.” And we talked and we thought about [ourselves] and our situation and our place and everything. So we were very reflective and said: “Maybe it is time to stop this now. To do something else. Or to go further.” And then we wanted to go further and founded the association to be a point of contact for the city, so we can say: “It is our voice and our voice will be heard by the city government and by the politics because we are one person.”” (Schimkat, 03.03.2017)

6.1.4.5 Off-spaces - funding

As was mentioned before, the impulse for the off-space cluster was provided by the Wächterhauser cluster, and the associated funding, which came with them. This funding made cheap spaces available to creative actors. Furthermore, HausHalten brought many creative individuals together as part of the large houses, and were forced to interact with each other as part of the

association, which managed the houses. Thus, two important ingredients of a creative cluster were brought together - people and infrastructure (Montgomery, 2003). And funding, which was made available to HausHalten to develop the initial projects, was an important ingredient.

Off-spaces themselves have been mainly funded through the Kulturstiftung des Freistaates Sachsen (KDFS, a regional cultural foundation for Saxony). According to Anne Schimkat (2017), the application process to Kulturstiftung des Freistaates Sachsen has been quite easy - however, they only gave money for the event (coordination, printing, graphics, photography, materials), not on anything to do with the building. KDFS were more strict in their funding procedures, giving money only for exhibiting known artists, for events which had a significance for the region (Schimkat, 03.03.2017).

Schaubühne Lindenfels was only able to get support from Kulturstiftung des Freistaates Sachsen four years after it started. In the beginning it received 7,500 DM. After 4 years, this increased to 20,000 DM. Currently, the city pays €276,000, which covers around 60% of the running costs for the space. The rest is paid from the revenues generated from programming and the restaurant. In 2005, the municipality paid €80,000 to Schaubühne Lindenfels for a few years in advance so that it could buy the building. The other €120,000, the organisation took out as a private loan from a brewery (Eickhoff, n.d.).

Schaubühne Lindenfels has also made use of crowdfunding in order to raise money to pay back the loan it took for the purchase of the building. The organisation came up with an innovative way to do this - it became gemeinnützige Aktiengesellschaft (non-profit stock company) and sold the “stock” to the local people. By selling each stock paper for €24, it was able to gather 1,400 supporters and raised €63,000. This and the money which came from the proceeds from the business was enough to pay off the loan in 2014. At the time, it was the only cultural building in Germany, which had this legal form. (Eickhoff, n.d.)

In the 1990s, the initial renovation of the building was carried out with the support from trainees, funded through a Qualifizierungs- und Beschäftigungsmaßnahme (upskilling programme) run by the local Sanierungsgesellschaft (renovation cooperative). (Eickhoff, n.d.) In 2015/16, Schaubühne Lindenfels also received €360,000 for the renovation from “Stadtumbau Ost”. In order to receive this, the organisation paid €63,000 from its own resources, which came from income from the business, sale of shares and donations (Eickhoff, n.d.).

Other organisations have also employed crowdfunding methods to raise money for the renovation. One example is Kunstraum Ortloff, who organised an exhibition where art was sold. The artists have included some high-profile internationally known names such as Neo Rausch. The works on sale have been between €10,000-40,000 with a proportion of the sale funding the renovation of the project space (Haug, 2017).

Lindenow networks was able to get funding for the events from Kulturstiftung des Freistaates Sachsen, to cover design, printing and coordination work, up to €4,000. Each participating organisation would apply for this funding each year, taking care of the application and the report at the end (Schimkat, 2017). The association tried to get funding from other sources, but were not successful:

“We tried a few times to get the funding from the KDFS, but we were not successful. So we said: “Leipzig - you will have to fund us.” And we tried to [also] get money from the marketing [department] of the government, but they said that they don’t have money. [...] the national institutions are not interested in funding a [locally-based project]. Because it is very [specific] for this area. They say: “We are not interested [in funding] it because it is not for the national interest, it is only a local event.” It is not easy.” (Schimkat, 03.03.2017)



Figure 6.23: Casablanca; Image by the author



Figure 6.24: Le Conserve; Image by the author



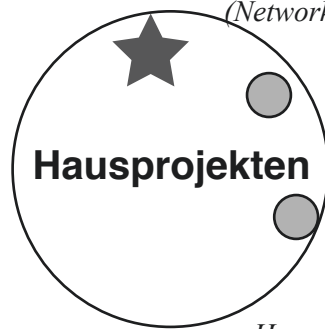
Figure 6.25: Die Mauterei; Image by the Author



Figure 6.26: Georg Schwarz Strasse 7; Image by the author

Gieszer 16

(Lighthouse Project)



Mietshäuser Syndikat
(Network Broker)

Haus- und Wagonrat
(Network Broker)

Projects*

- Fugitiv
- Gieszer 16
- Zolle 11*
- Kunterbunte19*
- Spieszgesellen*
- P9*
- Le Conserve**
- WUK*
- Die Meuterei*
- Jetztte Wagenplatz
- LS W33
- Fernsprechamt
- Naumburger Straße 5
- Giesserstr. 64
- Meta Rosa
- Casablanca, Lützner Straße 131
- Georg-Schwarz-Straße 147**
- Merseburger Straße 88b**

*Mietshäuser Syndikat projects

**HausHalten AusBauHaus projects

*For more details on the individual spaces, see Appendix.

Common Properties

- combine housing with a public or semi-public functions (i.e. event spaces for readings, gallery opening, gatherings); these public functions mainly located on the ground floor, where a shop would have been; projects could also contain studios or workspace.
- usually owned by the tenants
- part of initial equity needed to fully purchase the building or get an initial loan from the bank are provided through community, friends and family through direct loans.
- mainly been developed step-by-step, with own labour of the occupants.

Differences

-semi-public functions differed from project to project: the ground floor of Zolle11 was made available to “initiatives, interested people, and residents of the area and surrounding houses” (Zollschuppenverein, 2015; own translation) with a communal kitchen, bar and a space for events, as well as offices for non-profit associations (i.e. Zollschuppen e.V) (Mietshäuser Syndikat, n.d.); the ground floor of die Mauterei had a bar, space for events and meetings; some of these space were offered for free to the local community; some had more complex functions, with for example the Bäckerei in Casablanca encompassing a kitchen with a wood-burning oven for baking, two small meeting rooms and an event space. How and for what purpose these spaces could be used are discussed at a weekly public meeting (Casablanca e.V.).

6.1.4.6 Hausprojekten

Gieszer 16 - Lighthouse Project

Gieszer 16 is a former paint and varnish factory with 4,400 sqm of useable space. The building contains 750 sqm of residential accommodations, metal workshop, cafe, studios, gym, event space and a 'free shop'. Semi-public space makes up 800 sqm, and the public functions taking up 2,900 sqm. The building is owned by 'Verein für Stadtteilfeörderung, Wohn- und Kultur e. V,' to which all the members who use the space belong. Due to self-organised nature of the project, there are no organisational substructures underneath the association. This mean that the activities and tasks are decided during user-plenum. The whole project is run on a voluntary basis as semi-public spaces. Although this is more of a social space rather than a typical Hausprojekt, it is in a way different to creative clusters due its more social and non-commercial nature and presence of housing. The project was redeveloped gradually over the next 10 years, it was redeveloped step by step by its tenants. (Stellmacher and Heise, n.d.)

Gieszer 16 was bought by its tenants after a short initial lease followed by informal use. The use of Gieszer 16 started with a year-long lease from the municipality in at the end of the 1990s. However, both the municipality and the project have forgotten about the one-year agreement for the next 10 years as the use of the building continued to be occupied. In 2009, while trying to get a connection to the city's water supply, the group who were occupying Gieszer 16 found out that their one-year contract expired many years ago and that they were technically squatting the building ever since. This realisation led to a series of negotiations over the purchase of the building as well as paying back the running costs which weren't paid since the start. Luckily, the group managed to save enough money retrospectively from various events over the years helping them to purchase the building for €57,000, which was anecdotally brought to the municipality in a plastic bag (Stellmacher & Heise, n.d.).

Haus- und Wagonrat e.V.; Mietshäuser Syndikat (Network Brokers)

There has been a gradual formalisation of networking activities between various Haushprojekten and their tenant. Going from informal help and support between various projects in terms of sharing knowledge and tools, to a group of tenants setting up open hours for potential new projects to get advice, and finally setting up a formal association. The formal association, Haus-und-Wagonrat, represents interests of its members in negotiations with the municipality. It can be understood as a representative broker (Gould and Fernandez, 1989). This networking between projects has been important for their spread in the area.

In the beginning, the networking was rather informal. For example, if a group of tenants would be looking for a potential house, others in the network would let them know if they heard of a possibility (Grabolle, 2016). Then there is a sharing aspect as well - sharing of both information and knowledge about purchasing a building, negotiating with an owner or a bank, buying properties at an auction. There is also physical sharing of tools, construction equipment:

"but it has helped [other projects] that we had information and what we had been here in the beginning. So we lent each other materials, tools, they used our toilets. And especially the knowledge about the houses helped them. I don't know how much, but it helped. [...] also this idea of knowing, having this networking: "Who can lend me this tool? Who knows how much it costs to do this? Who can show us how to do it by ourselves? Or what we should get a professional craftsman for?" (Grabolle, 17.06.2016)

This networking of projects have also contributed to their spread and concentration around particular areas:

“This knowledge and network was most important for this development - this is why you have this concentration - around [Zolle11], [...] and [around the beginning of Georg-Schwarz-Strasse]. [...] There was this idea that everyone has a friend [...] who is living in such a house or they helped with the renovation work in summer just to get in contact with this idea. And I think this is the main reason why there are so many projects in Leipzig, especially in the West or the East” (Grabolle, 17.06.2016)

Although Hausprojekten consider themselves as being different from other non-market housing, like Wächterhaus or cooperatives, they are nonetheless part of the wider network encompassing Wächterhauser or cooperatives as a wider non-market housing milieu:

“It is more or less the same milieu. For sure [Hausprojekten] are little bit more left-wing, a little bit poorer, and a little bit more non-traditional families than the typical Baugruppen. But there are no hard differences, even in the milieu.” (Grabolle, 17.06.2016).

That wider non-market housing milieu had some joint characteristics, which united projects within it, at the same time differentiating them from other market-led housing. There was more networking activities between members, more community which united them:

“It is something like a scene. People know each other. [...] There are strong connections - not to everyone, but there is this scene, and to this scene belongs also Wachterhauser. A typical Baugruppe didn't exist in that time - like you know it from Berlin. It had been a little bit different [...] in some way they are part of this scene, and they fit into it based on their age, income, and from their interest and how they behave. [...] It had never been exclusive. You know people who made it, and helped, that's just how it works in this scene of the same age and some are a little bit left-wing and idealistic, etc.” (Grabolle, 17.06.2016)

In 2010s, after the initial period of informal networking, an official representative organisation for Hausprojekten emerged - Haus- und Wagonrat e.V:

“[in] 2009-2010 there was a strong networks of [houses organised around] different models [...], but sharing the same idea. And from that network, we and some other people started an advisory board... once a month. [...] it was just a couple of people. [...] At first it had been at Casablanka [...] And from then we had this idea of founding a Verein [association] to [act as] a juristical person in order to be an official contact with the municipality, in order to try to get some money from foundations - like Rosa Luxembourg Stiftung. And this strong network in the beginning - in the beginning every half a year there was this meeting of more or less every house project had been interested - about 50 people, with different workshops. But then most of the groups have bought their houses, some of them had finished renovation, some of them had been very busy with renovation, so this network gets a little bit less strong... and we also tried to install a little possibility to keep this network in a another way, more official. Because some projects are as projects part of the Verein. They pay a small amount of money, but they can say: “OK, I am a part of this and I want to share the ideas.” That gives us the possibility to have a small library, to buy books and to have a place where we can showcase stuff. ” (Grabolle, 17.06.2016)

Thus, in 2014, Haus- und WagenRat e.V. was founded. Its work is supported by the contributions from its members, and it can access funding from both the municipality and foundations. Since its founding, the association continued to offer advice to current and potential Hausprojekten, organise event and mediate between members and the municipality, by participating in

various municipally-organised projects. Mietshauser Syndikat also had local representation in Leipzig. This function was performed by the people, who were living in Mietshauser Syndika houses, on a voluntary basis:

“There is this non-profit advisory board and they had been very important. There has been this Mietshauser Syndikat bar every Tuesday - there was a possibility to speak about what is Mietshauser Syndikat and to address certain issues [...] The idea is not having a specialist who has all the knowledge, but having multiple people [sharing this] knowledge.” (Grabolle, 17.06.2016).

As collective principals underpin the idea of the Syndikat, this knowledge sharing and mutual support is one of the key parts of the model, which assists the subsequent spread of the model in the district and in the city. A number of houses have been set up in the area as part of the Mietshauser Syndikat. The first one was Zolle11, which was bought in 2009. In the following four years, seven other houses were purchased through the model.

Both regional representatives of the Mietshauser Syndikat and Haus- und WagenRat hosted joint events together and workshops together. For example, in 2016, a workshop on direct loans and investment law was organised by the two organisations (Haus- und Wagenrat e.V., 2018).

6.1.4.7 Hausprojekten - funding

Mostly, Hausprojekten did not access any public funding. Occasionally, public funding was accessed for the renovation of the building envelope. However, this was not impacted by the content of the project. Mainly, projects were supported by local networks described above, who have loaned new houses money as direct credits, or through wider Mietshauser Syndikat networks. One project was supported by a foundation.

Some building were bought only using direct loans, with no need for the bank mortgage. This for example was the case with A und V:

“Many Direktkredite. Many small, and 2-3 big amounts from people who had the money and didn’t need it. [...] And it was the time when the houses were cheap here in Leipzig still. This was the edge - after this [time the development] was very fast. Now you can’t do it anymore without a mortgage from the bank. Nobody who is living here gave their [private] money. All the money we used to buy the house and for renovation and restoration was only lent by other people, so we give it back. [...] Most of the them have got no interest. All 1.5 and up to 2% something to account for the inflation. [...] I had this job to organise these Direktkredite, and now someone else does it. In the best time, [the responsibilities] circulate as well - it is a cycle. Each person needs to try it. But the management of this self-organisation takes a lot of time.” (Schimkat, 03.03.2017)

Some projects were conscious about the conditions of public funding. For example, Gieszer 16 were conscious that funding would create some sort of dependency and that their projects could be ‘appropriated’ by the municipality (Stellmacher & Heise, n.d.). Although the group didn’t participate in EXPO2000, it did receive small amounts of EU funding for an installation ‘Schiffbugs’ in 2001. (Stellmacher and Heise, n.d.)

Conservation funding from public sources have been accessed by Hausprojekten mainly for the refurbishment of the building envelope or for making renovation works more green and sustainable. For example, Kreditanstalt für Wiederaufbau (KfW) has also provided funding for the houses to be ecologically renovated (Stadt Leipzig, 2010). In addition, buildings of historical importance have been eligible for subsidies to get them to an acceptable state, however, the

amount of funding for this has been limited and was mainly available only for the most essential work (Grabolle, 17.06.2016). However, many Hausprojects didn't access any funding, because either it was not suitable for their needs, or they did not need it. In the late 2000s and early 2010s it was still possible to buy a house for a relatively low price: "In the beginning, we had been able to do it on our own." (Grabolle, 17.06.2016)

However, in the second half of 2010s, projects were turning to other means than self-help in order to help them get acquire houses. One of those support mechanisms was Mietshäuser Syndikat. While part of the reason to join Mietshäuser Syndikat was ideological, their support networks also plays a big role:

"Some of the houses - it helps them a lot to be part of the Syndikate if they want to speak to GLS Bank. [...] you can trust this model. And you can say: "We are a part of Miethäuser Syndikat" so the bank knows that there are other people who have had a look at the figures and there is control and social network. If they have problems, they will find solution... Or they will find people who would help them. It is good job to be part of [it]" (Grabolle, 17.06.2016)

However, from the mid-2010s with the prices of building rising and the speed of the market increasing, projects started to turn to foundations and civil funding sources:

"both the prices had increased, and some groups had really no money. So there was the need to find partners and the typical partner had been Edyth Maryon Stiftung, Trias..." (Grabolle, 17.06.2016)

The foundations not only had the available funding, but they also had it available straight away, and the owners of the houses felt confident with them as the buyer:

"[foundations] are faster. [...] The problem is that the market is faster. The owner wants to sell his building and he gives it to the internet. He wants to do this in a month or two month. And the foundation - they are a big player, they can say: "We are a foundation. We function in this way. You can trust us." [In the past it sometimes took a] year to sell it to groups and it was OK. Now the market or the normal investor is faster and has more money. And the typical group will never get this thing" (Grabolle, 17.06.2016)

There was only one example of a project, which was bought with the joint help of Stiftung Edith Maryon and Mietshäuser Syndikat in 2014 is Le Conserve. The project consists of 1100 sqm of living space and 160 sqm of workshop space, where various events take place. The land is owned by Stiftung Edith Maryon, and the building is owned by Le Conserve GmbH, made up of Mietshäuser Syndikat and the association which owns the house. The tenants pay a rent of €4,50/sqm (Mietshäuser Syndikat, 2018).

The municipality also saw positive effects of both the wider Hausprojekten and collective houses. They wanted to scale some of the principles developed in the scene, making it suitable for a wider audience:

"it is not just about collective housing, but affordable housing, also about middle-class families. [...] In some ways, it is an alternative to [...] just profit-oriented housing market. Selbnutzer, they work together with us, with Haushalten, with Genossenschaften." (Grabolle, 17.06.2016)

For this purpose, the municipality developed network, which encompasses a wide range of local actors involved in production of non-market housing - co-housing, self-builders, temporary

housing like Wächterhauser:

“[For this] now we have Leipziger Freiheit. It is not only Haushalten, but other organisations working in town - Mietshäuser Syndikat, Haus und Wagon Rat and several other groups which are working [on the project]. To get their work and results together and to support them and spend money for this support is also important for the political discussion. Therefore Leipziger Freiheit is about asking what possibilities we have today. Because we have this questions: “Can housing groups here [do] social housing projects [using] social housing funding?” This is much more complicated, but nevertheless it is a question which is worth working on. If you want to keep this background, enabling people who want to do something, [you have] to help them even if the market situation is difficult. How to get for example the resources for these projects? how to get houses and sites cheaply? It is quite a political discussion because the city is selling the sites at below the market value to these groups because this is something we want to have in our city.” (Gerken, 03.03.2017)

6.1.4.8 Intermediary organisations.

Official intermediary organisations have also been important in connecting various actors from different clusters with each other and with external networks (i.e. property owners, municipality) as well as issuing funding and support to smaller organisations. There had been two main intermediaries in the area - Quartiersmanagement and Magistrallenmanagement Georg-Schwarz-Strasse. These organisations did not deliver projects themselves, but enabled other organisations through funding various local stakeholders to develop projects. As one of the main activities of these organisations was redistribution of funding, there is no separate funding section.

Through these intermediaries, the municipality would redistribute larger funds (such as URBAN II, ERDF or Stadtumbau Ost). Thus, these official intermediary organisations were purposely set up to manage a particular funding programme locally as well as to channel the funding to projects and organisations in the area.

Quartiersmanagement Leipziger Westen (QMLW) was set up in 2002 to manage and redistribute URBAN II funding. After URBAN II funding finished in 2007, QMLW managed and redistributed funding from the ERDF programme “Nachhaltige Stadtentwicklung” (Stadt Leipzig, 2017). During this switch, the geographical coverage has changed with an overall reduction of financial resources. (Stadt Leipzig, 2011). From 2013, after the end of ERDF funding, the Quartiersmanagement was funded by the federal funding programme Stadtumbau Ost (Programmteil Aufwertung), which was managed by ZAROF. GmbH (ZAROF., 2014). This is when the name also changed to Stadtumbaumanagement Leipziger West (SMLW). During this change, also the team and the people working have also changed.

QMLW functioned as an interface between various municipal departments, local stakeholders, businesses and citizens. Its main task was to identify the potentials and deficits of the area, monitor activities of key stakeholders, assisting them in their work through mediation of conflicts and facilitation of internal networking (Stadt Leipzig, 2005c). It worked with local actors to identify priorities for area development, assisting them in the delivery of their own initiatives and projects, particularly if the initiators lacked skills, knowledge or resources:

“[For this] you must have a lot of knowledge about the area and the people who [live and work] there. So Quartiersmanagement and things like this [are] very important for this - to activate and to find out where the chances are, to [connect] those people who are [can act], [to] those who have the money and the funding.” (Gerkens, 03.03.2017)

Instead of regulating the activities of the actors, QMLW used funding to steer actors and projects in a certain direction “developing stronger co-operation with neighbourhood actors [... who] are themselves interested in the process of development and themselves bring together strengths and resources” (Stadt Leipzig, 2010b). It used its own resources to unlock private finances, and steer those towards a common goal of area development, as was theorised by Willinger (2014). It was also a key function to select the right actors to fund, so that little available resources generate the highest impact:

“A lot of people are asking how strong [the stakeholders] are and what is behind them, [so the task is also to] concentrate [the efforts] on those who are strong enough to be successful. Because it makes no sense if you spread [the resources] everywhere - [they] just [get] burned, and nothing comes out.” (Gerkens, 03.03.2017)

Thus, QMLW performs a function of a gatekeeper to funding - they vet and pick which projects

get funded through both the EU and national funding, and have the final control funding. There is also a level of local involvement in funding decisions:

“There is a jury, and these are people from this area, they are sitting together and they have up to 10,000. They invite actors from this area to be part of the jury, and then you can give them your application, and then you can get up to €10,000.” (Schimkat, 03.03.2017)

This mediating role required a fine-tuned approach as different groups of actors sometimes had views and aims which were in conflict with one another: “Citizens’ participation in this regard actively integrates the (sometimes contradictory) perspectives and interests of residents, owners and businesses as well as interest groups in the democratic, social, economic, cultural and environmental spheres.” Peggy Diebler, QMLW in (Stadt Leipzig, 2012).

QMLW carried out a number of activities:

- Monitoring the development of projects funded through the programmes and reporting on their progress to the funding bodies
- Running the website where residents & associations could see funding opportunities as well as make proposal and suggestions (Stadt Leipzig, 2008)
- Running and managing Stadtteilladen (district store), which acted as the main point of contact between the citizens and administration. The store combined the social functions of Quartiersmanagement, local business funding (Wirtschaftsförderung), local employment funding (Beschäftigungsförderung) as well as served as the cooperation point with Kultur- und Kreativwirtschaft (Culture and Creative Industries) working together to achieve targeted development (Stadt Leipzig, n.d.). This store is also available to local groups for meetings and activities, with for example Westbesuch being offered space in Stadteilladen as well as the use of the equipment there (Balmer, 2014).
- Distributing smaller funds (Verfügungsfonds) to local organisations and individuals
- Networking actors in the district with the aim of making them self-sustainable as well as assisting the organisation of community events and festivals.
- Controlling integrated marketing and tourism strategy (Stadt Leipzig, 2010).

This mediation and networking required constant input from the officers of QMLW:

“And especially to have this area management, just having all of these meetings. You need someone who is inviting people for [to discuss a certain issue or theme], sending the minutes to them, helping this work atmosphere [along]. Therefore you need someone to do this, it doesn’t work on its own. It is more of a service to keep these things going. Like giving oil to the machine, so it keeps running. This area management - recognising what is going on, [which] possibilities there are, how we can help, how the projects are standing in the area.” (Gerken, 03.03.2017)

The actors interviewed were positive about the work of ASW. They saw the efforts of municipality as essential in developing of the area. Funding, which municipality made available for the stakeholders, was also a key in that:

“[ASW] give money for [permanent values] - [...] for the new floor, for the new window, for the new entrance door - they give money for things which last. They had influence in this area. [...] And ASW was very interested in the development in the beginning. In the beginning they were more interested. Now the development took place already, so they are maybe now more interested in the East. But they are interested in good development.” (Schimkat, 03.03.2017)

With this change from QMLW to SMLW in 2013, the role of the organisation also changed,

from enabling other organisation to mediating possible conflicts between various actors in the district:

“In principle, participation already works in West Leipzig. Therefore, [...] the Stadtumbau-management [has] other tasks [...] such as actor coordination in the West of Leipzig [...] from those politically-active who are located in [Gieszer 16] to the people at Diakonie.” (Tanner, 2013 interview in Reichenbach-Behnisch, 2016: 295; own translation)

As most of the physical upgrading was by that point already happening by itself - with the private sector having a much bigger involvement than before, the focus has shifted to mediating conflicts which were occurring as the competition for space in the area started to increase:

“We are now trying rather to develop strategies to slow down the development. It got a lot of things moving, which was not a problem before because so much room and space was available.” (Ronald Beer, Stadtumbaumanagement LW interview in Stadt Leipzig, 2016).

As the available space was reducing, the competition between existing organisations for it was also increasing.

The aim of the local funding (Verfügungsfonds) has also changed from investing in getting the projects developed to supporting social projects, which deal with the issues arising from, amongst other things, larger pressure from market-led development:

“In the past, especially projects and ideas from the artistic field have been supported with Verfügungsfonds. Today the focus is on the social sphere rather on investing in projects.” (Volly Tanner, Stadtumbaumanagement LW interview in Reichenbach-Behnisch, 2016: 294; own translation)

Another intermediary operating in the area has been Magistrallenmanagement Georg-Schwarz-Straße (MMGSS), which was set up in 2011 to manage and redistribute funding from the Bund-Länder Programm (federal & state programme) ‘Aktive Stadt- und Ortsteilzentren’ (Active City and Village Centers). In order to receive the funding, the municipality made an argument that the whole length of Georg-Schwarz represents a stretched-out centre (Grabolle, 2016). At the same time, the geographical remit of QMLW was reduced because of the change in funding, and the opportunity to have two intermediary organisations covering separate parts of the area was taken by the municipality (Stadt Leipzig, 2011).

The management group of MMGSS has been made up of local actors with six people sharing 1.5 full-time positions. The main focus of the MM has been networking with property owners in the area, helping them with various planning matters including getting access to funding to help them renovate their properties. Both short-term models, such as those implemented by Haushalten (a founding member of which is part of the MM) and long-term contracts such as leaseholds and purchases (Stadt Leipzig, 2011) have been funded in order re-activate the street. In addition, potential users have been sought who might want to set up a business in the many empty shops along the street, activating it. Magistrallenmanagement “keep contact with the city administration, to the numerous associations and businesses on site, manage the website for the street, organise district tours and a street party once a year” (Veyder-Malberg, 2015). Similar to the QMLW there was a physical space where various stakeholders could come.

The targeting of major urban redevelopment funds (URBAN II, Stadtumbau Ost, ERDF) at the area has been instrumental in its development. Various hard physical improvements have been supported by the programme making the area into an attractive place to live and work. In addition, softer approaches related to the actor-led development models have become the showcase

tools of the Leipzig municipality.

There has been a close working relationship between Kulturstadtamt and Quartiersmanagement where “the work of creatives can be integrated in urban development concepts” (Kucharski-Huniat, 2013 interview in Reichenbach-Behnisch, 2016: 343).

For example, much of the early funding for Nachbarschaftsgarten has been given through Quartiersmanagement. The funding from URBAN II programme enabled the project to connect water and electricity to the site (Stadt Leipzig, 2016: 11): “There were people in ASW and URBAN II, who have made bold decisions and made the funding available” (Tobias Habermann interview in Stadt Leipzig, 2016: 19). In addition, URBAN II also supported the organisation of the first Freiflächensalon, which brought a lot of actors together around Nachbarschaftsgarten and the idea of the actor-led urban development of vacant space.

Many other organisations in the area also received funding through QMLW. For example, a group located in a Wachterhaus on Lützner Straße 131, received funding to turn a space into a studio space. Annalinde, who renovated an old plant nursery, received €3200 funding for the repairs of some greenhouses (Stadt Leipzig, 2016). Renovation funding was accessed by a number of Hausprojekten in the area along Georg-Strasse. For example, Georg-Schwarz-Straße 7 received €7,000 for the renovation of the facade.

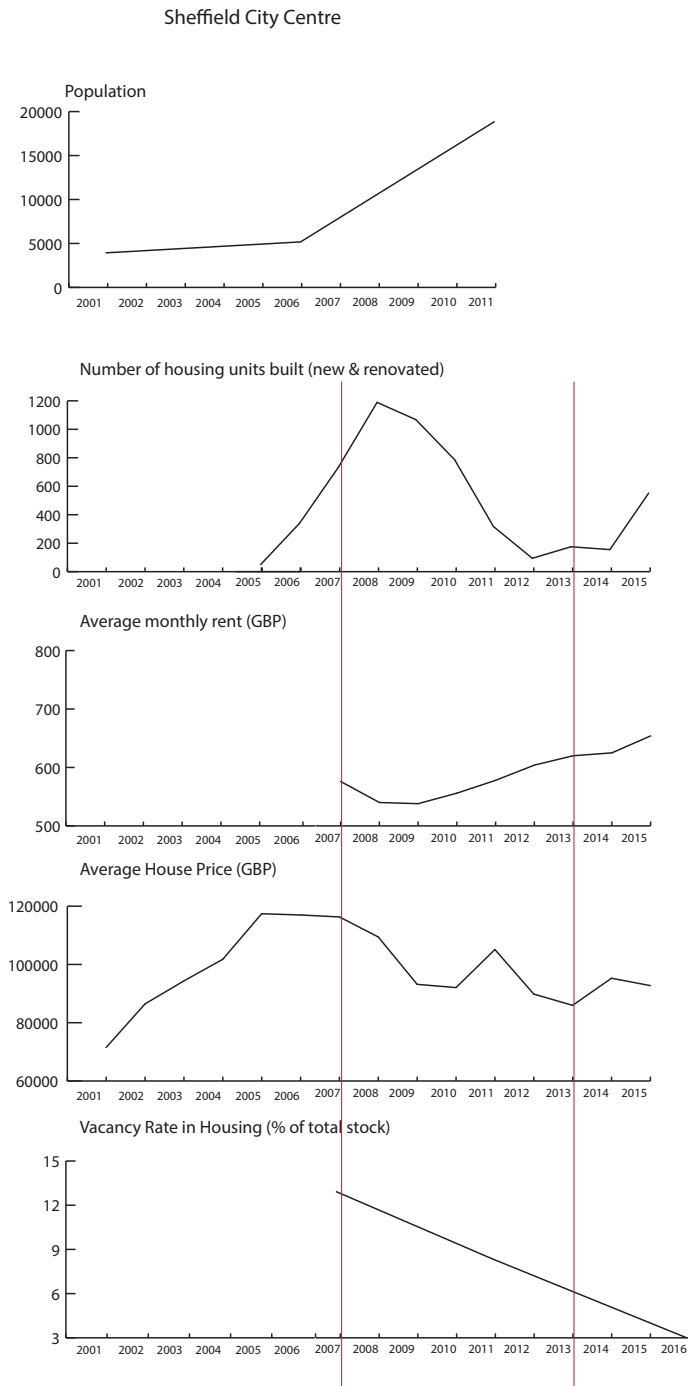


Figure 6.27: Diagrams showing the state of real estate market in Sheffield City Centre. Red lines indicate different cluster development phases (i.e. seed, growth, consolidation). Sources of data: (Sheffield City Council, n.d.; Sheffield City Council & DTZ, 2007; University of Sheffield et al., 2013); Designed by the author.

6.2 Sheffield City Centre.

In a similar way to Chapter 6.1, this chapter traces the development of spatially-focused enterprise cluster in Sheffield City Centre, from the settlement of the initial seed projects to the development of networks between them, and cluster formation. The primary aim of this section is to show the interdependency between projects, and the evolution of project cluster from the 1990s to 2016. The connections between various projects are highlighted. The following section discusses the effects of funding on the development of individual use clusters and boundary spanners in more detail (Williams, 2002).

The development of the project cluster in Sheffield City Centre is divided into three phases. In the first phase in 1990s-2007, pioneers settled in the area, creating the Older Creative Spaces sub-cluster. These projects started without any funding, accessing a small number of national and EU funding only in their growth stage. In the second phase in 2007-2013, seed projects for the Newer Creative Spaces sub-cluster started to settle in the area. Most of these began on short-term leases. Stronger action-focused networks formed between the organisations in the Older Creative Spaces sub-cluster. This development happened against the background of the low property market, following the Global Financial Crisis and recession. In the third phase 2014-2016, the property market started to come back. More projects continued to settle in the area, with networks continued to form between them and older organisations. Only at the end of the period, there was some concern from the actors about possible displacement. However, no projects were forced to relocate or stop their activity.



6.2.1 Seed Phase until late-2000s

The availability of empty factories and students from the local art college created the first cluster of arts-focused organisations. These projects were mostly based in the CIQ area, close to other cultural and creative industrial institution. Although the first wave of cultural organisations was established in the late-1970s-1980s, as was discussed in the last chapter, many more were established there in the 1990s. Also, some organisations, established earlier, were able to build permanent buildings for themselves in the beginning of the 2000s.

Yorkshire Artspace, which was founded in 1977 by a group of graduates from Psalter Lane Art School¹ was one of the first art spaces to be set up outside of London (Dore, 17.10.2017). In 1995, a group of artists, which included two lecturers from Sheffield Hallam University on the Fine Arts Course, started S1 Artspace. They first settled in a former industrial space above a garage, managing to get a 25 years lease on it (Prater, n.d.: no pagination). A year later, in 1996, four art graduates opened started Bloc Studios, a studio space as “an antidote to the then lack of studio facilities in Sheffield” (Bloc Studios, n.d.). The organisation “provides a platform for early-mid career artists, encouraging experimentation, collaboration across disciplines and critical dialogue among artists, audiences and partners in the city and further afield” (Branscombe, 2016: no pagination). In 2002, a number of studio holders opened a gallery space there, which later developed into Bloc Projects, a separate organisation from Bloc Studios (Branscombe, 2016).

At the end of the 1990s, a hackerspace run by the Redundant Technology Initiative was also set up in the area of CIQ, led by another graduate of Sheffield Hallam University. It was based in a space which was provided by the Sheffield City Council, former studio of Yorkshire TV (Dodson, 2003: no pagination). In 2000, the group opened “Access Space”, as a more community-focused facility (Wallbank, 2006). The space used only open-source technology and discarded computers. In exchange for the use of the space and equipment, users are encouraged to contribute to the community, sharing their skills and knowledge (Corbett, 2014: no pagination; Dodson, 2003: no pagination)

There were various networking activities between these arts spaces, including through the organisation of various festivals, which brought together all the galleries under one banner including Lovebytes, CIQ Agency and Sheffield Contemporary Art Forum. For example, one of those was Art Sheffield organised by Sheffield Contemporary Art Forum, which has been staged every two or three years since 2003. The first festival brought together Site Gallery, S1 Artspace, Bloc Space, Lovebytes, and Sheffield Galleries & Museum’s Trust (Art Sheffield, n.d.).

These organisations could be said to represent the first arts-focused arts cluster. Each organisation in the cluster catered to a particular type of artistic output - Yorkshire Artspace was related closer to crafts, S1 was more contemporary art. Access Space was focused on technology. This cluster relied heavily on public funding which was available from a wide range of national and EU sources for both programming and infrastructure, as is discussed in the next section.

¹ Psalter Lane Art School became part of Sheffield Hallam University.



Figure 6.29: Spatially-focused enterprises, which developed in Sheffield City Centre by the end of 2014; Diagram by the Author; Map Source: OpenStreetMap (c) OpenStreetMap contributors; CC BY-SA

6.2.2 Growth Phase, late-2000s-mid-2010s

Due to the heated property market in the 2000s, not many projects took place then. However, after the Global Financial Crisis and recession, the seeds of Newer Creative Spaces sub-clusters started to develop. The first seeds for the cluster were created by the organisations looking for space before the start of the recession. Similar to the organisations in the Older Creative Spaces cluster, the organisations in the Newer Creative Spaces cluster utilised various available vacant buildings across the city. They developed uses and activities, which were not present in the city before - co-working spaces, studios and club clusters, theatres in former pubs. Also, changes in national funding affected how the Older Creative Organisations were financed. This had a positive side, of enabled the creation of stronger networking between them.

A number of organisations who were looking for space before the financial crash, suddenly were able to find suitable premises following 2008. In this year Bank Street Arts, Club60, APG Works, S1 Artspace, and Point Blank were able to find suitable premises. In this way, a recently formed arts organisation purchased a building, recently vacated by a law firm on Bank Street. Because it was based on Bank Street, the organisation was named Bank Street Arts. Even though the founder of the space, John Clark also studied fine arts at Hallam University, he was apprehensive about setting up a space in CIQ, not wanting to join the Older Creative Spaces sub-cluster: “We didn’t want to join an established arts clique” (Clark in Sheffield Telegraph, 2008: no pagination). John Clark was looking for a space for a number of years before this: “I have been looking to do a project like this for a number of years but it was the case of finding the right building at the right price that could be operated in the right way.” (Clark in Sheffield Telegraph, 2008: no pagination). The project focused less on the traditional arts, like the spaces in the Older Creative Spaces sub-cluster, providing space to poets, writers, jewellers, publishers and illustrators (Sheffield Telegraph, 2008).

In 2008-2009, it was still unknown just how long the recession may last (BBC News, 2009). As the time progressed and more people started to notice the actual amount of vacant space in the city and the lack of any sorts of development, a number of new actors have emerged specifically to utilise the opportunity offered by the amount of vacant space. These organisations were different in a way that they mostly used the building they occupied on temporary leases, unlike the 10 or 25 years leases available to organisations in the Older Creative Spaces sub-cluster.

Creative Arts Development Space (CADS) was started in 2009 when its founder, Steve Rimmer, was looking for storage space for his music event business. In the process, he found that even though there was a lot of vacant space, it was relatively difficult to access it as an individual without a substantial business history or upfront capital. However, after some searching, an opportunity came up to rent three adjacent industrial units. Using one of the units himself, Steve Rimmer sub-leased two other units. After finding the tenants for them straight away, he recognised that there was quite a lot of demand for cheap space of small size (Rimmer, 22.04.2015). Thus, in 2010 CADS took on another, bigger building with the aim of using parts of it for late night events on a temporary license basis, which would be discussed below, and to offer the rest as studios and workshops. Unlike the arts-focused cluster with a strict selection process, CADS offered spaces to anyone who needed it.

Starting from 2009, Sheffield City Council and Creative Sheffield were preparing a bid for UK City of Culture 2013. Various cultural and educational organisations in the city were also involved in the preparation of a bid, as part of the Steering Group: “Sheffield City Council put a bid in to be UK City of Culture, so we got together as a group to feed our ideas into that bid.” (Dore, 17.10.2017). At that time, the representatives of the art-focused studio clusters were represented through Sheffield Contemporary Art Forum. Sheffield’s proposal concentrated on involving “everyone in the city in creating, making and performing cultural activities in 2013”

(Sheffield City of Culture, 2010: no pagination). Although Sheffield was one of the four short-listed cities, the City of Culture title went to Londonderry at the end (BBC, 2010).

The networking and various discussions around the UK City of Culture bid led to the development of another network, which built on the efforts of various cultural organisations in the city for the next few years. The creation of the network was spurred by the new director of Site Gallery, Laura Sillars, who came from Liverpool in 2010, and proposed the creation of a forum made up of heads of the main cultural organisations in the city. This was different to both the existing culture board run by the Sheffield City Council and the Sheffield Contemporary Art Forum:

“It was driven by Laura Sillars, the incoming Chief Executive of Site Gallery, who had come from Liverpool and knew about LARC. LARC is a similar consortium of Chief Executives of big Liverpool cultural organisations, and I think they came together in order to bid for and manage Objective 1 funding. They would come together as chief execs and meet regularly and they had this big pot of money to do something with. But Laura said the fact that they met together - if you put the money to one side was a very positive thing. So she encouraged us to do a similar thing in Sheffield. [...] So when we founded the Sheffield Culture Consortium, it was on the basis of limited membership. It is always well-chaired and we are there to get things done.” (Dore, 17.10.2017).

Another project which reinforced the power of the user-led development approach was a successful campaign to save a historic mixed-use workshop cluster from being converted into flats, which run between 2010 and 2013. In the face of recession, a developer planned to turn former cutlery works under the name Portland Works into 63 bedsit flats and a few offices (The Star, 2009). The existing community of tenants, comprised of older metalworking businesses, artists and musicians, got together with a number of academics and other interested people around the idea of saving the building. Their efforts were supported by the Sharrow Community Forum, a neighbourhood organisation. The first step was the overturning of the planning application for the redevelopment of the building which involved a big public campaign (Udall, 16.11.2016).

The project had a lot of links to previous organisations developed in the area, particularly to Sharrow Community Forum and Little Sheffield Development Trust. The latter was founded by Matthew Conduit, who moved Site Gallery to the CIQ area and set up Workstation; and Alan Deadman, who was also involved in CIQ Agency. Although the original remit of the Little Sheffield Development Trust was to save Stag Works, another building around the corner from Portland Works, they refocused their effort:

“everything that we did was based on the work of other groups before. [...] Little Sheffield Development Trust [...] was set up by Alan Deadman, Matthew Conduit - and they were working in Sharrow - and I think Alan particularly was so involved in the music industry [...] the people involved in CIQA [...] hoped to support his project which was around John St. Triangle area and the kind of music studios but particularly focused on Stag Works, which was one place with a lot of musicians based there [...] And so he set up Little Sheffield Development Trust, which was primarily to get EU funding - ERDF funding. [...] And it didn't really work out, but what came out of it is what they had some money and they had a structure as a development trust, which was really instrumental in starting Portland Works. When we set up as an Industrial and Providence Society, the fact what he constituted this development trust enabled us to have a financial tract record, they had a little bit of money left over which helped with funding for surveys, for setting things up with registering at Companies House and all of these little things which are actually really important, but very difficult... what they happened really immediately was very important to us [...] - it kept the momentum going.” (Udall, 16.11.2015)

After the success of the first campaign, a Knowledge Transfer-funded project was developed with the University of Sheffield, where various governance models for self-management of Portland Works were explored. As part of the project, numerous case studies of similar-sized schemes in Sheffield and wider UK were collected, and a workshop with various funders and experts was organised. As a result of the Knowledge Transfer project, it was decided to form an Industrial and Provident Society in 2010, and apply with it for funding and crowd investment, as discussed in Chapter 3. Another public campaign was then organised to raise capital through a public share issue in order to purchase the building in 2013 for £395,000 (Smith, 2016). Various events staged as part of the campaign brought various people together, including future investors. Also, at one of the events, a funder was present, who provided the space with a substantial renovation loan:

“[Funding from Sheffield City Council through Community Fund programme] helped us to run open days, which were really important in the share issue. We sold lots of shares there, but also that’s how we met [other funders].” (Udall, 16.11.2015)

The importance of key individuals and networking between them was also highlighted as necessary in getting the project off the ground:

“it actually depends on a close-knit set of people. So Alan Deadman, who was one the tenants at Stag Works and run Little Sheffield Development Trust was actually the chair of Sharrow Community Forum and became the director of Portland Works as well. So he was involved in all of those different organisations. And he was also on the Sheffield Cultural Consortium and various other things in the city and I think absolutely those kinds of networks that have been established over a number of years were very much the reason what Portland Works could happen so swiftly and be as successful as it was.” (Udall, 16.11.2015)

However, the hidden aspect of these networks was also mentioned:

“But because people tend to be quite modest and they just get on with it, and it tends to be within networks, and unless you are involved in them, maybe you don’t know what is going on. They are hidden.” (Udall, 16.11.2015)

At the end of 2010, S1 Artspace moved into a much larger formerly industrial space just next door to where it was previously based: “The recession for S1 became a lifeline as it presented new opportunities” (Prater, n.d.). The building stood vacant for five years before, being originally intended to be demolished and turned into flats. However, the recession and the delay of Sevenstone forced the owner to reconsider the original decision and to rent it out to S1 Airspace instead. The new space opened in 2011 with an exhibition marking organisation’s 15th birthday. In the interview in the Guardian, one of the artists, Haroon Mirza remarked: “Things have really changed in Sheffield [...] Instead of moving to London, people study at Sheffield Hallam and then stay in the city. These days, artists are even moving here from London.” (Needham, 2011). This article could mark the start of a recognition of Sheffield City Centre as a creative cluster.

At the same time, CADS was looking to take on more buildings as its current space was filling up. In 2011 it took on the abandoned student accommodation and converted it into more studios and workspace (Figure 6.47). The renovation of the building was done to a higher standard than its previous buildings due to a more extended lease. In 2013, CADS took on one more building in the City Centre - Sydney Street Warehouse. The space had a much more simple set-up than its previous buildings as it had a much shorter lease. The space consisted of a warehouse with smaller office units. The smaller units were sublet to a variety of organisations. The large warehouse space was used for concerts, cinema screenings and events.

Some of the former CADS residents also started a separate organisation, more suited to art production. This is how Kelham Island Artist Cooperative (KIAC) began in the summer of 2011 as an informal association of studio holders (Sheffield Telegraph, 2011b): “KIAC has plans to provide workshops covering different arts practices in the future and to seek to work with other local organisations to promote the arts in the Kelham [Island] area and further afield.” (Sheffield Telegraph, 2011b: no pagination). The space which it occupied was a former factory, which had planning approval for housing. However, these plans were put on hold by the recession.

Before 2010, the workspace available in the city comprised of two types - all-inclusive business space (in Electric Works, Workstation, Scotia Works), which was relatively expensive and studio space for artists, for which there was a selection requiring a portfolio of work and for the applicants to be working within specific type of practice related to either contemporary visual arts (S1 Artspace), or traditional arts (Bloc Studios, Yorkshire Art Space). Thus, Newer Creative Spaces offered a possibility for a different type of production - music, small businesses, literature, poetry. They didn’t have a policy of recommendation or panel selection.

Various knowledge sharing activities were instrumental in spreading certain methods between bottom-up organisations. These methods were exchanged in a number of ways - through publications, through formal networks and one-off networking. As well as this, there was also networking between various organisations on a national level. This national exchange happened, for example, through the National Federation of Artists’ Studio Providers (NFASP), of which CADS and Yorkshire Artspace are both members of. Through many networking events, one of which took place in CADS in 2012, as well as informal meetings between the network members, certain practices related to the temporary use and business rates, were shared among the participants².

A number of case study trips also took place in 2012 with for example a trip of CADS to London to meet SPACE Studios and Meanwhile Space, described in Chapter 2. In the words of Steve Rimmer, the founder of CADS: “Because there was nothing to compare it to in Sheffield, but there were lots of things to compare it to outside of Sheffield, in the UK but also abroad.” (Rimmer, 22.04.2015)

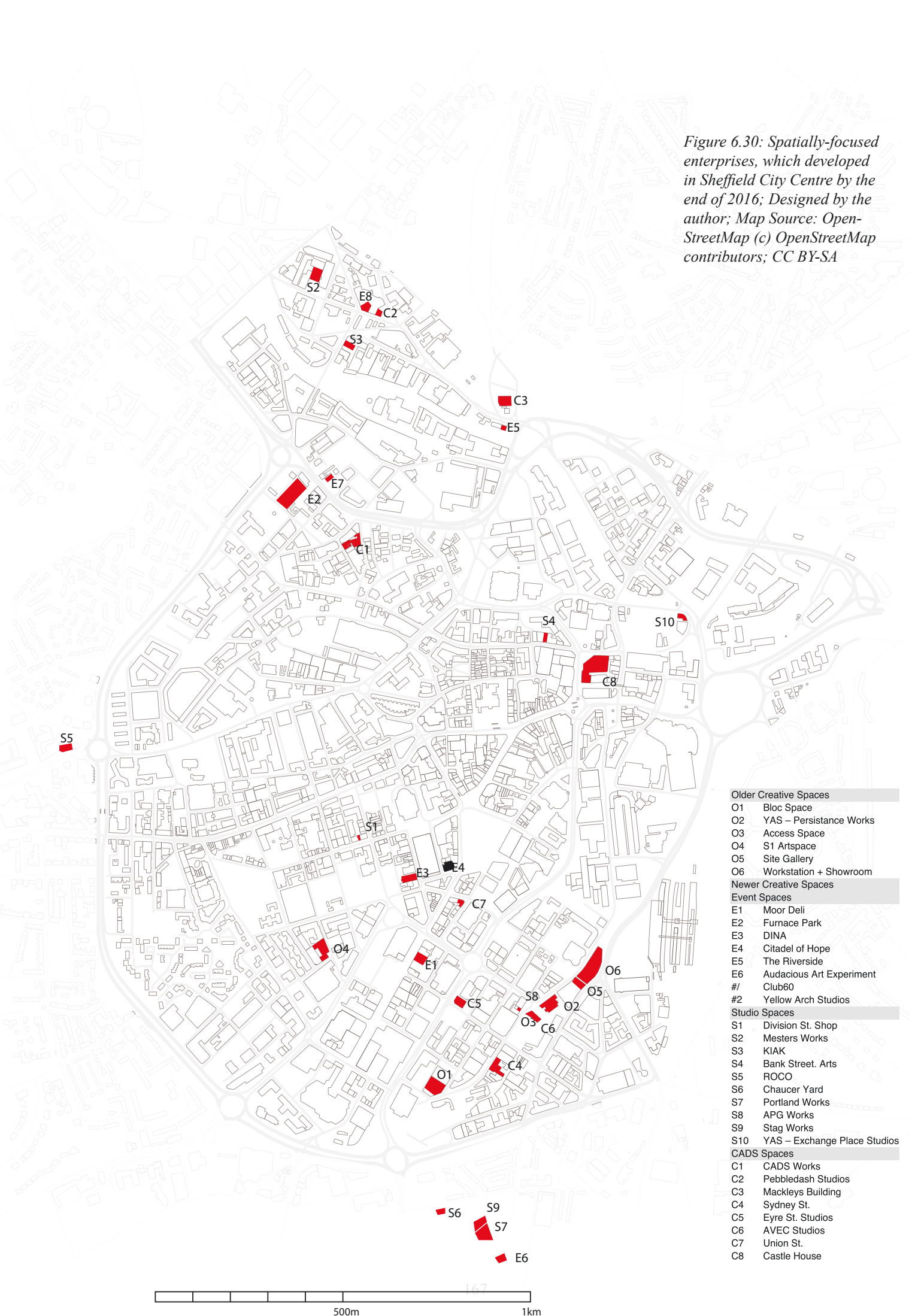
The local municipality was also utilising process-led planning methods for regeneration purposes. An example of this was the development of a retail emporium in one of the large vacant stores in the city centre, offering space to a number of start-ups, craftspeople, and designers. The model was based on an award-winning project piloted in Leeds which has also received government funding (Yorkshire Evening Post, 2012). The main idea was that a multitude of local makers and producers could sell their products in one location, where they rent a shelf or a display unit, thus saving on managing separate retail units. The municipality was hoping that the would activate the rest of the street, which at the time had a high number of vacant units. Out of this, a number of offshoot projects were created, including Common People, which would be discussed later. However, the initial unit closed and the project was relocated to a smaller unit nearby.

During 2007-14, the first organisations, which would form the Newer Creative Spaces sub-cluster, settled in the area. This was partly enabled by many vacant spaces, which were spread across the city, following the Great Financial Crisis. These spaces accommodated a more extensive

2 At the time, one particular organisation in Leeds, East Street Arts which, established in 1993, was active in using vacant spaces for a variety of creative uses and an income source. This method would be discussed in greater detail in the next section. East Street Arts was particularly active in the 2010s when it has been “occupying over 300 buildings, involving 2500 artists and 10,000 audience members” (East Street Arts, n.d.)

range of uses than Older Creative Spaces - by providing spaces to musicians, small businesses, and creatives related to literature. Some of them were developed through novel financing methods, including crowd investing. Also, in this period, Sheffield Culture Consortium was founded, as a network linking members of Older Creative Cluster with both universities and the municipality. The aim of the network was to attract more funding to Sheffield, and to participating organisations, as is discussed below.

Figure 6.30: Spatially-focused enterprises, which developed in Sheffield City Centre by the end of 2016; Designed by the author; Map Source: OpenStreetMap (c) OpenStreetMap contributors; CC BY-SA



6.2.3 Consolidation Phase, mid-2010s onwards

If the housing market is taken as an indicator of the wider property market, from 2014 there was more activity in that area. The number of vacant housing units in the City Centre was reducing, the prices were going up both in terms of rents and buying prices, and new housing was getting built. Thus, the property market interest was coming back to the City Centre. However, there were still a lot of vacant spaces there. Particularly visible were vacant shops. In September 2012, the local newspaper Sheffield Telegraph reported that 26.1% of the shops in the city centre were vacant, referring to the earlier study by Local Data Company (Sheffield Telegraph, 2012).

From 2013, a number of new organisations were set up to address the issue of vacancy in the city centre, mainly through temporary use. These efforts were driven as much from the bottom as from the top. For example, in the 2013 Masterplan there was a realisation that various spatially-focused entrepreneurs, including socio-cultural projects, were beneficial for the city:

“Actually, if you look back at some of those things which happened in the 80s & 90s in the old abandoned factories and so on - they went on to become important parts of the creative economy, so we should be more conscious of it, more open, rather than expecting things to either be initiated by the council or by big investors. That is what we were trying to build into the approach for the City Centre Masterplan. There are still big top-down projects, but there is also trying to make areas like Castlegate, like some of the other quarters - [...] from small-scale initiatives and when we saw Marcus Westbury speaking about that at a conference in Copenhagen, we thought: “That is a very good expression, really articulate expression of what we are trying to achieve.” So we tried to bring in some lessons from that experience and in our own way to build that into the way the council works.” (Ogden, 17.11.2015)

A number of new networks formed to address the issues of vacancy, and new partnerships developed with already existing organisations. In 2013, Common People was set up to make use of multiple vacant shops in the city. The setting up of the organisation was facilitated by its founder taking part in the social enterprise accelerator “Accelerate”, which provided initial funding and support to set up the organisation (Hoy, 10.11.2015). The organisation worked with landlords of vacant properties to create temporary uses in their spaces, which would animate and attract potential tenants. And it offered local creatives space at a reduced price. Mostly, the organisation was aimed at helping retail-focused businesses, who wanted to have a pop-up shop. However, the organisation itself was structured as a non-profit company itself (Steenbergen, 2013). Common People worked primarily with empty shops, linking its to independent businesses looking to try out their retail- or showcase-based ideas at reduced costs and risks. The project started with the use of one of the shops on Division Street:

“Common People, working with Sheffield City Council, will ask landlords and independents to agree to an eight-month meanwhile use lease, which they hope will evolve into formal leases at the end of a trial period. The agreement will allow landlords to break the lease at any time and to give the tenant a grace period to end a trial period if they wish to do so” (Steenbergen, 2013).

Another important actor for the development of a spatially-focused enterprise cluster was the University of Sheffield. The quality of the city environment and leisure and entertainment offer beyond the campus plays a significant role in the choice of a university for students - thus being located in a dynamic and attractive city was one of the selling points. Apart from the university facilities, the city itself is presented as one of the factors to choose the University of Sheffield on

“Why Sheffield?” tab on the university website. Prospective students were marketed Sheffield as an exciting place to study:

“You’ll be at the heart of a very special city. Sheffield is packed with people who want to make a difference, and buzzing with possibilities. [...] Sheffield is a city of stunning landscapes, with a modern outlook and a million things to see and do. Music. Sport. Culture. The great outdoors. Hands down, it’s one of the best cities in the UK for student life.” (University of Sheffield, 2018: no pagination)

Another reason for the increased involvement of the University of Sheffield was the combination of factors such as the requirements of the Research Excellence Framework to demonstrate the real-world impact of the research as well as the increasing need to demonstrate ‘civic university’ credentials (Godard, 2009, as cited in Lowndes & Squires, 2012).

The University of Sheffield has been participating in the urban development of the city for a while, and more recently, for example, through research. For example, the University of Sheffield contributing to the annual State of Sheffield Report (Lowndes & Squires, 2012). Also, the university had financial resources, which it utilised in providing match funding for such projects as Renew Sheffield, which is discussed below. The university was also a partner in a variety of EU regeneration projects, including SEEDS, VALUE and VALUE+, discussed previously.

One of the focus areas of the new partnership between the University and Sheffield and Sheffield City Council has been the Castlegate area. The area has been earmarked for regeneration by Sheffield City Council for decades. Its location between the City Centre and the Riverside Business District, where the majority of the city’s hotels and a significant amount of new accommodation and office space was located, was posing an image problem. The regeneration of the area was meant to start with the move of the Markets, and the demolition of the Markets building. Underneath the market’s buildings are the remnants of the Sheffield Castle, which were planned to be excavated and turned into a tourist attraction (Sheffield City Council, 2013). In Castlegate, the University of Sheffield support a number of physical projects, discussed below. The collaboration with the municipality was seen positively by the university:

“In Castlegate we are seeing the first fruits of a completely new approach to partnership with the city, bringing the research resources of the University to bear in very practical ways to animate, discover and transform Sheffield’s oldest quarter whilst learning and having fun. Having this investment in this part of the city will helpfully inspire others to bring economic vibrancy back to this area.” (Toulmin, Head of Engagement at the University of Sheffield in The University of Sheffield, 2015: no pagination).

A group of local stakeholders, under the name of Castlegate partnership, also formed to work together with the City Council on developing a plan for the area and applying for heritage funding in order to uncover the remains of the historic castle, which is underneath the vacant plot, where demolished markets were:

“Castlegate Partnership [...] is a group of people whose organisations have an interest in the area. It includes Sheffield City Council, the Friends of Sheffield Castle, the University of Sheffield, the Friends of the Old Town Hall and Sheffield Hallam University. It is a group of people who have a vested interest in helping to regenerate that part of a city. And it is trying to work with Sheffield City Council to secure funding that the City Council couldn’t on its own, such as HLF funding that we applied for but sadly didn’t receive. So that is currently an intention rather than a reality.” (Dore, 17.10.2017)

A lot of projects and engagement activities were funded by the University of Sheffield, who

has initiated many projects in the area. In 2014, an internal university steering group was set up made of nine academics from different disciplines to “input into the redevelopment of the Castlegate area, following the relocation of Castle Market to the Moor. This provided Sheffield City Council with access to research expertise in animal and plant sciences, archaeology and architecture, history, landscape design, civic & structural engineering, town & regional planning” (The University of Sheffield, 2015: 9). In addition, a number of projects were run by Sheffield School of Architecture (SSoA), “working with shoppers, local businesses and Council officers to generate a proposal for ‘Revealing Castlegate’” (The University of Sheffield, 2015: 21) and to develop idea of how the area could look in the future. SSoA have also developed a number of workshops with local stakeholders to develop a common vision for how the area could develop:

“The most interesting thing we have taken part into date was a workshop day run by the University of Sheffield which brought in a much wider group of people who have an interest in the area to come up with a vision for Castlegate. That was very-very productive. [...] It was led by the University of Sheffield And I think we got close to having a shared vision for the area.” (Dore, 17.10.2017)

In 2014 the Sheffield University’s Head of Engagement organised a week-long visit from Marcus Westbury, the founder of Renew Newcastle to Sheffield. As explained by the organiser: “Marcus’ work in Newcastle, Australia, is an inspiration to all creative cities that believe through partnership – inspirational leadership and enabling people to come together – they can transform where they live” (Professor Vanessa Toulmin, cited in The University of Sheffield, 2014; no pagination). The choice of Westbury as a speaker first came from the Head of Regeneration of the City Council, who have heard Marcus Westbury speak before at one of the SEEDS events in Copenhagen:

“when we saw Marcus Westbury speaking about [small scale-initiatives] at a conference in Copenhagen, we through: “That is a very good expression, really articulate expression of what we are trying to achieve.” So we tried to bring in some lessons from that experience and in our own way to build that in into the way the council works.” (Ogden, 17.11.2015)

Building on the ideas of Richard Florida, Renew movement “attempts not to engineer large-scale urban regeneration but to unlock and enable the creativity and enthusiasm of its citizens” (The Australian, 2015: no pagination).

Westbury’s visit to Sheffield consisted of a keynote public lecture, a workshop with Sheffield City Council, and another public event with a variety of speakers from around the UK working on similar projects, as well as a workshop with University of Sheffield Architecture students. (University of Sheffield, 2014). The overall visit generated new ideas, reinforced the approach of spatially-focused entrepreneurs like CADS and Common People, and facilitated a lot of networking between various municipal, bottom-up and established cultural actors: “It generated a lot of excitement, a lot of interest, which I think was there already. And it brought a lot of people together [inc.] senior officers in the Council” (Hayman, 24.02.2015).

What came out of the event was not a replication of the model of Renew, although the name was taken, but something different. The whole process was developed through a series of workshop with actors in the city, who contributed to the development of Renew Sheffield:

“when we had these focus groups [...] it was noticeable that when you have people around the table, everyone spoke. Perhaps it was the individuals. Everyone spoke quite openly about what they were doing, and there seemed to be this general feeling that people wanted to collaborate rather than compete. That was quite surprising to us in a way.” (Hayman, 24.02.2015)

Out of these meetings, an idea developed to create an officer position, who would manage meanwhile use activity in the City Centre, working inside of the council as well as having an information portal for people who wanted to start interim-use or longer-term re-use projects in the vacant spaces the city:

“So the idea with Renew is that we would just have one point of contact, a dedicated officer because again going back to the fact that over the last six year it has been again likeminded officers in the Council doing it as almost a sideline to help people out. [...] So that’s the idea with Renew Project now... There will be a dedicated officer. Having a website, putting all the information in terms of all the regulation you need to follow including business rates on one website. Also, it is a place where can put good news stories about case studies and what have you. So it is aspirational as well.” (Hayman, 24.02.2015)

Thanks to events such as Westbury’s visit and all the activity and attention meanwhile use and the efforts of spatially-focused entrepreneurs were getting, the municipality was becoming more aware of the individuals behind various local creative and bottom-up projects and the positive benefits of their work for the city, even citing enabling meanwhile use as one of its strategies to “transform the city centre ”(Sheffield News Room, 2014). As socio-cultural organisation were increasingly making demands on the municipality to have access to the municipally-owned buildings, the municipality finally allowed them access to some of them. This was partly explained by the fact that the council itself needed to pay business rates on vacant units. This process has been a gradual one, and over the following two years, a number of projects have taken place in municipally-owned sites.

In the period leading up to the demolition of the Castle Markets, SCC has been actively encouraging creative organisations to take on various buildings in the Castlegate areas. As well as owning a number of buildings by itself (inc. SYPTE building, Market Tavern), the council also mediated between other property owners and potential users.

In 2013, SCC bought a multistory office building adjacent to the Castle Market. The building was vacant for a number of years and previously hosted the offices of South Yorkshire Public Transport Executive (SYPTE) and who sold it to SCC for £400,000. SCC subsequently rented it out on a short five year-lease to Yorkshire Artspace. “This had the financial benefit to the Council of removing costs of management, security and business rates of approximately £75,000 [per year] as well as the advantage of bringing new activity to Castlegate at a time when the area is becoming increasingly vacant due to the closure of the markets.” (Jones, 2016). Yorkshire Arts Space lightly refurbished the building, subdivided it into 60 studios and created a small gallery on the ground floor. The building was branded as Exchange Place Studios. In 2016 the council has agreed to give a 100-year leasehold of the property to Yorkshire Artspace at £200,000, half of what was paid for it originally (Jones, 2016).

The relationship between SCC and Yorkshire Artspace, in this case, was purely related to the regeneration of the area, with the cultural actor performing the activation function. Funding played an essential part in the projects, with SCC offering the building to Yorkshire Artspace for a reduced price, with the difference serving as a match funding in order to get a more substantial grant for the refurbishment of the building:

“And we still work very positively with the City Development team who identified Exchange Place Studios as a potential new project for us. We are in the process of buying it from them at below market value, so the undervalue can be used as match funding for the Arts Council small capital grant. So it’s not solely a financial relationship, it is more [con-

cerned with] regeneration. We are hoping to do in Castlegate what we did here - [being] cultural pioneers for a part of a city centre which is very run down.” (Dore, 17.10.2017)

The Exchange Place Studios could be considered as an anchor for the Castlegate area, contributing to its regeneration at the time when the activity in the area had significantly reduced following the closure of the markets, which provided the main reason for people to come to the area before. It could be argued that the area would soon attract a wealthier demographic than the previous market users. The projects was supported by the municipality as it “will add to the vibrancy, cultural attraction and reinvigoration of the Castlegate area and wider City Centre and has economic benefits in terms of making the city an exciting place to locate and attract talented staff for businesses in the creative and digital industries” (Jones, 2016). Some of the programming planned for the building has a certain outreach element which includes “residencies, microgrant projects and open studios on Castlegate to complement and celebrate their presence in the area and contribute to the cultural vibrancy of Castlegate” (Sheffield News Room, n.d.).

In 2013, a University of Sheffield academic in the department of French under the name Occursus, with previous interests in Lower Don Valley, was doing a number of projects and workshop with one the organisations initiated by CADS - Shalesmoor, Kelham Island & Neepsend Network (SKINN). The latter was developing a number of proposal and project related to the bottom-up development of the area where the initial CADS Smithfield / Snow Lane cluster was. Together, SKINN and Occursus hosted a number of workshops, exploring the area, which brought many various actors together. In 2013, they found out that one of the vacant plots of land in Shalesmoor belonged to Sheffield City Council.

SKINN and Occursus subsequently drew up a plan to turn the space into a place for experiments “that will serve as a ‘disruptive laboratory’ for ‘strange encounters between researchers and creative practitioners’” (Reisz, 2013) and persuaded the department in charge of the university properties to take a 5 years lease on the site. Following a lengthy negotiation process, the council rented the piece of land at no cost to the university.

In addition, Sheffield City Council also facilitated various meetings between the owners of vacant spaces and creative organisations. These meetings were usually facilitated in a way where a tour was organised with the members of the organisations, the council and the landowners around a number of prominent vacant buildings in Castlegate area:

“The other one will be things like the support for people like CADS moving to City Centre proper out of the urban fringe - so opening up places like Castle House or Exchange Studios and using the council contacts to introduce those sorts of buildings to people like CADS and now CADS has kind of taken off and are doing that without our support in some cases.” (Ogden, 17.11.2015)

Thus, the municipality was performing a valuable networking or matchmaking function, connecting bottom-up actors to the landowners. This gave landlord confidence that they can offer the buildings to the actors, knowing that those actors have been vouched for by the municipality:

“Because the way it has worked to date is that almost the Council has facilitated say the Castle House. The council has facilitated some of those relationships with [founder of CADS]. So there is a level of trust being built up that CADS has been able to go in there and use some of the space. University went there and used it. And I think the council acted as a broker. So we are hopeful that by bringing developers to sit with all these creatives and stuff, those relationships can begin to blossom. And new relationships happen as well.” (Hayman, 24.02.2015)

One of these meetings has led to temporary re-use of a large former department store for a series of public projects. CADS rented the building, subsequently re-renting it on day basis to various smaller organisations for public events such as music nights and exhibitions. After a series of successful pilot events which utilised only a single floor in the building, CADS in collaboration with Common People managed a temporary transformation of the building for a 2-week public festival run by the University of Sheffield in Autumn 2014. Both organisations needed to get the building to a useable standard as part of this contract. The space was to host a range of different projects, arranged on a principal of bazaar or a market, where various projects had small stalls arranged in a large open space.

Perhaps the willingness of the landlord to offer a large department store for a series of temporary use was spurred by a realisation that it would not be used as a department store again and that a new approach was needed to develop a new use:

“what has happened since 2008 is that we have a net surplus of retail floor space and it’s not going to get filled up again. The [department store] is not going to re-open in Castle House. So it is a different phase from the previous meanwhile uses which were mainly in old industrial buildings, often way out of the public eye. This is very prominent, quite modern high street buildings - so it is a lot more visible.” (Ogden, 17.11.2015)

After the festival, and perhaps because the festival has drawn attention to the building, it was proposed that the building would be turned into a “‘Maker Hub’ for start-up digital and design companies” (The Star, 2015a) by a business-led consortium. The project was able to receive central government funding. It is hoped that the project would be a “major boost for the regeneration of the area following the demolition of the Castle Markets building” (Sheffield News Room, 2016). This example is a good illustration of a dynamic outlined by Landry (2000) and Florida (2012), where high-value creative industries companies follow creatives, choosing creative milieus as locations.

The reasons for the shift in the relationship between the council and the socio-cultural actors was explained well by the head of City Centre Regeneration:

“It is partly just citizen pressure - people getting themselves organised and saying: ‘Look, we can do this ourselves - the council just needs to get out of the way or try to help us through the red tape.’ So that is the kind of upward pressure. And then I suppose the downward pressure is the council couldn’t do it all anyway even if it wanted to because it just doesn’t have the people anymore.” (Ogden, 2016)

In 2014, CADS in collaboration with Common People, and the support from the University of Sheffield, developed a co-working space in the City Centre called Union St. The space was the first co-working space in Sheffield. The building, which the project utilised, was an office building located right opposite the current Sheffield City Council offices. The owner of the building contacted Common People because of the other projects they were doing in the city (Hill, 13.11.2015). An important support for the project came from the University of Sheffield, which has provided a key tenant for the space through a project connected to the school of Architecture - Live Works, who have provided the cash flow and animation to the space during the refurbishment work (Rimmer, 20.11.2015).

In 2014, a theatre company from London under the name Theater Delicatessen came to Sheffield to stage a performance at Furnace Park (Our Favourite Places, 2015). Before this, the organisation realised a number of projects in London where it took over large vacant properties

and temporarily converting them into spaces for theatre performances and rehearsals. Through staging a performance in Sheffield, they were introduced to the local estate agent:

“Theatre Delicatessen [staged a] show about Tour de France [because] the tour was going through here, so they wanted to use Sheffield as a venue for a performance. So they did a performance at Furnace Park, and when they were doing that, they got talking to the property developers [...] and they got shown this unit.” (Sharp, 19.11.2015)

After visits to Sheffield and getting acquainted with both its creative and property landscape, Theater Delicatessen managed to negotiate a lease for a large vacant store from the new Moor developer Aberdeen Property Management (Sheffield Telegraph, 2014). The municipality also assisted Theater Delicatessen in settling in Sheffield, and as the head of City Centre Regeneration has remarked:

“we encouraged Aberdeen [Property Management], who is a big corporate landowner to have a look at this. And it struck a bit of a chord with one of their consultants who happened to be a theatre enthusiast, and so he offered the Woolworth Store to Theatre Deli, and they moved down from London, and that has become quite an established venue now and they are hoping to stay on in Sheffield even when that shop gets let” (Ogden, 2015).

In 2012, another group of spatially-focused entrepreneurs were looking to turn the Hutton’s building on West Street into a “creative industry space” (The Star, 2014). However, the project could not use the building. As a replacement, the group found a set of Georgian Houses for which a new use plan was developed. The idea was to convert them into a creative complex, comprising of a designer shop, two galleries, cafe/bar/deli, maker shed, communal space and studios under the name Roco.

In 2014, Sheffield Culture Consortium secured £270,000 from the Arts Council and Visit England, as part of “Cultural Destinations” programme. Additional £40,000 of match funding came from SCC and the University of Sheffield. The funded project had three strands, one of which was called “creative signposting”, which was essentially a city marketing campaign. For this purpose, an existing website started in 2010 by the local design agency Eleven, which documented various “authentic and independent cultural activities³” was supported to expand their work. As part of the website, many of the projects discussed above were documented and presented. The aim of the website is “to let others in on what makes the city special, bring perceptions of Sheffield up to date, and encourage people to visit”⁴. In this way, an independent website became an official marketing website for Sheffield, further reinforcing the support for bottom-up culture and its proponents.

Another cultural venue opened in 2015 in a former pub which was meant to have been redeveloped into shops as part of the Sevenstone scheme. However, as its new permanent use was decided on, it was allowed to be used temporarily as a “centre which focuses on digital arts education, including musical performance and craft approaches to technology and tens-generational learning” and well as a “social canteen for families and young people” and “music and performance venue” (Sheffield Telegraph, 2015) under the name ‘DINA’. Since the opening, the space has run a number of festivals and events exploring the intersection of arts, technology and music.

By the end of 2015, various actors were worried that space getting more scarce, and the actors having doubt about their value, in the light of short leases and precarious terms:

3 www.sheffieldculture.co.uk/what-we-do/cultural-destinations/

4 www.ourfaveplaces.co.uk/about-us

“What is difficult now is that in a way I think it will be interesting to know how important are these small start-up businesses or ideas or charities using these spaces in the interim is important because the main model is when all of these shop units or building are full of successful shops, then all the people competing for Renew Sheffield and ourselves included won’t have anywhere to go. That is kind of interesting. So we are working with the fault in the system. We are almost working with when things go bad, we are there to step in. It will be interesting to work out how councils can support projects like this even when they have enough competition for space. Where would we go when things get good?” (Sharp, 19.11.2015)

By 2017, Sheffield City Centre was getting recognition as a creative milieu, thanks partly to the work of the organisations described above. It starting to get a recognition in the media. Partly, this was facilitated by the work of creative actors, including Sheffield Culture Consortium, who in 2017 managed to secure £150,000 in the second round of “Cultural Destinations” from Arts Council and visit Sheffield. The funding supported the working together of Marketing Sheffield at Sheffield City Council, City and Cultural Engagement team at the University of Sheffield to expand Our Favourite Places cultural website to “highlight Sheffield as a destination for regional, national and international cultural consumers” (University of Sheffield, 2017: no pagination).

Thanks party to the information from Our Favourite Places, Sheffield’s newer creative spaces were getting recognition in the national media. For example, the Guardian article said that “Sheffield is a city of real creative integrity” (Naylor, 2017). There, Site Gallery, Party for the People and Yellow Arch Studios were mentioned, as well as CADS, which was reported to start to attract people from London, who were looking for cheaper workspace outside of the capital.

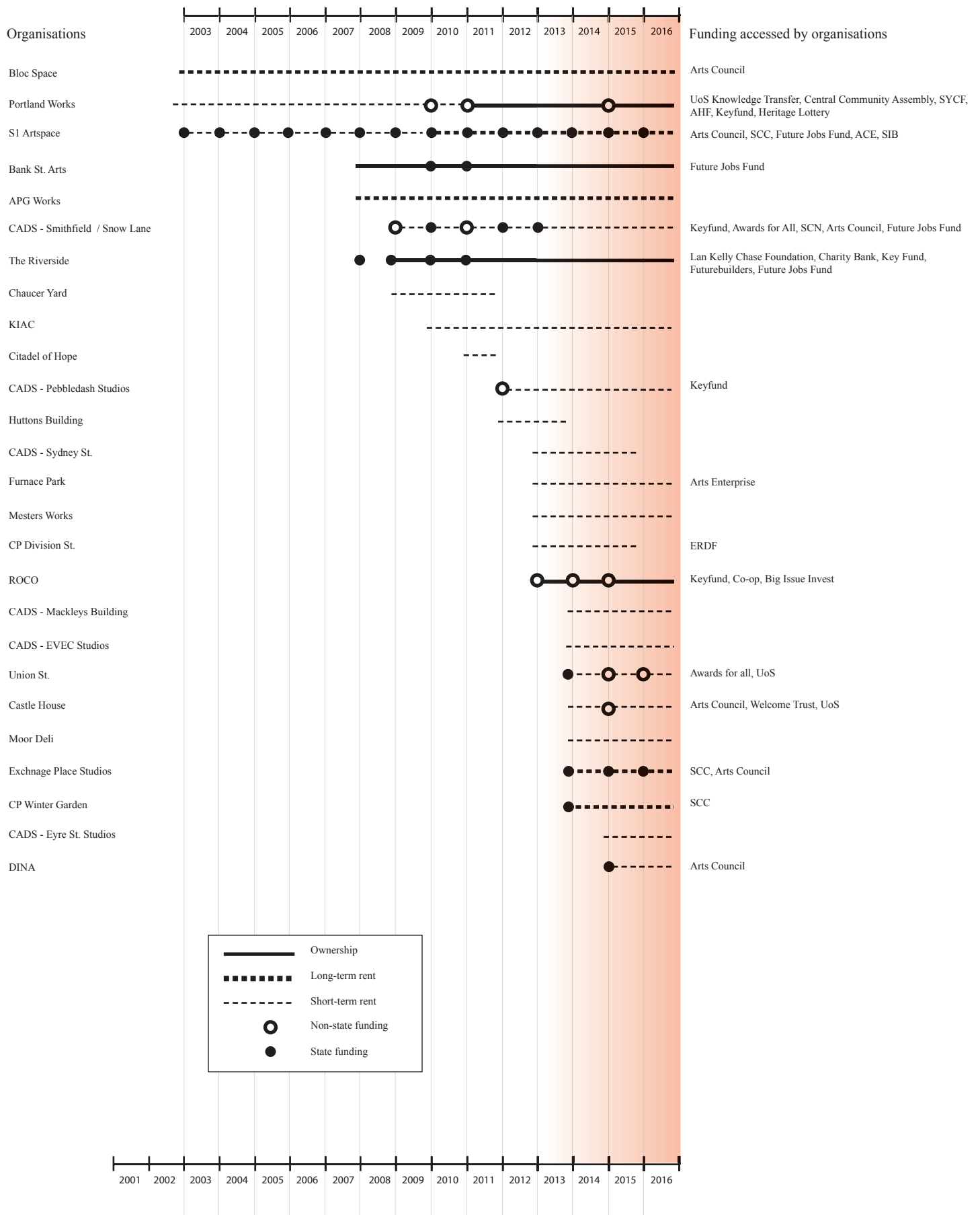
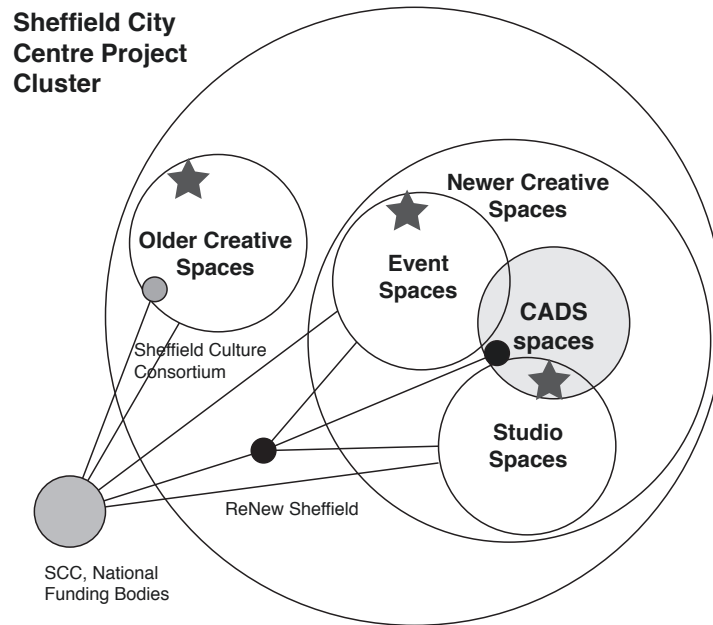


Figure 6.31: A timeline of project development in Sheffield inc. funding they have received; Designed by the author

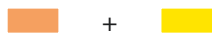


Event Space =



These spaces can be indoor or outdoor; contain multiple spaces or a single space. They host events, which can be one-off or regular.

Older Creative Spaces,
Studio Spaces, CADS =



These spaces combine a number of studio spaces with event spaces, which host exhibitions, music events, theater. Instead of event spaces, there can also be a cafe.



Workspace - can be either offices or studios. Offices are generally fitted out to a higher standard than studios.



Public / event space - Bar, cafe, restaurant, empty halls, cinemas, theaters, gallery, outdoor performance space

Figure 6.32: Clusters of spatially-focused entrepreneurs, use sub-clusters, cultural intermediaries in Sheffield City Centre; Designed by the author.

6.2.4 Use-clusters, network spanners and funding.

In a similar way to the section of Leipzig, this section provides an analysis of project sub-clusters and their brokers (Gould and Fernandez, 1989), and boundary spanner organisations which link multiple projects from separate sub-clusters (Williams, 2002). How funding affected the development of each sub-cluster is discussed in terms of supporting seed projects, networking of projects and supporting boundary spanners (refer to the diagram on the next page).

Each use sub-cluster (e.g. Older and Newer Creative Spaces) is discussed separately. Projects within the sub-cluster are listed, similarities and differences between projects are discussed, and 2-3 examples are presented, listing properties of each project in terms of its organisational arrangement, financial models and physical properties. There are also three subcategories of the newer use sub-clusters. Each sub-category is discussed separately, as they each have a different relation to funding.

For each sub-cluster, a broker is discussed and how they developed over time to represent individual projects within a sub-cluster. For example, Sheffield Culture Consortium is a representative and coordinating broker for Older Creative Spaces as well as other organisations in the city (Gould and Fernandez, 1989); Although there are no official organisations which link Studio Clusters, there is a level of networking between members. Then, the role of funding for each sub-cluster is discussed. The role of funding on the development of seed projects is talked about, on creating networking between projects and on supporting the broker organisation. Also, changes in funding environment are discussed - this particularly affected the way Older Creative Spaces operated.

In addition, to use sub-clusters, there are also a number of boundary spanner organisations (Williams, 2002) or intermediaries (Andres, 2011). They are Renew Sheffield and Sheffield Creative Guild. These organisations facilitate interaction between different networks and are discussed at the end of the chapter.



Figure 6.33: Yorkshire Artspace, Persistence Works; image by the author.



Figure 6.34: S1 Artspace; Image: "S1 Salon - film night at S1 Artspace" (c) Dan Sumption (<https://flic.kr/p/C3bFc>) CC BY-NC-ND 2.0



Figure 6.35: Site Gallery; image by the author



Figure 6.36: S1 Artspace - reception area; image by the author



Figure 6.37: Yorkshire Artspace, Persistence Works; Image: "View From Meeting Room Window" (c) Gareth Simpson (<https://flic.kr/p/7HgYH>) CC BY 2.0

*Yorkshire Artspace
(Lighthouse Project)*



*Sheffield Culture Consortium
(Network Broker)*

Projects*

- Bloc Studios (inc. Bloc Projects)
- S1 Artspace
- Site Gallery
- Yorkshire Artspace
- Access Space
- Workstation and Showroom

*For more details on the individual spaces, see Appendix.

Common Properties

- combine studios with an exhibition space
- structured as not-for-profit limited company with charitable objectives (apart from Bloc Studios)
- most organisations support art production and development, offering subsidised, reduced cost or free work- or exhibition space: Access Space is free for anyone to work from; S1 Artspace offers six studios to undergraduates for six months in a year at a reduced cost (Morgan, 2010: 2); Yorkshire Artspace provides reduced-cost studio together with a programme of support under the name of 'Starter Studio'.

Differences

- different ownership models: ownership (i.e. Site Gallery and Yorkshire Art Space) or lease (all other projects). Generally, the organisations have long leases on the properties they are based, with for example S1 Artspace having a 25-year lease, the first Yorkshire Artspace space having a 10-year lease on their first building.
- cater to different form of artistic production: S1 Artspace is focused on "a predominantly contemporary art practice" (Morgan, 2010: 2), Bloc Studios is more focused on fine arts and crafts (Bloc Studios, n.d.), and Access Space is focused on the intersection of art, design, computers, recycling, music and electronics (Access Space, 2017: no pagination).
- some spaces rent studios to creative industry companies (i.e. S1 Artspace and Site Gallery)
- different emphasis on the importance of community for its users: S1 Artspace intentionally had open studios to allow greater communications between the artists; All the activities of Access Space are carried out in one open space to enable greater collaboration and community; This is different to Yorkshire Artspace, which is primarily made up of enclosed studios.

6.2.4.1 Older Creative Spaces.

Yorkshire Artspace (Lighthouse Project)

Yorkshire Artspace is one of the first creative organisation to develop in Sheffield. Founded in 1977, it was based in a number of former industrial buildings around the CIQ area. From 1982, it was based in a building owned by the Sheffield City Council, and was in the process of trying to buy it:

“With a lot of change in the area, the new director, David Manley, started to look at what would happen to Yorkshire Artspace [...]. He started to think how Yorkshire Artspace might buy that building from Sheffield City Council. As I’m sure you know, what happens in most cities is that artists move into areas, make those areas attractive to other cultural and non-cultural organisations and then get kicked out as the rents go up, and that is what happens all over the world really. So I think we were trying to buck that trend, and, as pioneers of the Cultural Industries Quarter, to stay in this part of the city.” (Dore, 17.10.2017)

The organisation secured money for the purchase of the building, but after carrying out a feasibility study, determined that refurbishing it would not be financially viable:

“The next thing that happened was that we commissioned a condition survey of the building we were in, which basically showed that the building was in an extremely poor condition. And because of the many different levels, to make accessible studios would have been almost impossible. At the same time, the heating was condemned, and most of the wiring was condemned. [...] It snowed inside the building quite regularly. And artists needed to go in three hours before they started work to warm up the studio enough to take gloves off in the winter. [...] So having this condition survey, we were advised that the amount of money that we would need to spend in order to make that building warm, easy to run, accessible would be so great that in fact, we might be better off looking at moving, or looking at doing something different.” (Dore, 17.10.2017)

After surveying their current tenants, the organisation decided that the best option would be to construct a purpose-built studio complex, because of all the different requirements of the artists: “we have got jewellers who need tiny little spaces, and we have got sculptors who need huge spaces, we have got painters who only want north light, we have got people who weld, who don’t really want any light at all because they can’t see the metal heating up properly” (Dore, 17.10.2017). Eventually, the organisation bought a site from the municipality and built Persistence Works, which opened in 2001. The role of municipality and funding in this process is described below.

6.2.4.2 Older Creative Spaces - the role of funding.

Although most of the organisation in the cluster started off on their own efforts, they received funding in their development stage, which helped them to grow and professionalise. Some of these organisations were affected by the changes of funding at the end of the 2000s, meaning they had to alter their financial strategies. Because of these changes to funding, greater networking between organisations took places, leading to the formation of Sheffield Culture Consortium, and consequently greater collaboration between organisations.

For most organisations, it took years, or in some case decades to start receiving public funding. For example, Yorkshire Artspace, which was founded in 1977, only began receiving funding in 1992 (Yorkshire Artspace, 2016: 3). Similarly, S1 Artspace only started to receive funding in 2003, after starting in 1995 (Morgan, 2010: 2).

In the 1990s and 2000s, Sheffield City Council supported many of the organisations in the cluster. Many of the original organisations were based in the buildings provided by the municipality - Access Space, which was based in the former Yorkshire TV Studios, original Yorkshire Artspace building. In addition, in the 1990s, the organisations were able to receive small financial support from the municipality:

“We used to apply to Sheffield City Council for £2,000 a year to run education projects. And that dropped to £1,000 by the late 1990s and [then] we stopped applying.” (Dore, 17.10.2017)

In the case of Yorkshire Artspace, it would have been impossible for the organisations to fund the construction of Persistence works without support from Sheffield City Council. At that time, Sheffield City Council had a Public Arts Officer, who helped Yorkshire Artspace in applying for funding:

“And also they gave us time from the Public Art Officer, who was a full-time member of staff at Sheffield City Council. It was included in his remit to help support the development of artist studios in Sheffield. So I worked incredibly closely with Paul Swales who was the Public Art Officer. And really all the funding bids that we did and the whole process, we did together. And I don’t think I would have been able to do it without that officer support. They were very supportive through planning. It was a very supportive relationship.” (Dore, 17.10.2017)

With the help of the officer, and after raising £100,000 from many various sources (Dore, 17.10.2017), the organisation was able to receive £3.7 Million from National Lottery, and £1.8 Million from ERDF (Hackett and Massie, 2008: 48). The site on which the building was based was also purchased from Sheffield City Council at a reasonable price. In addition, the SCC was able to hold the land for the organisation while they were in the process of assembling the needed finance to buy it (Dore, 17.10.2017). This initial capital funding allowed the organisation to reach self-sufficiency.

Most organisations were able to receive core funding, which covered running costs including salaries of the manager and overheads including building costs, either from the Lottery or the Arts Council, or both. For example, Access Space was receiving funding from National Lottery programme “Art 4 Everyone” (Spiller, 1999). S1 Artspace was receiving Arts Council funding from 2003 of £70,000 per year, which paid for the post of Projects Co-ordinated to develop a programme of exhibitions, commissioning of artists, materials, renting of the space, and any marketing and advertising costs (Morgan, 2010: 9). Yorkshire Artspace was also receiving funding from the Arts Council:

“We have been a regular-funded organisation (RFO) since 1993 I think when Arts Council put £10,000 a year into a director post, and by the time we had moved to this building, it had increased to £33,000 a year to support our development. At that point you could also apply for Grants for the Arts funding, so we used to apply separately for about £35,000 a year for programme funding. When NPO funding was introduced, NPOs couldn’t apply for Grants for the Arts, so our bid was based on the RFO money we used to get plus the Grants for the Arts, so it was about £70,000.” (Dore, 17.10.2017)

However, things changed in the late 2000s. Firstly, the support from Sheffield City Council was no longer available. Secondly, Arts Council funding was becoming more complicated to obtain, having more conditions attached to it. Both of these changes made the organisations diversify their income sources and seek new sources of income, in addition to being public funding.

Firstly, there was no more capital funding from Arts Council, which could be used to upgrade or build new premises:

“The reduction in the Arts Council’s capital funding has had a really big impact. You needed a project to be ready for an application at the end of the 1990s to have got the big chunks of money. The Small Capital Fund, from which we just secured money to buy and refurbish Exchange Place - 0.5 Million - really restricts the kind of capital projects you can run. And now the European funding is going/gone. There aren’t these big pots of funding with which you can set up something amazing anymore.” (Dore, 17.10.2017)

This was also the case with Lottery funding:

“I don’t know what the political thinking behind the reduction in the large capital Lottery grants [was], but there are a very-very few of them now” (Dore, 17.10.2017)

Secondly, the changes to Arts Council funding meant that the amount of match funding, i.e. contribution from other sources, needed to be higher than before. This is backed by the experience of Bloc Projects with Arts Council applications: “In relation to funding they have shifted from resorting to the standard 10% minimum of match funding for an ACE bid to one closer to 40-50%.” (Branscombe, 2016: no pagination).

Funding contracts were also being reviewed every few years, with organisations increasingly not being sure of being able to receive funding in the subsequent year. One of the organisations which suddenly lost its funding was Bloc Space when one of their Arts Council applications got declined (Branscombe, 2016). The sudden cut in the funding has forced Bloc Projects to restructure:

“The organisation realised that they needed to shift their focus slightly away from a reliance on funding and become more sustainable through self-generated income and broadening the base of support through collaborative working. The diversification of income has been key in shaping the way the organisation operates and provides security for itself. Although it is still the case that they are working more than funds will cover.” (Branscombe, 2016: no pagination)

In addition to the money from the Arts Council, Bloc Projects got its income from hiring out its gallery space not only to artists but also for activities like Christmas parties or workshops with the university. The organisation actually remarked that not getting funding once have made them more sustainable: “This was made clear when the an Arts Council bid failed, and kick started the group to become more organised and sustainable.” (Branscombe, 2016: no pagination)

Organisations also started to look at other diverse sets of funders to support their activities, or at least as match funding needed to apply for Arts Council support. One of these sources were foundations and trusts. In the case of Sheffield, the following foundations have been the sources of funding: Bloomberg Philanthropies, Foyle Foundation, Henry Moor Foundation, The Elephant Trust, Sheffield Town Trust. Most of these sources were only available to charities. In addition, S1 Artspace was also able to take advantage of Future Jobs Fund for the refurbishment of their second space. This instrument was extensively used by the organisations in the Newer Creative Spaces cluster and is described in detail in the next section.

In some way, the Cultural Consortium was created to address the reducing in funding from Sheffield City Council and to attempt to find other sources of funding to replace that:

“we were all, apart from Yorkshire Artspace, funded by Sheffield City Council. So the rest

of the Consortium had in common the challenge of what they were going to do in the face of falling local authority support. But I think there was also an awareness that Sheffield was really underperforming in terms of how much Arts Council funding it received – specifically NPO funding - and we wondered whether there was something that we could do as a consortium to secure more Arts Council money for the city, that we seemed to be unable to do as individual organisations. Because for a city this size, Sheffield gets a very small amount of money from the Arts Council.” (Dore, 17.10.2017)

Thus, the Sheffield Culture Consortium was created in 2012 “as an alternative to a top-down Director of Culture post, to lead on the city’s strategic cultural direction.” (Sheffield Culture Consortium, 2017: 9). It was founded by the CEOs of building-based cultural organisations, which included galleries, museums, studios, music venues, theatres, and both universities. The Sheffield City Council supports the organisation by providing a part-time administrative officer. The Consortium meets monthly. Sometimes there are invited speakers. Its members are “sharing developments within our own organisations and the strategic networks that we are part of locally and nationally. Meetings support and enable new collaborations between members, working together rather than alone or acting in competition” (Sheffield Culture Consortium, 2017: 9).

The Consortium applies for funding. In this case, a sub-group is formed which includes outside partners, supported by the resources of one or more of its members. By 2017, the organisations raised £2 Million in funding. It also developed a number of new networks concerned with particular aspects of culture - SNAP network, the Festival Network and the Sheffield Creative Guild (Sheffield Culture Consortium, 2017: 9). The distance and independence from the municipality have been highlighted as important by one of its members:

“In many ways, the Culture Consortium is entirely independent of Sheffield City Council, which is a very positive thing. So, other than Rebecca Maddox, who is employed part-time by Sheffield City Council to support the consortium, there is very rarely anybody from Sheffield City Council at Consortium meetings. In many ways, the fact that we have been ‘set adrift’ has enabled us to achieve things” (Dore, 17.10.2017).

For other organisations, the change in funding landscape was not that noticeable. Particularly, this was the case with organisations which received capital funding in the early 2000s, and who had a large enough income from their tenants. In this way, Yorkshire Artspace was only relying on funding to support particular programming requirement, thus reducing any risk for the organisations:

“And I also thought that the core of what we do ought to be self-funded, that the money which comes in from the studios should pay to run the buildings, which it does. And then we apply for funding to do programmes with which engage with the public.” (Dore, 17.10.2017)

The fact that Yorkshire Artspace was able to receive more income from other source was also a positive aspect for when they were applying for Arts Council funding:

“if you are applying for NPO, you need to deliver against their objectives. But one of their objectives is resilience. So the fact that we have that chunk of our own income now I’m sure gives them the reassurance that we are a resilient organization.” (Dore, 17.10.2017)

The support from Sheffield City Council was also available mainly to lighthouse projects. For example, a good example for this has been SCC offering the building they bought earlier to Yorkshire Artspace at a reduced price. The difference in price was used as a match funding, need for the organisations to obtain further funding for the refurbishment of the building:

“We are in the process of buying [Exchange Place Studios] from [Sheffield City Council] at below market value so the undervalue can be used as match funding for the Arts Council small capital grant. So it’s not solely a financial relationship, it is more [concerned with] regeneration. We are hoping to do in Castlegate what we did here - [being] cultural pioneers for a part of a city centre which is very run down.” (Dore, 17.10.2017)

With the addition of Exchange Place, Yorkshire Artspace was even able to increase its income without increasing its costs, which gave them additional resources:

“We don’t get any local authority funding, so we haven’t had a loss of any local authority funding. Arts Council funding has been at a standstill now for a long time which represents a fall in real terms. [...] We get the same amounts, but they expect us to do more. The big change has been our ability to earn income. With Exchange Place, for instance, we have now reached a critical point where we have 170 studio spaces managed, roughly, by the same number of staff that managed 70. So we now have money, which is our own income, that we can put into programming, about £23,000 a year now. We get £71,000 from the Arts Council, which isn’t a lot for how much we do as an organisation, so that move towards self-sufficiency is very important to us.” (Dore, 17.10.2017)

On the smaller scale, crowdfunding was also used to raise small amounts of money through the Internet platforms like Indiegogo, where instead of investing in shares, people helped to support organisations in exchange for small gifts. In this way, S1 Artspace managed to fundraise for various activities in 2013 (S1 Artspace, 2013). Besides, traditional fundraisers in the form of parties were organised by S1 Artspace to raise finance. For example, the studio holders are encouraged to raise up to £10,000 a year to sustain the overhead costs of the building and to keep the rents low (Prater, n.d.)

Most of the Older Creative Spaces started through self-help, operating for years and in some cases decades without funding. Most of the organisations grew with the help of funding following their set-up. In their growth phase, they mainly relied on single sources of public funding - either Arts Council or National Lottery, which covered running costs of organisations, allowing spaces to be refurbished or upgraded. This allowed the organisations to professionalise their work - hiring curators and members of staff. In some cases, there was also support from the local municipality. In the case of Yorkshire Artspace, it was in the forms of small grants, provision of land on favourable terms and officer support, which helped the organisations to develop a funding application to construct a building in 2001. The building was to become one of the lighthouse projects for the area. The £5.4 million project was made possible with mainly two funders - ERDF and National Lottery, with the organisation only needing to gather £100,000 from local sources.

For the Older Creative Organisations, the relationship with funding changed after 2008. Instead of a small number of public sources, from then a more significant number of smaller private and civic fundings were required as a match for obtaining main public funding. There was also a bigger push to go beyond funding in supporting the spaces, leading to the bigger diversification of financial models. There were experiments with crowdfunding, with, for example, S1 Studio residents crowdfunding up to £10,000 a year themselves, Bloc Projects hiring out their space for non-arts related activities. Overall, it could be said that changes in funding conditions didn’t negatively affect the organisation, but instead made them more resilient. In the case of both Bloc Projects and S1 Artspace, they even managed to expand and improve their gallery spaces in the changed funding conditions. Funding also started to be used to fund programming and activities,

rather than covering the core costs of the organisations.

The more constrained funding environment led to the formation of Sheffield Culture Consortium. The consortium is supposed by the municipality. It created other networks and applied for funding. The works which was supported through this funding greatly raised the profile of Sheffield as a creative milieu in the national press, as was discussed in the previous section.



Figure 6.38: KIAC; image by the author

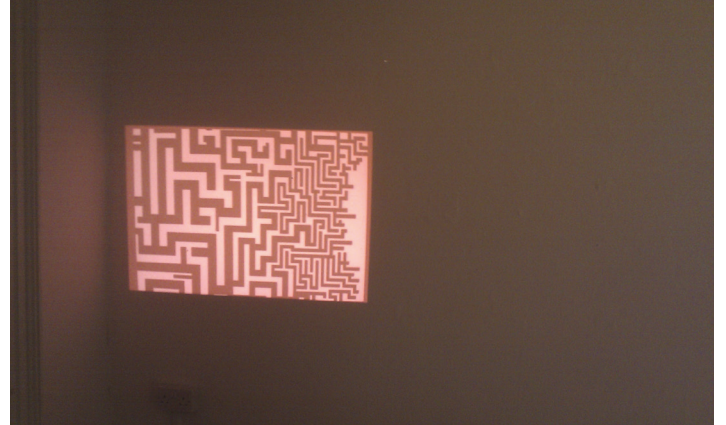


Figure 6.40: APG Works; image by the author

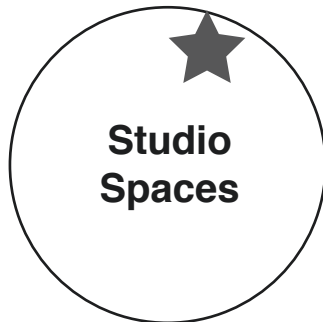


Figure 6.39: Sheffield Print Club; image by the author



Figure 6.41: CADS - Pebbledash Studios; image by the author

*Yorkshire Artspace
(Lighthouse Project)*



Projects*

- Mesters Works,
- Bank St. Arts,
- APG Works,
- KIAC,
- Union Street,
- ROCO,
- Chaucer Yard,
- Stag Works,
- Portland Works.
- Sheffield Print Club

*For more details on the individual spaces, see Appendix. Also, five of the CADS buildings (CADS Works, Pebbledash Studios, Mackleys Building, Eyre Street Studios, AVEC Studios) also belong to the category. However, they are discussed separately, in a similar way to Haushalten in Leipzig. This is because they can be considered more of a cultural intermediary, as defined by Andres (2011).

Common Properties

- combined workspace (studios, offices, shared workspace) with event space (cafe or exhibition space)
- provide workspace not only to artists but also to small businesses, craftsmen, makers and musicians, who are looking for primarily affordable space, where perhaps some qualities (like lighting, decor, heating, etc.) could be overlooked in the light of the low price.
- rented on short-term basis (apart from Bank Street or Portland Works), with longer leases being more expensive
- used with a minimum amount of renovation, mostly through the efforts of the tenants

Differences

- located in two types of buildings - in former factories and industrial space (Mesters Works, APG Works, KIAC, Stag Works, Chaucer Yard, Portland Works) or former office spaces (Union Street, Bank Street Arts)
- different specialisations: APG Works was specialised in screen printing; Union St. served freelancers and small start-up businesses; Bank St. served writers and people related to literature; KIAC served less contemporary artists
- different types of use were reflected in different interior design and decoration of the spaces: Union Street with furniture from reclaimed pallets and wood, Portland Works with a more traditional manufacturing or heritage feel, and Bank Street Arts with white painted walls and clean appearance.

6.2.4.3 Newer Creative Spaces

The newer creative cluster consists of three sub-groups - Event Spaces, Studio Spaces to which belonged mainly single-building organisations, and CADS which is a cultural intermediary which was developed eight building, which itself belonged to the Event Spaces and Studio Spaces clusters. The networking is mainly carried out within the wider Newer Creative Spaces cluster, there being some collaboration between members of Studio Spaces. Each sub-group is discussed separately as they have a different relationship to funding. CADS can also be considered a lighthouse project for both Studio Spaces and Event Spaces.

6.2.4.3.1 Studio Spaces

Network Brokers

There was also informal networking happening at various events like Sheffield Culture Club, which regularly organised an evening of presentations from various local creatives. In addition, there was networking through Sheffield Guild, a network which was set up with funding, which was secured by Sheffield Culture Consortium in 2015 from the Arts Council. The idea of the network was that various creatives would come together and work with each other on projects - there was a time bank, where members exchanged skills. Members also paid an annual membership fee⁵. There were also various funding application and informal collaboration between organisations within the cluster, for example with CADS and Portland Works:

“It doesn’t necessarily have to be geographic - a lot of conversation is happening in the city, looking at Heritage Networks, looking at things what CADS are doing - actually, it is all about small-scale stuff linking together.” (Udall, 16.11.2015)

Different individuals also linked project together, like the example of Sara Hill, being a director of Portland Works and Mester Work. Perhaps her experience in fundraising and managing the space with Portland Works was a good learning experience to then help set up Mesters Work on the other side of the city:

“And I think generally cheesy things, like People Power and actually people do come together and they do care about it. It gives people a set values they are working from. There are lots of small things, like Mesters Works - Sara is involved in Portland, she is involved in that. There are these networks. All those other things have been going beforehand, what we have been aware of.” (Udall, 16.11.2015)

6.2.4.3.2 Studio Spaces - the role of funding

Most of the projects started on their own efforts. In their growth phase, many organisations took advantage of public funding, which helped them to both refurbish their spaces and develop their offer to the public in terms of exhibition and activities. However, some organisation saw the receipt of public funding as not complementary to having the right entrepreneurial image. In the consolidation phase, private and civic means, like crowdfunding, crowd-investment and social investors were important in helping the projects buy sites, and develop and professionalise their projects.

Most of the spaces started with no funding. However, Common People was able to receive a small amount of funding for setting up the organisation through an ERDF program. This was the money, which could be spent on setting up the actual company, making the visual identity for

5 <https://sheffieldcreativeguild.com/about/>

the organisation, as well as a website and graphics for the first space:

“It was Accelerate by Element and that was £4500. [...] I applied for it for the set up of Common People. [...] I have spent it on design and starting Common People and then spent it on getting [the first] shop ready.” (Hoy, 10.11.2015)

However, there was a criticism of this way of funding, as unrealistic expectations were placed on organisations, where they had to guarantee to create a job for a certain amount of funding:

“Isn’t it along the lines that if you can prove that you have spent a serious amount of money and if you can evidence job creation, then you might be eligible for some of it almost as a retrospective payment. So they are basically paying for evidence. Which is out of our realms of reality - the organisations which we know of are not able to meet those criteria.” (Studio Space representative, 12.11.2015)

There was also criticism in what only larger organisations were able to access EU funding, and that through changes of objectives down the distribution chain, it was impossible for the organisations which perhaps were previously eligible to apply, to access the funding:

“Previously it was possible for small funds from the EU to be accessed through regional infrastructure bodies. [...] And since LEPs came into place, it now means what to access that funding you have got to be part of a half-million-pound application. [...] I’m not aware what you and I or the kind of people who we work with have access to European funds [...] I was aware of two [intermediary organisations redistributing EU funding] you could access locally that now you can’t access.” (Studio Space representative, 12.11.2015)

Three of the spaces in the cluster were able to take advantage of Future Jobs Fund. This was a national programme running between 2009-11, providing unemployed young people, which included students who have just finished their studies and did not start to work yet, with a six-month work placement (Fishwick et al., 2011). The funding created an opportunity for them to work with organisations of their choice with their wages being covered not by the host organisation, but by the central government. This meant that the spaces which were just starting up and needed a lot of work done to them - clearing out the rubbish, painting walls, helping with low skilled part of the refurbishment and which did not generate income just yet could attract young people to help with this. Some spaces used this opportunity to substantially increase their staffing levels by, which allowed them to carry out much of the needed renovation and to get spaces to a usable state on a relatively small budget. For example, in the case of Bank Street Arts, their spent on staffing costs was £5,000; £60,000; £43,000; £13,000 in 2009, 2010, 2011 and 2012 respectively. For the two years, where the amount is much higher than the others, they received £75,000 worth of Future Jobs Fund. This allowed them to increase the organisation to employ 12 people, helping the organisation to grow and develop. In this period, the organisation organised 20 exhibition, 31 events and increased visitor numbers from 2000 to 5000 (Bank Street Arts, 2011). It should be noted that only two people out of twelve were hired afterwards for a year, after which period only one remained on what could be an equivalent of a minimum wage or working part-time (Bank Street Arts, 2011). In addition to paid staff through the programme, the organisation was able to host 75 volunteers (Annual Accounts for 2009-2012). In 2010 Account it stated:

“Increased the number of volunteers fivefold to 75 and improved the training and support provided to them. In order to refine the volunteer experience we have developed new ‘pathways’ that provide work experience in a variety of disciplines. These entail gallery assistance, managing cultural events, marketing, design and Arts administration.” (Bank Street Arts, 2011).

This seems like a large number of people, who were both in employment through the Future Jobs Fund scheme, as well as those volunteering at the space. In comparison, S1 Artspace received 17,000 in 2011; 11,000 in 2012 (S1:ARTSPACE/PROJECTS Annual Accounts for 2011, 2012). CADS was also able to receive Future Jobs Fund funding (Haines, 2016).

Organisations were also accessing a larger range of funding sources. For example, Portland Works accessed a multitude of small funding sources in the beginning. Each little bit of funding was used tactically for a specific part of the project. For example, the funding from Community Assemblies, which was a pot of money available from Sheffield City Council, was used to conduct various building surveys and for start-up costs of setting up the organisation itself (Portland Works, 2016). Portland Works were also able to access another local source of funding in order to run events, where they advertised the community share scheme (discussed below) and where they actually met with funders, which provided them with a large amount of money for the renovation of the building after they bought it through the community share scheme:

“Lots of small funds - they were really crucial at different points. [...] And so we have got something from Community Fund at Sheffield City Council, which was a few grand. That helped us to run open days, which were really important in the share issue. We sold lots of shares there, but also that’s how we met [other funders]. [Other] little bits of money helped us to do health and safety stuff - we have got high viz. jackets, insurance for running events. So they were really crucial.” (Udall, 16.11.2015)

In fact, Portland Work was applying for a large range and amount of funding and was unsuccessful in quite a lot of them. A large number of funding streams were private, from various foundations - both local, national and international. The co-founder of the project was actually happy about not getting too many funding applications approved at the end:

“We tried HLF for small grant as well, but we weren’t successful in that. The Town Trust, they have given us money a couple of times. We got interest-free loans from Sharrow Community Forum which helped us to do stuff. [...] So we did lots of things. Community Assembly, ERDF, Freshgate foundation (didn’t get that), JG Graves, JP Getty, Sheffield Town Trust, South Yorkshire Community Fund - we were successful a couple of times with them. Yorkshire Venture Philanthropy Fund as well. Lots of small bits of funding used quite tactically. And I think if it wasn’t really for the state of the roof, it would have been fine. So almost that lack of funding has been really good because it made us think about what we really want to do, how we can do it, how we can do resources more keenly and although I kind of question this idea what being frugal is a virtue in itself, actually sometimes people just need money to get stuff done. But what was good is what it made us not chase the money as well.” (Udall, 16.11.2015)

For the organisation which did not focus purely on art production, and who were looking to professionalise their work like buying a building, a good source of funding was Key Fund. A number of organisations in the cluster were supported by it: CADS, Roco, Portland Works, the Riverside (which will be talked about in more detail in the next section). In the case of Portland Works, Riverside and Roco, Key Fund provided finances for the purchase of the asset. For example, Key Fund provided Riverside with £90,000 loan and £10,000 grant which was used for the purchase of the building (Morgan, 2010).

Key Fund, which over the decade and a half of its operations, became one of the main re-distributors of EU and national funding for social purposes, not only in Sheffield but in large parts of the North of England. The organisation has two main aims: providing funding to organisations who are not able to secure it through traditional market means and to boost business creation in

the deprived areas (AEIDL, 2012). The organisation provides grants, loans and equity mainly to social enterprises, thus promoting the social enterprise model.

Key Fund started out in 1998 as an “informal partnership giving grants from the South Yorkshire Objective 2 programme, the Single Regeneration Budget, the Training and Enterprise Council and the Coalfields Regeneration Trust to third sector organisations” (AEIDL, 2012: 2). In 2002, it was set up as a social enterprise itself, continuing to give out grant and loan packaged with the funding from EU and national programmes.

The organisation’s model was to “raise money to lend and grant on to other organisations” (AEIDL, 2012). Key Fund itself applies for a variety of funds from the national or EU sources, which are mainly linked to job creation and start-up support and delivers the objectives of those funds through supporting SMEs in social enterprise sector by giving them grants and loans. This means that the organisations applying actually needed to be a business which brings in money as well as have social objectives. In this way, Key Fund is different from other funders as it actually develops organisation into self-sustainable businesses. There is also a personal approach where the applications are not just done online or through the post, but there is a face-to-face meeting with the applicant at the applicant’s place of work (Thornett, 17.04.2015).

In a few cases, the organisations shared experience including text of the successful applications with each other. This was the case with a number of studio spaces applying multiple Awards for All applications, using a similar framework. Awards for All funding is a grant source below £10,000 “for grassroots and community activity that aims to improve life for local people and neighbourhoods” (The National Lottery, n.d.). As the application are assessed purely through what has been written on paper in a very short amount of words, a real skill goes into the application writing. The framework consisted of using an informal upskilling programme, working with young unemployed people to construct large furniture items and decoration elements for spaces. The funding allowed the organisations to purchase materials, tools and to pay for the time of experienced professionals (set designers, furniture designer, marketing people), who worked with the unemployed people through all stages of construction.

It should also be noted that some organisations were also conscious about public funding, or about getting seen as receiving too much public funding. It was less to do with being afraid of coercion (Mayer, 2013), and more to do with perceived as a funded organisations, which is less engaged and entrepreneurial:

“I have always been quite conscious of the dangers of being known as... You have to be quite careful with that stuff. [...] Well, people are quite cynical about things that are funded too often. And if they are not, I am anyway. I think it is important to get a balance if we can. I’m not sure about how I feel about how a lot of grant funding... and the implications that it has for the general culture and environment. Not a big advocate of lots of funding - I don’t think it is a good direction to go down. But then I’m open to the argument of being hypocritical, I appreciate that - because one of the things I have been doing for the last few years is being involved in funding, so it is a difficult issue to engage with. But I think you have to look at what’s best as the outcome. And if you have to earn your money through working, then the environment you create is probably a little bit more focused on the kind of energy you want. If you go to an organisation which is entirely grant-funded and you walk in, you can often tell because the guy on the door is asleep and doesn’t give a shit and everyone else is bored. The experience I had of the grant-funding organisations wasn’t great really. “ (Studio Space representative, 12.11.2015)

The University of Sheffield also served as an important source of support for various projects in the sub-cluster. Firstly, it rented space from some of the organisations, providing them with

a source of income. Also, the university had access to a number of research-related funding streams, which the actor themselves could not access. For example, University of Sheffield was one of the first tenants of Union St. through Live Works, providing the organisations with the needed cash flow at the time when the spaces upstairs were getting refurbished for co-working (Hill, 13.11.2015).

In the case of Portland Works, Knowledge Transfer funding from the University of Sheffield was important in providing the organisation with important case studies and resources, and in inviting experts to participate in a series of workshops. This helped to decide on the governance structure and the best way to purchase the building, in terms of which funding to apply for:

“I talked to [Cristina Cerulli from Sheffield School of Architecture] about it, and she managed to get some Knowledge Transfer funding to do a workshop about management and ownership [...] At that point we really left every single option open, so we had EU funding - we had someone from ERDF, we had business advisors, we had an MP, we had different councillors, HLF, all sorts of different funders in the room, to really kind of get to grips and actually just ask them: “These are things what are really important to the culture. These are the things what the important to the tenants. If you did help us fund something or if you were involved in this, how would that measure up against that?” And that was really successful and as tenants felt really confident and particular about it and the decision... so in a day we went from... and obviously the community share issue kind of option was something which has been discussed previously in one way or another, but not really in a lot of depth. By the end of the day we went from completely open in terms of the decision which can be made to actually to a final decision in a day and people came out of it and saying: “That really fits with the ethos of my business, but also economics of my business and actually making sure what I stay in business.” And that was a really positive moment and even though those people ended up not being directly involved in the project, they really enjoyed the workshop process and found it very interesting and that actually helped with the share issue and future networks” (Udall, 16.11.2015)

Thus, the workshop enabled through the Knowledge Transfer funding led to the organisation incorporating as an Industrial and Provident Society (IPS), being able to sell community shares for the purchase of the building. The mechanism behind this was discussed in Chapter 3. The work to actually set up the organisation, including getting accreditation from the Financial Services Authority, was funded by Little Sheffield Development Trust (Udall and Cerulli, 2011). Thus, the organisation organised a Crowdfunding campaign which was launched in June 2011 and in 2013 helped Portland Works to purchase their building through raising £395,000 from community shares, which gathered finance from 500 people (Smith, 2016). The minimum amount was £100, which meant that a lot more people were able to support the project. Good marketing and networking were a key to getting so many people involved:

“most of the people have heard it from 5-6 different sources and I think that was interesting: someone might have heard about it at a council meeting, but they have also walked past a poster down the road, and they also had a friend who said: ‘Are you going down [to Portland Works] at the weekend?’” (Udall, 16.11.2015).

In the case of Portland Works, the shares were bought both by institutions and individuals - through a combination of philanthropy and self-help, as there was no obvious financial return associated with the purchase of shares (Portland Works, 2015). It was mainly through people supporting the idea of the project.

In a similar way, ROCO raised £100,000 through community shares (British Council, n.d.). Unlike the mostly ideological support for Portland Work, ROCO placed a little bit more emphasis

on the return for investors: “The minimum investment is £200, and we guarantee a five per cent return, so it’s actually better than an ISA” (The Star, 2015b). However, this only paid for less than 10% of the development costs. Other sources were Co-operative Loan Fund and Co-Operative & Community Finance, (Co-op Loan Fund, 2015), Key Fund, Big Issue Invest, who are all private funders (The Star, 2015).

Most of the Studio Spaces started with no funding. Only Common People was able to get a small amount of money for setting up their organisation. Most of the organisations accessed some sort of funding in their growth phases - primarily for the refurbishment of spaces. Funding only formed a minor part of organisations’ income. This funding came from many different sources - private, public, civic, used tactically. Sources such as Knowledge Transfer funding from the University of Sheffield was important. The University of Sheffield was also important in providing early tenants for some of the projects.

Also, in order to get funding from the government, a lot of creativity from the side of the actors was needed to make what seemed like inappropriate funding sources, serve their needs. For example, in the case of Awards for All and Future Jobs Fund, refurbishment of space and building of interior elements were packaged as training programmes. The package of loan and grant from Key Fund was important in helping many organisation to develop into sustainable organisations, for example by helping CADS take on more buildings and hire more people. Funding was mainly used for programming and short-term activities. Some organisation were conscious of being seen as funded. There was also an exchange of knowledge and know-how between members of a cluster, with organisations doing projects together, including joint funding applications and setting up joint companies (e.g. CADS and Common People creative Enable Space, which manages Union St.).

In terms of purchasing assets, finances came either from private sources, as in the case of community shares, from a range of private individuals or other organisations. Also, financing came from private funders like Co-operative Loan Fund, Co-Operative & Community Finance, Key Fund, and Big Issue Invest, who are all private funders. This is different from the early 2000s, where the funding came from public funding sources.



Figure 6.42: Furnace Park - construction workshop; Image by the author

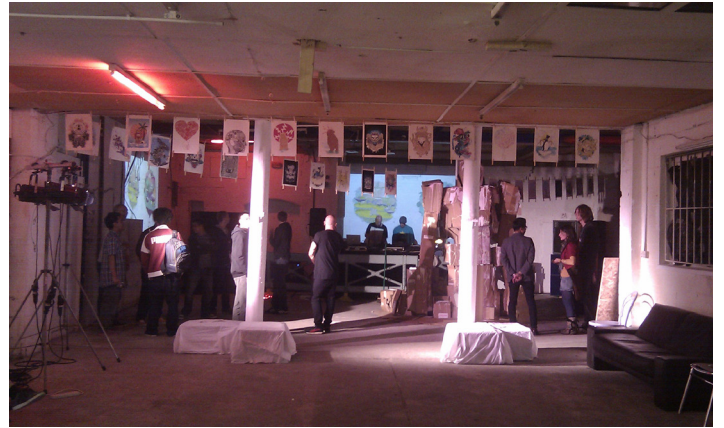


Figure 6.44: Dan Sam - music event; Image by the author



Figure 6.43: Furnace Park - Film screening; Image by the author



Figure 6.45: Riverside; Image: "Phlegm @ River Don, Sheffield" (c) timparkinson (<http://www.flickr.com/photos/43632116@N00/5925842324>) CC BY 2.0

Riverside
(*Lighthouse Project*)



Sheffield Culture Consortium
(*Network Broker*)

Projects*

- Moor Deli
- Furnace Park
- DINA
- Citadel of Hope
- The Riverside
- Audacious Art Experiment
- Club60
- Yellow Arch Studios
- Dan Sane

*For more details on the individual spaces, see Appendix.

Common Properties

- used on temporary use basis (apart from Yellow Arch Studios, Riverside)
- contained similar facilities - a large space for exhibitions, installations or performances, bar/cafe area, and storage space; some had a more extensive infrastructure (i.e. Riverside having a 100-seater theatre)

Differences

- divided into two sub-categories - spaces, hosting one-off events (Huttons Building, Furnace Park), more permanent event locations (Moor Deli, DINA, The Riverside, Audacious Art Experiment, Club60, Yellow Arch Studios); the former category did not have any permanent facilities like toilets, staging, bar or kitchen
- some spaces were public and some were more private: some spaces were mainly there for a small community of people (i.e. a network of bands and musicians around Audacious Art Experiment and Club60). Others had a wider reach.
- financial model differed; many spaces (Furnace Park, Audacious Art Experiment and Club60) did not have a concrete business model or staff, but were more like projects, carried out by their founders out of personal interest, without any or much remuneration; on the other end of the financial spectrum was the Riverside, which had quite an innovative financial model. With the purchase and set-up of the space being funded through a variety of private and public loan and grant packages, the running costs of the space were covered by the income from the bar (Morgan, 2010).

6.2.4.3.3 Event Spaces

The Riverside (Lighthouse Project)

Also in 2008, a theatre charity Point Blank started to experiment with performing in non-traditional spaces as well as with different ways of generating income. It was “looking to open a multi-use arts venue on which to base their organisation and creative work as well as to deliver a programme of educational and charitable activities and create a platform for emergent live art and performance practices.” (Morgan, 2010: 2) In the end, it settled on purchasing a pub in April 2008, after 17 months of working out the details of the purchase. One of the organisation’s aims was closer working ties with the surrounding neighbourhood. The project offered a non-traditional theatre venue to theatre companies (Morgan, 2010). Its funding model is described in detail below.

6.2.4.3.4 Event spaces - the role of funding

Event Spaces have been funded in a different way to Studio Spaces. This is partly because their business model was different, with their income coming in irregularly. In many cases, the events were free for the audience to attend, with the spaces running in a DIY fashion, supported by their community. Although most of the spaces started off without funding, two of them received funding. Furnace Park was started with the grant from the University of Sheffield, and Moor Deli was started by its parent organisations Theatre Deli, which was already operating a number of spaces in London, with Sheffield being another location.

Some spaces were unfunded (Audacious Art Experiment, Club60, Yellow Arch Studios, Citadel of Hope). In the cases of Club 60 and Audacious Art Experiment, there was a large element of community and self-help, where everyone involved contributed to the development and running of the spaces: “We put all our spare money and spare time into this - I haven’t taken a holiday for four years but we love doing this stuff” (Loic Tuckey in Sheffield Telegraph, 2012: no pagination). The wide community of people involved in the spaces built up the interior and contributed to organising and running various events and activities in a DIY fashion. There was no charge, with the audience being encouraged to make donations, which were used for running the space:

“We don’t charge for entry or booze, people bring their own but we do ask for contributions, whatever people feel it is worth, and we recycle the beer cans, which can go towards the bands if, for example, they’ve travelled a long way.” (Loic Tuckey in Sheffield Telegraph, 2012: no pagination)

Other space received initial funding to get them ready. For example, Furnace Park received €20,000 from an internal Arts Enterprise scheme run by the University of Sheffield (Occursus, 2012). This was one of the most significant projects supported through the scheme and where the funding helped to clear the site and pay for its initial infrastructure. As well as this, a number of workshop and public activities were also paid for by the funding. The space was also made possible through various donations of time, expertise and equipment by local companies, including a law firm and an engineering company who sponsored a container, which served as an office and a storage space for the site (Furnace Park, 2013).

Although business rates are mostly a cost to an organisation, in some cases they can serve as an income generator. This practice, which was developed in London in 2010s, has been adopted in Sheffield by Theatre Deli. The organisation acted as a mediator between property owners and creative organisation in providing the latter with performance/workspace on a short-term basis to various theatre and performance companies. As the organisation has had a charity status, it was

able to receive a mandatory business rate relief saving the property owner a substantial amount of money. By looking at the organisation's accounts available at Companies House, it could be calculated how much they have managed to save the property owners. If in the accounting year 2014-2015 Theater Deli paid £152,747 in business rates (Curvingroad, 2015), that means it saved landlord £763,735 and through that the central government didn't receive £611,006 in rates. In their End of Year Report, Theatre Deli mentioned that it helps property owners "make savings on Empty Rates, through charitable occupation" (Curvingroad, 2015: 2.3), and well as other less tangible benefits like contributing to the local community and the arts and create a PR opportunity.

Every space which the Theatre Deli managed had a different business model, depending on the local demand. For example, in London, where there was a lack of affordable rehearsal space, the organisation receives the majority of income from sub-letting that space to theatre groups. In the case of Sheffield, this was slightly different, with the organisations having a varied income stream, comprised of contributions from the landlord, hiring out the space, and some money from the bar and events:

"Yeah, we get a small amount of return [from the landlord] which helps to pay the bills I guess. And then the rest we make up on event hires and the bar - we have a licensed bar as well. Which helps at the theatre events. It is not just tickets for events, it is some amount on the bar." (Sharp, 19.11.2015)

However, the amount of money the organisation receives from the bar varies on the events:

"We mainly curate performances because of having such a small team it is quite hard to put things on our own. So we are just there to help other people do that. [...] This means that at a Theater event, as well as tickets sales, there is some amount on the bar. But it is normally quite a small amount. People are just at the theatre event - we tend to make more money if it is a cabaret event or a comedy event or something like that." (Sharp, 19.11.2015)

The organisation was also not applying for Arts Council for the Moor Deli space in Sheffield. The main costs are related to getting a new building ready for re-use, and this is not eligible for Arts Council funding, as the space is only a short-term lease:

"But we haven't applied to the Arts Council for the funding for the actual space because they fund projects. We are trying to look at more local funding as well. Because mainly if we do have to move into a new building, it will cost us quite a lot of money, because obviously setting up a unit is quite expensive, all the fire, health and safety, plumbing and utilities. All those costs can be quite a lot." (Sharp, 19.11.2015)

Theatre Deli also helped other organisations in dealing with funding, as well as other issues. This support has been packaged into a formal programme, mainly run from London:

"But most of our support comes from the structured programmes that we do - for example, Departure Point in London - that was a sort of 12 week structures course that took companies and showed them everything from how to write an Arts Council application to how to wire your lamps and light for the show, what press to contact and when - all that sort of thing. That's when we support full free support" (Sharp, 19.11.2015)

In the set-up phase, most of the Event Spaces were unfunded, either being set up through the efforts of their founders or through other private means, like contributions from business rates relief, as was the case with Moor Deli. Only one of the Event Spaces was funded in the set-up stage - Furnace Park, which was funded through Arts Enterprise. This covered mostly

the clearing the site and building of some infrastructure. Even in the growth stage, many of the event spaces remained unfunded, running through self-help and self-reliance. None of the projects described have reached the consolidation stage at the time the research was carried out.



Figure 6.46: CADS - Main Complex, coutyard; image by the author



Figure 6.47: CADS, Pebbledash Studio - painting of the facade; image by the author

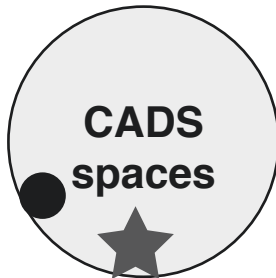


Figure 6.48: CADS - Exhibition in Unit 15; image by the author



Figure 6.49: Union St. - Exhibition on the ground floor; image by the author

CADS Works
(*Lighthouse Project*)



CADS
(*Cultural Intermediary*)

Projects*

- CADS Works
- Pebbledash Studios
- Mackleys Building
- Sydney Street
- Eyre Street Studios
- AVEC Studios
- Union Street
- Castle House

*For more details on the individual spaces, see Appendix.

Common Properties

- all projects facilitated by CADS (cultural intermediary)
- combine workspace and event spaces
- located in former industrial or office spaces
- properties are leased

6.2.4.3.5 CADS

The main figure in CADS is its founder, Steve Rimmer, who has been connected to various music and business networks in the city. Originally starting off by renting space for his earlier music promotion business and sub-letting some of the spare units, Steve founded CADS in 2009 after getting access to more space and seeing that there was a lot of demand from both his network and others for simply affordable space. Steve Rimmer can be considered a cultural intermediary, fitting very well to the definition by Andres (2011), with his connection with a wide range of networks, engagement with the users and wider population, skills and knowledge in the re-use of vacant space, and ability to develop projects.

In addition to the founder, the organisation has three members of staff, who were responsible for the management of spaces and tenants, accounting and various tasks which involved renovations to the buildings. There were also various freelancers who worked on funding applications and maintenance of spaces (Rimmer, 20.04.2015; 20.11.2015).

Instead of developing and managing a single building, like the organisations described previously, CADS operated multiple buildings on short-term leases. Some of these building it only rented for a few months or a year and some have been operational for more than six years. Operationally, CADS model consisted of renting large industrial premises on a short-term basis, cleaning them up, subdividing them, and renting them out as smaller units. In most cases, the leases with the landowner were renewed on a yearly basis, with more recent buildings having longer-term security. The residents were also aware of this, with their contracts having 6 months break clauses. The main building which CADS occupied even had a recent planning application, for it to be turned into flats, with the owner waiting for the property market to pick up before it was redeveloped. Thus, the organisation operated in a precarious state, not based on ownership, but on the state of the market. By taking on more buildings, however, the risk was hedged. By the end of 2016, CADS operated eight building which contained 120 studios, a number of gallery and event spaces (The Star, 2016). Thus it manages two types of spaces - studios and event spaces.

For example, the main CADS Works building consisted of 36 studios and four event spaces. These event spaces were used for music events for a limited amount of days a year (Rimmer, 20.04.2015). Thus, for the rest of the time, they were rented out for anything from workshops to photoshoots, music videos, rehearsals, film screenings. Other spaces are more simple. For example, AVEC studios consists of only 13 studios, with no event spaces. Similarly, Pebble-dash Studios only has 16 studios, with no event spaces (CADS, 2015; CADS, 2012)

The business model for the organisations developed in parallel with its spaces: “It just organically evolved as we needed more resources and space for studios, by filling the studios, we were able to re-invest in our own expansion or other projects we were supporting.” (Interview with Steve Rimmer in Steenbergen, 2012). As CADS took on more space, the organisation hired more people to manage them and their tenants, incorporating as an official charity in 2013, developing its business model and professionalising with time.

CADS went through a number of organisations models, before settling on the current one. Currently, CADS is made up of two organisations - CADS Trust, which is a charity, and CADS Space, a trading arm, which is also a social enterprise:

“So now the CADS Trust is applying for its own funding to work out the two objects - promotion of the arts [and provision of] space and support to people starting up. For the moment, [CADS Space] is just focusing on the trading and then we have just been using [CADS Trust] to apply for the funding. But project based. So far to help with it, we wanted

help upgrade the building so we can increase our arts programme.” (Rimmer, 22.04.2015)

CADS achieves its mission of promoting the arts and people who are starting their businesses through the provision of space, which is affordable or free:

“Our social impact is providing affordable space and being as flexible as possible, but we also give out free space through our space cadets programme and artists-in-residents support (Space to Breathe). CADS, gives free or discounted space wherever possible. We have different rates for commercial, creative and voluntary groups, which ranges from full rate to half-rate to sometimes free, or a donation.” (Rimmer, 22.04.2015)

This was done through the Space CADets programme, which offered a free studio to eligible applicants for 6 weeks as well as a space to exhibit their work. However, it doesn’t have to be a studio but can be any space which is not used. Around ten people a year take part in the programme (CADS, 2017).

One of the businesses, which developed with the initial support from Space CADets was Foodhall, a pay-as-you feel cafe and an events space. Foodhall, which was started by a group of former architecture students, collected expired food from supermarkets and the local market and used it to make food in its open kitchen (Roper, n.d.). It is run on a voluntary basis (Project Foodhall Ltd, 2017). The project collaborates with various non-profits in the city who use the space as a neutral space to work with their clients. The project managed to attract chefs from city’s restaurant and even a Michelin star chef to promote its idea:

“Visitors end up having a chat over their food, and those going through ‘tough times’ as Louis puts it, could find help with housing, or just as importantly offer help by working shifts alongside the trained chefs in the kitchen.” (Bocking, 2016).

Foodhall was offered a space by CADS, initially as part of the Space CADets Programme, which started in a large warehouse space in Eyre Street Studios. The space has a large shutter to the street, which created a sense of being semi-outside when opened. Though the initial trial period, the project idea was developed further with the group able to rent the space on a longer-term basis. After the initial trial period, the projects were also given the space at half the rent. Foodhall received Renew Sheffield funding, which allowed the organisation to buy kitchen equipment, build furniture, and help to pay for some repairs to the space they were in (ReNew Sheffield, 2018).

A network of people formed around the projects, including people who were renting space at the Eyre Street Studios. After a few years, they managed to take over the management of the space from CADS, running it collectively (Rimmer, 15.04.2018).

For CADS, because of a heavier decision-making structure, consisting of a board of trustees, and stricter accounting rule related to a charity, it is easier to conduct day-to-day business through a trading arm, which transfers any of the profit it makes to the charity. All the employees are also employed by the trading arm. Charity is there mainly there to apply for funding and carry out projects, related to its mission.

In terms of a financial model, CADS Space receives revenue from renting out studios and hiring out space on a short-term basis. Some of these space are hired by subsidiary organisations, who, for example, organise music events and generate an income from ticket sales and bar, as is described below.

As a cultural intermediary (Andres, 2011), Steve Rimmer, managed to develop a network of organisations, which work in close collaboration with CADS. They can be understood as subsidiaries of CADS - providing activities for the CADS spaces. In this way in 2011, Steve Rimmer helped to set up SKINN, a community organisation, which developed many small projects in the area of Shalesmoor & Neepesend, where many of CADS buildings were based. SKINN occasionally hired space from CADS and carried out a feasibility study for CADS to take on a building in a more permanent fashion. This was done in collaboration with an architectural firm and a planning consultancy, who developed a business plan, assembled various case studies and liaised with the municipality, who owned the freehold for the building. Also, in 2011, Steve Rimmer helped to set up Sheffield Art Forge, which developed an arts programming for some of the spaces in CADS. It is Art Forge which applied and received a number of pieces of funding, part of which were used for the refurbishment of some of the CADS spaces. Sheffield Art Forge also hired both studios and events spaces from CADS. This is described in more detail below. Steve Rimmer also set up DLS in 2010, which was the name of the temporary club space in CADS. In a similar way to other organisations, DLS hires the spaces from CADS. Steve Rimmer also set up Party for the People in 2012, which runs Night Kitchen, a follow-up club space from DLS. Similarly, Party for the People hired space from CADS. In addition, these organisations get access to a wider audience, equipment and facilities through the much larger CADS network. Thus, there were win-win interests for both parties (Andres, 2011).

In addition to having partnerships which related to the main CADS Work building, Steve Rimmer also set up Enable Space with Common People to develop Union Street, which was discussed above. Neither of two parties had the capacity to do the project separately at the time.

Apart from relationships through its founder, CADS also helped organisations by letting them access its space for free. For example, CADS assisted Furnace Park at the stage when they were doing various community workshops, before having access to the site. For example, they provided a studio to a group of architecture students, who were working on a six-week project with Furnace Park to help them develop spatial strategies for the site. CADS also promoted these projects through its social media channels and lent them resources and equipment when they needed them. Rather than competing with other socio-cultural projects, CADS chose an openly collaborative and networked approach. In many cases, it was not delivering services itself but was working through its larger network, who were delivering everything from programming, hiring equipment, which was adding the space offer of CADS. Therefore, CADS is a perfect example of a boundary spanner, working with a “wide range of actors”, “connecting problems to solutions” and “mobilising resources and efforts in the search for successful outcomes” (Williams, 2002: 121).

CADS is also part of the Sheffield Creative Guild, however as the network only started at the time when the interviews were conducted, there was not much activity (Rimmer, 22.04.2015). Steve also set up an organisation, which listed all the studios in the city and spaces available for hire on it:

“We know all the other people who provide similar services. We tried to set up our own network of promotions with studiosandspace.com which provides access to data about who’s in Sheffield, what they do in terms of studio providers.” (Rimmer, 22.04.2015)

CADS itself was also connected to a number of local and national networks: Chamber of Commerce, National Federation of Artists’ Studio Providers (NFASP), BII (British Institute of In-keeping) and CAMRA. These networks provided CADS with various advice in relation to licensing for events, business rates, tenants management and connection to possible supporters.

An important piece of legislation which assisted CADS and other organisation in the city has been a Temporary Events Notice (TEN) contained in the Licensing Act 2003, which allowed any safe location to obtain a temporary entertainment license. With a TEN, which needs to be applied for separately for each event, a space can host up to 12 events a year with a maximum capacity of 499 people, stay open all night, have entertainment in the form of music, and sell alcohol (Arts & Media, 2010). By using a TEN, any space could host an event with a potential for the organiser to charge for entry and drinks. This method provided a reasonable source of income for a number of organisations, including CADS. A number of spaces combined the two methods, uniting club / event space with studios:

“Well, the temporary event notices, temporary licensing. We use that for our events, for the provision of regulated entertainment and sale of alcohol. And that has meant that we were able to operate in that format, within the confines and terms and conditions of TEN’s. That has been very helpful. The benefit has been increase in trading through space hire for CADS. So it has supported the charity. But it has also vastly improved the numbers of visitors we have - from a few hundred to a few thousands, constantly over the last few years. I think that has been one of the key attributes, to be able to not only stay in the business of CADS, but also provide jobs, benefits, but also a much wider programme of animation. Because without that we would just have some workspace and an odd exhibition / space hire. But we would definitely not be as well known and we would not have as much business as we do now.” (Rimmer, 22.04.2015)

6.2.4.3.6 CADS - the role of funding

CADS itself has mostly been an unfunded organisation. It received some funding in its growth stage. In addition, it set up the organisational structure to be eligible for funding, however, it has not utilised it yet for the purpose. The organisations prided itself on being self-sufficient and not having to rely on funding.

CADS started off and took on the first few building without funding. In the growth stage, it received a loan and a grant package from Keyfund, which helped the organisation to hire more people and take on more buildings. Similar to the number of Studios Spaces described in the previous section, the organisation took advantage of Future Jobs Fund, which helped it to get the main CADS Works building to a usable condition (Rimmer, 22.04.2015).

In addition, the organisation received a small amount of funding (below £2,000) for the purchase of office equipment and funding through Future Jobs Fund in its early stage, which helped to hire initial members of staff (CADS Account; Haines, 2016).

However, CADS was quite proud of running a self-sustaining organisation which did not need to rely on funding and external support to operate, as is highlighted in its 2013-14 annual report:

“CADS is primarily self-funded with most of the businesses revenue earned through studio rental and space hire. This gives CADS a great freedom to operate outside the bounds of grant funding and leaves it self-sufficient. By moving away from a reliance on funding CADS future financial planning has been made much easier, allowing them to plan in the medium term without the uncertainty of hoping to plug gaps with third-party funding.” (CADS, 2014)

Even though CADS didn’t receive much funding, it still spent a lot of resources applying for funding - and had a special person dedicated to it, who was working on a part-time basis. This had to be covered by the revenue which the organisations had generated from other sources.

6.2.4.4 Official intermediary organisations

In Sheffield, an intermediary organisation was created, which facilitate various bottom-up actors to utilise vacant spaces in the city. It functioned as a boundary spanner (Williams, 2002), helping smaller organisations to navigate the municipal bureaucracy, connecting them with municipal networks and more experienced entrepreneurs in the city.

Renew Sheffield functioned as an organisation but was in fact simply an officer inside of Sheffield City Council, which facilitated socio-cultural actors in taking on spaces on a temporary use basis. The organisation was set up in 2015 (University of Sheffield, 2015). Renew Sheffield was to “encourage growth in meanwhile uses, pop-ups, temporary and entrepreneurial start-ups in Sheffield City Centre so that we can improve the vibrancy of areas in transition and help businesses to grow.”⁶ The organisation consisted of a single full-time officer. As well as this, a website was created, which was meant to provide information for people who wanted to start interim-use or longer-term re-use projects in the vacant spaces in the city. This mainly consisted of a few document and links to the various municipal website, as well as other organisations working in the city. The information there did not seem more comprehensive than what a simple google search would generate. In addition, it had a news section and a few case studies.

The organisation has been managed by a voluntary board made up of representatives of Sheffield City Council, Creative Sheffield, University and City Centre BID. As well as the governance board, there was a “mentoring board” with representatives of the creative sector, including the founders of CADS, The Riverside, Bank Street Arts, and Common People. The points of the mentoring board were that it offered advice from experienced practitioners and entrepreneurs, which served as an addition to funding given out, or as an alternative:

“It might be that there might be lots of projects that don’t actually need funding, but people on the mentoring board can say: “Well, I’ve got an opportunity for you. You don’t need the money, but I can offer the door for you to get into that building.” So it is just about making more than just handing grants out. It is actually dependent on goodwill from those who get invited to the mentor board. And there seems to be a lot of interesting people who have been involved in that.” (Hayman, 24.02.2015).

The funding was given out in a form of an open call. The projects needed to satisfy a number of criteria, to be eligible for funding: it had to be open during the day, have a realistic budget with revenues covering the costs, be in a vacant unit and in the city centre, be open to the public and have a positive impact, projecting vibrancy. Other criteria included originality of the idea, creativity, have a positive impact on the neighbourhood businesses (Renew Approval Matrix; internal document).

Renew Sheffield supported the following projects. Alt Seen Eye was a collaboration between Party for the People, CADS and Rootstock Trading, as an alternative ticket hub with an art gallery. There were a number of alternative retail space including 70 Pinstone Street, which combined a print and a magazine shop; Sheffield Makers, which sold products made by the local

6 www.renewsheffield.co.uk/about

makers and designers; Roseannah, which sold fair-trade fashion and jewellery. Also, Foodhall received funding.

It is difficult to say how much impact the scheme had on the development of other projects, as it mainly supporting the set up of a number of retail units. However, the budget, staff capacity (e.g. one person working on the scheme), and a complicated decision structure may have had something to do with this. The interviews were also carried out in the middle of the project, thus a full review of its success is too early at this time.

Chapter 7 - Key finding for Leipzig and Sheffield.

This chapter presents key findings for Leipzig, Sheffield and the comparison between the two. As the previous chapter has shown, the relationship to funding has been different during different phases of cluster development. The key findings during seed, growth and consolidation phases are described for each city. A number of themes are explored, such as resistance of actors to state funding and the emergence of civic funding mechanisms. These themes are later discussed in more detail in the final chapter.

7.1 Sheffield

What has been important in the case of Sheffield was the effects of the financial crash, which both considerably reduced the property prices, and provided a lot of vacant spaces for the spatially-focused entrepreneurs to transform. The financial crash also resulted in the retreat of the previous market actors. This has allowed a number of spatial experiments to develop which are not solely market driven and as Head of Regeneration at SCC points out:

“as with all the recessions and times of austerity, it is not all bad. In some ways, it maybe opens up space where good initiatives can find a space wherein a more market-led, more intense economic times, they would get squeezed out. So that is what we are looking for.” (Ogden, 17.11.2015)

The retreat of traditional growth-focused private actors gave urban civic actors, like The University of Sheffield and Sheffield Cultural Consortium, a chance to become integrated into the regeneration of the City Centre, becoming involved in everything from city marketing to activation and actual physical projects. Two examples of this are an independent website Our Favourite Places becoming the main marketing website for Sheffield, and Sheffield Culture Consortium shaping the cultural strategy for the city. These new governance structures started to incorporate a much wider range of actors, including those local actors who were not part of the urban development debate before.

Most of the organisation in the Sheffield cluster started off on their own effort, through the principles of self-help. As most of the spaces were set up by a group of people - it is usually this initial group who did all the work in the beginning, in relation to setting up the space or the organisation, with their own resources. For example, in the case of the early studio clusters like Yorkshire Artspace and S1 Artspace, it was the future tenants who got the buildings ready for use, painting walls and doing the renovation work themselves when needed. Some of the organisations in the Older Creative Spaces cluster operated for years and in some decades without funding, in a self-sufficient fashion.

Occasional organisations, more in the later stages of development, were able to get small amounts of funding to cover their set-up costs concerning legal fees, website costs and graphic design fees. In this way, Common People was able to get some initial ERDF funding, through the participation of its co-founder in an accelerator, which helped her to develop her initial idea into a business. Participating in the accelerator was also useful in terms of networking, as there she was also able to find a co-founder, who was one of the advisers on the programme. The conditions of the funding were that employment needed to be created because of it. Another project, which started with funding was Furnace Park, which received private funding from the University of Sheffield, through the Arts Enterprise programme. This covered mostly the clearing of the site and building of some infrastructure.

Before 2008, no private sources of funding were accessed by the examined organisations. Mainly single sources of national funding were accessed (e.g. Arts Council or National Lottery),

which covered running costs of organisations, allowed spaces to be refurbished or upgraded. This helped the organisations (like Bloc Projects or S1 Artspace) to professionalise their work, hiring curators and members of staff. There was also some support from the municipality, with small amounts of funding, letting organisations access municipal sites, and through the provision of officer time. This support, which was mainly not in the form of funding, was critical for some organisations like Yorkshire Artspace in terms of getting access to more funding. From the point of view of the municipality, the relatively small amount of financial contribution they made (£1-2,000/year + officer time) was a good investment, so that organisation could receive multiple millions from national and EU sources to develop their building into assets for the city. However, it is unclear how much the project themselves contributed to the regeneration.

In the period after 2008, most of the Older Creative Spaces (which were started pre-2008) generated the majority of their income from funding, apart from Yorkshire Artspace. However, even for these older organisations, there were changes, which also applied to the rest of the cluster. These changes mainly were that instead of one source of funding (like with Arts Council or Lottery in the previous period), a whole multitude of smaller funding sources were accessed - there being a mix of public and civic sources, as well as a range of self-help methods. Smaller bits of funding were used tactically in order to get more funding or develop networking in order to leverage other financing options, such as crowd-investment, as in the case of Portland Works.

For Older Creative Spaces, the changes in the public funding landscape led to a bigger focus on diversifying their financial models, with an addition of other sources of income. Different organisations developed different ways to gather additional resources - either through crowdfunding, as in the case of S1 Artspace studio residents, who were encouraged to raise up to £10,000 a year themselves. Bloc Projects started to hire out their gallery space for non-arts related activities. These changes in funding conditions didn't have a negative impact on these organisation but instead made them more resilient. This diversification of funding and the need for a bigger amount of match funding was one of the conditions of Arts Council. The diversification of funding actually also led to the diversification of uses. For example, S1 Artspace had workspace in addition to studios, and Bloc Space was renting its gallery space out for the use by various non-arts groups. In the case of Bloc Space, this expanded the range of people who were exposed to the work of these organisations (Branscombe, 2016).

In most cases, if a project wanted to receive state funding, it had to be either incorporated as a non-profit organisation or work in partnership with an organisation, who was the lead applicant. Moreover, the more formal the organisation was, the more funding it could receive - i.e. a charity would have access to a much larger number of funds than a social enterprise (i.e. company limited by guarantee with charitable objectives, community interest company). This is, for example, one of the reasons why Portland Works set up a separate charity in addition to its main IPS.

However, the governance of a charity has been more complicated as it needed an extra level of accountability which meant that apart from the entrepreneur, who was the driver of the organisation, there was a board of trustees, who needed to be accountable to. This meant that certain decisions could take longer, reducing organisation's agility. To address this issue, the organisation incorporated as charities, also set up trading arms, as in the case of CADS. The trading arm was a separate organisation, wholly owned by the charity, with all the profits from the trading arm being transferred to the charity at the end of the year. This set up gave the organisation more agility.

For Newer Creative Spaces, public funding only formed a minority of organisation's budget. In this case, funding was mostly used for programming, and not for core costs. These organisations

were even conscious of not being seen as a funded organisation: “If you go to an organisation which is entirely grant-funded and you walk in, you can often tell because the guy on the door is asleep and doesn’t give a shit and everyone else is bored” (Studio Space Representative, 12.11.2015)

With more difficulty or the lack of availability in getting specific fundings for the refurbishment of spaces, creative ways were developed to make funding meant for dealing with unemployment or social issues function for the spatial improvements. A number of creative solutions and techniques were developed and applied by a number of organisations across the cluster, with an element of learning between organisations. For example, the Future Jobs Fund, which was easy funding to apply for, helped to employ many recent graduates, who were unemployed at the time, to help organisations renovate their spaces. In this way, a number of organisations (CADS, Bank Street Arts, S1 Artspace) benefited from the funding.

Similar adaptations took place with Awards for All funding, which mainly helped Newer Creative Organisations, who collectively developed a technique for using the funding to build interior elements and moveable furniture for their spaces. There was an element of learning between organisations, working together on sharing experience of applying for funding, exchanging successful application, developing similar projects in different context. The main local innovation was developing a training programme for unemployed, which also resulted in making spatial fit out.

The University of Sheffield was an important source of support for many projects - in terms of providing them with funding, as in the case of Furnace Park. Also, various university projects became tenants of spaces, providing them with needed revenue at the start, as for example was the case with Union St. University of Sheffield funding was also important in the case of Portland Works, where in addition to small amount of funding for a networking workshop, case studies and feasibility studies were produced, which helped the organisation develop a governance structure and financial model of how to purchase the building in the later stage. It was also providing match funding to enable projects like “Cultural Destinations” and being a founding partner in Renew Sheffield, to which it also contributed financial resources.

Other self-help methods were used to finance projects. The most prominent example of this is Theatre Deli, who utilise their charity status to save landlords business rates (building-related taxes), who in turn donated a certain amount of money to the organisation. Theatre Deli also had other sources of income to supplement the income from business rates, for example through managing a cafe and a bar at theatre performances.

Learning from the experiences of other places was also essential for the development of the Sheffield cluster, in terms of adaptation of specific models or methods. Many projects were inspired by what they saw in other cities as in the case of Union Street or CADS learning from coworking spaces and studio complexes in London. Some projects were directly imported from other cities, by the actors themselves, as is the case of Theatre Deli. This was also the case with Sheffield Culture Consortium, the model for which was imported from Liverpool through Laura Sillars. For example, in relation to temporary use adaptation, it could be argued that Sheffield has been rather late in comparison to the other cities in the country. Most of the uses and procedures in this area were adapted from elsewhere. This model transfer was facilitated through the direct communication with the studied projects, as in the case of CADS and Meanwhile Space and through networks such as NFASP. The international experts also facilitates this knowledge exchange, with an example of the University of Sheffield inviting Marcus Westbury for a week-long knowledge-sharing workshop and the exploration of the suitability of the “Renew Newcastle” model for Sheffield.

There were also other organisations, as a few of the pure event spaces (Club60, Audacious Art Experiment) which remained unfunded, even in their growth stage, running through the principles of self-help and self-reliance - from the donations and contributions of their audiences. They mainly relied on their community of followers, who sustained the projects - in some cases, this community helped to set the spaces up, building furniture in a very DIY fashion.

One important boundary spanner, created in an organic fashion, and which had an impact on the whole cluster was Sheffield Culture Consortium. The development of the organisation has many roots. Firstly, the municipality-led culture board served as an early prototype for it, which was said to be more of a forum for people to complain rather than to develop projects. This experience led the new Sheffield Culture Consortium having a more exclusive membership, which encouraged greater engagement. There was also an element of learning from Liverpool, which had a similar consortium. In addition, the impetus for the active involvement of members in the new forum was the issue of cuts to the municipal funding, and about Sheffield getting fewer Arts Council funding than other cities. The consortium was supported by the municipality, which provided a part-time member of staff to manage the consortium. The Sheffield Culture Consortium was successful in securing a number of the large funding application, which set up a number of smaller networks, including Sheffield Creative Guild, which had a much wider membership.

There was also exchanging of knowledge and know-how between members of a the wider cluster, with various organisations doing projects together - from collaborating on funding applications (as in the case of CADS and Theatre Deli), to setting up companies and projects together (as in the case of CADS and Common People creating Union St.), to doing joint festivals (as in the case of Older Creative Spaces developing Art Sheffield).

Similar to the growth phases, there was also the difference in approach in the consolidation stage before and after 2008. Before 2008, the consolidation and formalisation of projects in terms of ownership was possible through public funding. In addition, funding could be obtained from a small number of large funders. For example, Yorkshire Artspace was able to construct a new building with the help of mostly two funding streams (ERDF and National Lottery). There was a small amount of match funding from other sources. The organisation also received support from the municipality in terms of selling it their land, even in the light of lengthy funding application process. The municipality also assisted the organisation in assembling the needed finance.

After 2008, the organisations purchased their assets through a range of private and self-help funding and financing mechanisms. The number of sources which needed to be accessed for the purchase of a property was much higher than in the previous period. For example, in order to develop the community share campaign, to buy the building, Portland Works accessed a multitude of local and national funding sources. Thanks to this, they were able to develop an organisational structure in the form of an Industrial Provident Society, carry out various surveys of the building, and gather enough interest to be able to develop a successful crowd-investment campaign. Although public funding was accessed to organise aspects of this campaign, the money for the purchase came from the local people and organisations, as a mix of philanthropy and self-help.

The purchase of ROCO was also possible through a combination of a number of private financing sources and crowd-investment. Unlike Portland Work, where the returns for the investment were not as clear, with ROCO, there was a clearly outlined return. This can be considered as mission investing. In a number of other cases, local private funder and social investor Key

Fund provided a package of a grant and a loan for many organisations to either purchase their buildings or professionalise their work. In this way, a loan was given to ROCO, and Key Fund bought shares in Portland Works. In addition, Key Fund assisted CADS in their growth stage.

In a way, every project in a Sheffield cluster added something new to the socio-cultural offer of the city. Union St. added a co-working space, ROCO added a slightly more up-market creative space, Foodhall has added a pay-as-you-feel cafe and a neutral space, removed from the institutional feel of some of the other social projects. Although these spatially-focused (social) entrepreneurs were all somewhat different from each other, they shared a number of traits. In most cases, the projects have been legally structured as non-profit organisations (i.e. charities, companies with non-profit objectives), where a financial generation was not the main aim. Secondly, many of them were set up by recent graduates from the local universities.

7.2 Leipzig

The section presents the key findings in terms of the role of funding during the three different stages of Leipzig cluster development. It starts by summarising the main properties of the projects in the clusters, how the availability of cheap space enabled their development, students and staff from the universities. Then, the development during the seed, growth and consolidation stages are presented.

In Leipzig, a wide range of uses were developed by the spatially-focused entrepreneurs: work-spaces, housing, green spaces. There was a wide range of gallery spaces and off-spaces, specialising in various types of artistic spectrum - from sound art to cinema screening and theatre. There was also a wide range of organisational types - with many large creative spaces being private organisations. Many of the spaces were set up by students or recent graduates, with most projects being developed by recent new-comers.

What was necessary for the development of the creative cluster was both the availability of the cheap space in the early phases and people who both developed the project and participated in the activities which the project hosted. An essential contributor to bringing these ingredients together was Haushalten, which both provided cheap space to creatives and facilitated network building between them. They brought together two components of a creative cluster - people and infrastructure (Montgomery, 2003). In addition, many other boundary spanner organisations (Williams, 2002) contributed to the development of the cluster, both official ones like Quartiersmanagement Leipziger Westen, and bottom-up ones like Lindenauer Stadtteilverein.

The majority of projects were unfunded in the set-up stage. For some, like Schaubühne Lindenfel, it took four years to start receiving funding. In the early seed stage, funding was important for setting up cultural intermediaries and lighthouse projects. Public funding was vital in setting up Haushalten, enabling them to develop a number of innovative models for dealing with vacant buildings. The public funding helped Haushalten to establish a number of models of taking on, renovating and managing vacant buildings. In fact, helping municipality access funding, which required a match from the city was the reason why the association was created. In addition, private owners being able to access municipal conservation funding helped Haushalten to persuade property owners in letting them access their properties at no cost. The association was acting as a mediator between the owners and the department responsible for funding. Regarding lighthouse projects, the early support from the municipality, including funding for Nachbarschaftsgarten, was important in helping the project, and the cluster of activity around it, develop.

In the growth stage, funding from Kulturstadtamt and KDFS was important in supporting many off-spaces. Funding was given for the activities but not for any physical work on the building. Lindenow network, a coordinating and a representative broker for off-spaces was also receiving

a small amount of funding from Kulturamt. However, the network first developed on its own efforts. Schaubühne Lindenfels also received a substantial amount of money from Kulturamt, which helped it to cover running costs. The amount it was getting from Kulturamt increased continuously, making up the majority organisation's income.

Research funding was also important in facilitating networking between projects and connecting them to national and international networks. For example, the research projects carried out by Jana Reichenbach-Behnisch, allowed networking and knowledge sharing between the organisation in the area. Similarly, receiving ExWoSt funding allowed Haushalten to develop Projektvorhabens Bildungs- und Kompetenzzentrum (Knowledge and Competence Centre), which included sharing knowledge and experience developed in Leipzig with other municipalities across Germany. Through the project, the association advised municipalities in Dessau, Dresden, Wuppertal & Görlitz on how to apply the vacant spaces re-use models from Leipzig to other cities (Nationale Stadtentwicklungspolitik, 2013).

Large creative spaces were mainly unfunded - bought and developed with the private means of their owners, in stages; for them, this was a very conscious decision, based on the perceived inflexibility of funding, in addition to other reason related to the ethos of spaces. However, Spinnerei set up a separate organisation to develop Halle14 inside the larger complex with the help of national and EU funding. The costs for running the space have been paid by the Spinnerei, with the revenue coming from renting the space for other uses. However, because the space received funding, there were certain limits of who it can be rented to and for how much (interview with Bertram Schultze in Reichenbach-Behnisch, 2016: 333)

In the consolidation stage, the finances for making projects permanent mainly came from private sources. There were some small contributions from the municipality, as in the case of Schaubühne Lindenfels, wherein 2005, the municipality was able to advance a number of payments to the organisation so that it could buy its building. The rest of the purchase price, the organisation took as a private loan from a brewery. In addition, it raised €63,000 through crowdfunding from 1400 supporters. As a lighthouse project, the organisation also received €360,000 of funding for renovation from "Stadtumbau Ost". In order to receive this, the organisation paid €63,000 from its own resources, which came from income from the business, the sale of shares and donations (Eickhoff, n.d.). However, most of the other organisation utilised a wide range of private financing methods to safeguard their projects. For example, Kunstraum Ortlöff raised money through crowdfunding, by having an exhibition where work was sold.

Hausprojects didn't access any other funding, apart from occasion building envelope renovation funding, because either it was not suitable for their needs, or they did not require it. In the late 2000s and early 2010s, it was still possible to buy buildings for a relatively low price. However, from the mid-2010s when housing prices began to rise, financing mediated through Mietshäuser Syndikat network became important for Hausprojects. Ethical banks like GLS were familiar with the Mietshäuser Syndikat model and were more likely to give loans to the project if they knew their finances have been checked by the larger network. However, Mietshäuser Syndikat didn't provide any finance to the house, just advice and support, and possible direct loans from its network, mediated through them. When the property market started to heat up, occasionally Hausprojekten had to turn to Stiftung Edith Maryon, together with Mietshäuser Syndikat, where the land was owned by the foundation, and the house by a GmbH made up the association made up of tenants of the house, and Mietshäuser Syndikat. By the end of the examined period, municipality set up an agency to develop the Hausprojekten and other alternative housing models further, working together with Haus-und-Wagonrat and Haushalten.

7.3 Comparison between Leipzig and Sheffield

Both case studies - Sheffield City Centre and West Leipzig contained projects which were united by similar uses. In Sheffield, there was less diversity of uses, with spaces belonging to two main categories - event spaces and studio spaces. In Leipzig, there were also green spaces, off-spaces and Hausprojekten. There was also a larger amount of smaller off-spaces in Leipzig. There were similarities, for example with the Studio Cluster in Sheffield and Large Creative Spaces in Leipzig. Also, Event Spaces in Sheffield were similar to Off-Spaces in Leipzig.

As most of the projects re-used vacant spaces, the built environment of both cities played a significant role in the kinds of projects which developed. For example, a large part of the projects in Leipzig developed in larger former tenement blocs, which were used as housing previously. Many of these were re-used for housing, as in the case of Hausprojekten. However, many were also used as workspace. In the case of Sheffield, the majority of buildings used by spatially-focused entrepreneurs were industrial spaces or offices.

Regarding organisational structures, most of the projects were organised as non-profit organisations, with different levels of professionalisation between them. The main difference was the fact that in Leipzig, many of the larger creative spaces were managed by for-profit companies, unlike in Sheffield, where they were managed by non-profit organisations and charities.

In both cities, it was rare that projects went from temporary use to a permanent use in the same building. The only exception was A und V, which started on the temporary use as part of Wächterhaus, then leased the whole building, and eventually purchased the entire building as an association. Most of the other spaces either started off with the purchase (i.e. Tapetenwerk, Portland Works, Riverside), or started off in one location with a temporary use, and then bought another building (i.e. Yorkshire Artspace).

The majority of the projects were unfunded in the set-up stage. For some organisations like Schaubühne Lindenfels or S1 Artspace, it took years to start receiving funding. Cultural intermediaries, however, received funding in their set-up stage. This was the case in both Sheffield and Leipzig. For example, Common People, which was helping small businesses access vacant retail spaces, received funding to get the organisation set up and to get the first project off the ground. It was similar with Haushalten in Leipzig, which was helping creatives make use of vacant buildings. It received funding to help it set up and to develop many pilot projects. With the help of funding, Haushalten was able to provide many other smaller organisations with space and by facilitating interactions with others. Occasionally, an organisation was funded to set up from private means, as was the case with Furnace Park, where the funding came from the local university, which covered mostly the clearing of the site and building of some infrastructure.

In the case of both cities, official municipal intermediary organisations were set up to both mediate relationships between citizens and the municipality, and distribute funding to enable bottom-up projects. These organisations were Renew Sheffield, Quartiersmanagement and Magistrallenmanagement Georg-Schwarz-Strasse. They were gatekeepers to funding. However, they only helped a small amount of examined projects in both clusters.

In both clusters, there were some projects, which were unfunded throughout the whole of their development. In some cases, this was because they did not require funding, relying on the support of their community. This was the case with Hausprojekten and with a few event spaces in Sheffield. In other cases, public funding was intentionally avoided, as in the case of Tepe-tenwerk, who wanted to use their project as a showcase for what is possible without it. Besides, not applying for funding was part of a conscious choice:

“We are here non-non-profit. I work here. For cultural projects, you need funding. If they are non-profit organisations, they, of course, need funding because you can’t make the association with no money. [...] Kreative Wirtschaft - the creative economy - this is an economy - funding is not for the economy - this is what I think. And this is the philosophy.” (Reichenbach-Behnisch, 07.07.2017)

Other projects mainly received public funding for specific projects and programming. This was the case with the majority of off-spaces in Leipzig, and with the majority of Newer Creative Spaces in Sheffield. Some organisation were even conscious of not being seen as a funded organisation: “If you go to an organisation which is entirely grant-funded and you walk in, you can often tell because the guy on the door is asleep and doesn’t give a shit and everyone else is bored” (Studio Space Representative, 12.11.2015)

However, with some purely arts-focused organisations (this was the case with almost all of the Older Culture Spaces in Sheffield apart from Yorkshire Artspace) were mainly financed through funding. This is mainly because they hosted exhibitions of international artists or organised an arts programme, attendance for which was free. This meant that they did generate income from these activities. However, even in these cases, the sources of funding which they utilised were very diverse - coming from a multitude of sources, including foundations, embassies, local institutions, etc. The sources were more varied in Sheffield than in Leipzig.

As was mentioned by Montgomery (2003), the universities were important in both cases in providing students and staff, who both developed projects and were audience and users. In Sheffield, the University of Sheffield also played a significant role in funding and supporting many projects. It was one of the partners in Sheffield Cultural Consortium, contributing match funding where needed to attract additional national funding. It was also important in building networks, for example, when it organised a visit from Marcus Westbury to Sheffield, which brought together a lot of actors around the issues of temporary use. It also provided Knowledge Transfer funding, which was key in helping Portland Works develop its governance structure and financial model, needed to purchase their building.

The role of municipalities was also important in supporting boundary spanners (Williams, 2002), who facilitating networking between organisations in the cluster. For example, the municipality in Leipzig supported Lindenow, Haushalten and Westbesuch. Similarly, Sheffield supported Sheffield Culture Consortium. These organisations were important in bringing together actors and facilitating interactions between them.

In both cities, organisations were working together to apply for funding, forming funding alliances. For example, Sheffield Culture Consortium was created due to the cuts in municipal support, to counteract the fact that Sheffield was getting less Arts Council funding than other cities. The consortium is supported by the municipality. It was successful in enabling the creation of other networks, including Sheffield Creative Guild, and receiving large amounts of funding. On the smaller scale, Lindenow network was linking together smaller off-spaces through a series of events, as well as representing its members to the municipality. Many Hausprojekten were also part of Mietshäuser Syndikat and Haus-und-Wagonrat networks. In the case of the former, being part of the larger network helped individual projects to acquire private financing for the purchase of their projects.

Also, a number of individuals performing the role of cultural intermediaries (Andres, 2011) in both cases. Similar to the larger organisations described above, they connected diverse networks together, enabling projects: “it actually depends on a close-knit set of people” (Udall, 16.11.2015). For example, in the case of Leipzig, Christina Weiß was important in connecting

various actors around Nachbarschaftsgarten, which led to the formation of Haushalten and was one of the initiators of Magistralenmanagement Georg-Schwarz Strasse.

Networking activities related to sharing knowledge about financial models were present in both cities. In Sheffield, these networks were mostly concerned with funding (applying for more funding in the case of Arts Council funding in Sheffield, sharing of knowledge about Awards for All funding). In the case of Leipzig, this networking was more related to non-funding related financial models - getting direct loans, working with Mietshäuser Syndikat.

In the case of Sheffield, where no specific funding was available for projects, or it was hard to acquire, unique solution and adaption of funding to suit the needs of organisations took place. There was sharing of knowledge between organisations, with many organisations using similar techniques. For example, the Future Jobs Fund was an easy fund to apply for, employing many people to help organisations get their spaces ready. Many organisations were able to take advantage of this funding (CADS, Bank Street Arts, S1 Artspace). Similarly, a number of Newer Creative Organisations in Sheffield used a similar programme of activities to create interior fit-out for their spaces, packaging the activity as a training programme for the unemployed.

There were more unfunded projects in Leipzig. For example, Hausprojekten and Large Cultural Spaces bought and developed their spaces with the private means, renovating their projects in stages; for them, this was a very conscious decision, based on the perceived inflexibility of funding, in addition to other reason related to the ethos of spaces.

In the cases where municipality considered projects to be important for the wider areas development, it supported them in their professionalisation. However, this was only after the projects proved their value. For example, Leipzig municipality supported Shaubühne Lindenfels, increasing financial support for them with time. When the organisation was trying to buy its building, the municipality was able to offer it financial support. It also supported the organisation with the refurbishment of their space a few years later. In the case of Sheffield, the municipality supported Yorkshire Artspace with a small amount of funding, officer time, access to municipal land. This support, which was not in the form of funding, was critical for the organisation to get access to larger amounts of funding from national and EU sources. A decade later, the municipality offered Yorkshire Artspace another building, Exchange Place Studios, in the area underground regeneration. The project was to become one of the lighthouse projects, setting the tone for the creative development of the area.

Both social and private funding were crucial in the consolidation stages of the projects. For example, Shaubühne Lindenfels took a private loan from a brewery and raised €63,000 through crowdfunding from 1,400 supporters. This was similar with Portland Works, which before being able to purchase its building, accessed a whole range of private, public and civic funding sources to prepare for it. This helped the organisation to develop a governance structure and a financial model for the purchase of the building through community shares. Out of many options, including ERDF funding, the organisation decided on the crowd-investment option, where it raised £395,000 in community share buy out, which gathered finance from 500 people (Smith, 2016). Similar was with ROCO, who used a community share issue in combination with civic investors like Key Fund to buy the site and develop their project.

Chapter 8 - Conclusion.

Over the last three decades in Western Europe and the USA, groups and networks of spatially-focused entrepreneurs have been gaining more influence on the developments of city neighbourhoods and urban policies. For example, community groups in Manor and Castle area of Sheffield came together to create a vision document for the development of the area, forming Manor and Castle Development Trust. The resulting organisation then took on the ownership and management of office buildings, housing, a community centre, a farm, and a park, becoming the main service provider for the local community (Bache and Catney, 2008; Bailey, 2012). In Bremen, a group of young architects became an official agency for offering vacant municipal properties in the city to other bottom-up projects (Ziehl, 2012). In Berlin, a loose network of temporary users, subcultural actors and creative entrepreneurs managed to overturn Mediaspree development in Berlin, aimed at building a complex of offices and commercial entertainment spaces there (Colomb, 2012). Much has been attributed to own agency of these urban actors, their greater social commitment or a “desire to try out something new” (Senatsverwaltung für Stadtentwicklung, 2007). They were said to follow their own ideas and philosophies (Buttenberg et al., 2014), being led by passion and a sense of purpose, wanting to create something for the greater good (Ahrensbach et al., 2011). Because of this, they gained a somewhat heroic image in the urban studies literature and the media.

Even though own agency of these urban actors has been one of the key drivers for the development, other factors in their environment were also important. For example, the changing nature of municipal policies, with an emphasis on the greater involvement of these bottom-up stakeholders in urban policy implementation (Graham & Healey, 1999; Wagenaar, 2007; Boelens, 2006; Oswalt et al., 2013). However, other factors received less attention. These factors relate to the availability of various forms of funding, development of new financial instruments, and positioning of spatially-focused entrepreneurs within wider urban networks. The importance of these conditions was mentioned in a number of studies, but not explored in great detail (Oswalt et al., 2013; Mullins and Moore, 2018; Bishop and Williams, 2012). It is this knowledge gap, which the thesis addresses.

The main contribution of the research was to provide a set of explanations of how clusters of spatially-focused entrepreneurs develop in relation to funding and to highlight the importance of a certain type of actors for this. It expanded on the theories of creative clusters presented by others (Montgomery, 2003; 2004; Andres and Grésillon, 2013; Andres, 2013), showing the importance of lighthouse projects and intermediaries in the clustering of projects. Firstly, it showed the importance of cultural intermediaries (Andres, 2011) in providing the essential networking function, which was also outlined as essential by Evans (2004) and Mommass (2004). Secondly, it showed the importance of lighthouse projects in setting the tone for the development of project sub-clusters. In addition, it showed how these actors interact with local municipalities, and how they interact with funding, developing into self-sustainable organisations. The research also showed the importance of private funding frameworks for the consolidation and professionalisation of spatially-focused enterprises. These range from simple legal structures which can attract private investment, as in the case of IPS, to private organisations such as Key Fund, Mietshäuser Syndikat and various foundations, which can either provide financial assistance to the projects, help them during the negotiations with the banks and in developing their business models. The effect of funding is presented mostly from the point of view of the actors, showing how organisations integrate funding into their projects, what they think about receiving funding, or how they organise their projects in relation to funding.

The final chapter reviews the carried out research, outlines the main results and discusses their meaning in the context of urban studies literature. First, the research process is summarised, and the findings of preceding chapters are described. Then, the findings of the literature review

are presented, which showed how public and civic funding mechanisms evolved in relation to socio-cultural urban actors. Afterwards, the main findings of the empirical part are presented and related to the hypotheses derived from the review literature. Key findings of the thesis are discussed in the separate sub-sections below, summarising the different relationship between bottom-up projects and funding at various stages of cluster development and the role of intermediaries and lighthouse projects in the process. Then, these findings are related back to the field of examined literature on spatially-focused entrepreneurs. Finally, limitations of the study are discussed, and suggestions for further research are presented.

8.1 Summary of the carried out research.

Main Question:

What is the role of funding in the development of spatially-focused enterprise clusters?

Subquestions:

1. What effect does funding have on the individual projects and on the wider project cluster? (i.e. How do individual projects view funding? How do individual projects deal with funding? How does funding influence networking between projects?)
2. How has funding approach changed during the examined period in terms of broader horizons of funding programmes and funding agendas?

To answer these questions, a literature review and an empirical study were undertaken. The literature review examined the role of both public and civic funding on the development of cultural and social urban initiatives, tracing how they developed over the decades. The theories behind both public and civic funding were examined in terms of governance (Jones et al., 1997; Rhodes, 1996; Proven and Kenis, 2008), creative city (Florida, 2012; Landry, 2000; Graham & Healey, 1999), process-led planning (Wagennar, 2007; Boelens, 2006; Willinger, 2014), austerity urbanism (Mayer, 2012; Tonkiss, 2013), self-help (Katz and Bender, 1976; Katz, 1981) and philanthropy (Silber, 2012; McGoey, 2012). Then policy examples from the UK and Germany were presented, looking at different public funding approaches. In addition, charitable organisations, shared ownership organisations and cooperatives, and crowdfunding approaches were discussed.

The literature which looked at the creative cluster and milieu formation was also examined. As many of the spatially-focused enterprises are also creative organisations, their clustering patterns were assumed to be similar to those in the wider creative sector. Certain types of actors have been essential for cluster formation - cultural intermediaries, linking various networks together and building relationships between actors (Andres, 2011); and numerous brokers, representing multiple smaller networks and cluster to the outside, or managing relationships within them (Gould and Fernandez, 1989). Creative clusters were found to develop through several distinct phases - seeding phase, where initial projects develop; growth phase when more projects develop and network are built; and the consolidation phase, where initial projects either professionalise or disappear. Successful creative clusters had both 'soft' ingredients like networks, common values and trust (Evans, 2004) and 'hard' ingredients like infrastructure and physical environment (Montgomery, 2004; 2003). These definitions and theories helped to structure the empirical section into sub-chapters. Similar to the wider literature on spatially-focused enterprises, not much has been written on the effect of funding on their development (Chapain and Propriis, 2009; Andres and Grésillon, 2013).

The empirical study looked at the development of clusters of spatially-focused entrepreneurs in the areas of Sheffield City Centre and West Leipzig. A comparative case study was chosen for this purpose. The first case was chosen because of the author's previous involvement with some of the projects within it. The second case was chosen because of its similarity to the first case, its proximity to the location of the author and availability of information about it. Data was collected through a multi-step iterative framework, using mapping, surveys, document analysis, and interviews. The data from the interviews and documents were analysed through a combination of inductive and deductive methods. The results were presented as a timeline of cluster formation through three phases, as well as a discussion of the role of funding in the development of different use sub-clusters (e.g. studios, event spaces, green spaces), as well as of cultural intermediaries and boundary spanners (Andres, 2011; Williams, 2002).

On the basis of the literature review, two hypotheses were developed, which were used to structure the theses:

Hypothesis 1 - On the individual project level, it was expected that the examined organisations would compete with each other for state funding (Silver et al., 2010: 468). Being recipients of state funding would also co-opt the organisations into carrying out activities or delivering services, which they did not initially set out to do (Mayer, 2006; LaFrombois, 2015). For example, these services can include the activation of certain locations and improvements in the quality of places (Landry, 2000; Florida, 2012; Colomb, 2012). On the cluster level, public funding can be used to align the goal of the actors to those of the municipality or other stakeholders in order to reach a common goal of areas development (Wagenaar, 2007; Boelens, 2006; Willinger, 2014). This could lead to multiple desperate actors coming together to implement a joint vision for urban development, building networks and clusters in the process (Willinger, 2014).

Hypothesis 2 - It was expected that during the examined period, the local and national funding policies would have changed from what has been described as an area-based funding approach (Nowosielski, 2012). This was based on civic actors being funded to deliver former public services and to align their actions with those of the state. Instead, a new approach has been developed, where civic actors are funded to develop their own projects, and to align their actions with other urban actors. In this way, the actors develop unique urban solutions, resulting in organic regeneration (Wagenaar, 2007; Boelens, 2006) and economic development (Florida, 2012; Landry, 2000).

The empirical study showed that at the project level, funding had different effects at different stages of cluster development. It highlighted the increased resistance of bottom-up actors to state funding and traced the emergence of civic funding alternatives. At the cluster level, the thesis highlighted the importance of lighthouse projects and cultural intermediaries. The following sub-chapters explore these themes in detail, expanding on the original hypotheses and answering the initial question about the role of funding in the formation of spatially-focused entrepreneur clusters.

8.2 Role of funding on a project level at different stages of cluster development.

One of the key findings on the thesis has been that funding plays a different role at different stages of cluster development. During the set-up stage, projects were mainly un-funded, during the growth stage, the projects received a mix of public and civic funding, and during the consolidation stage, the projects were mainly funded through civic funding. The relationship

of individual projects to funding at different stages of cluster development is described in more detail below.

During the set-up stage, most of the project started with no funding. Some of the examined projects were addressing a needs identified by their founders, like CADS creating low-cost workspace in Sheffield, or Lindenauer Stadtteilverein creating an outdoor space in the form of a community garden Nachbarschaftsgärten. In other cases, projects were founded by groups, coming together to address a common need, such as the lack of living or workspace, as in the case with many Hausprojekten, or Studio Spaces in Sheffield.

During the growth stage, a large number of spaces and projects in both clusters received state funding because they were explicitly uplifting the area, marketing it to the outside and raising the quality of place through the provision of cultural amenities. The most prominent examples were projects in Castlegate in Sheffield and Haushalten in Leipzig. In the case of Castlegate, large and small cultural institutions were offered access to buildings, and in some cases funding, by the municipality so that they can develop creative projects in them. The receiving organisations were aware of this dynamic: “So it’s not solely a financial relationship, it is more [concerned with] regeneration. We are hoping to do in Castlegate what we did [in CIQ] - [being] cultural pioneers for a part of a city centre which is very run down” (Dore, 17.10.2017). The role of cultural intermediaries has also been crucial in enabling the development of many spatially-focused enterprises in both clusters. The role of these cultural intermediaries is described in more detail in the following sub-section.

Funding was also available to events and activities which brought new people into areas undergoing regeneration. For example, in Leipzig, both Westbesuch and Lindenow were funded by the municipality. Westbesuch was even offered the use of facilities and office space at Stadteil-laden, a space managed by Quartiersmanagement Leipziger Westen. In the case of Sheffield, the local website Our Favourite Places received support and funding mediated through Sheffield Cultural Consortium to market Sheffield “as a destination for regional, national and international cultural consumers” (University of Sheffield, 2017: no pagination). The website features many of the spaces developed by spatially-focused entrepreneurs and other cultural actors.

In this growth phase, public funding mainly supports programming or helps organisations in testing new business/operations models. This public funding makes up a small proportion of the revenue of the organisations. However, with arts-focused organisations, aimed at exhibiting works rather than producing them, public funding can make up most of the organisations’ revenues. During the growth phase of cluster development, organisations access a wide range of funding streams - from private, social and public sources. Some of the projects develop into lighthouse projects, which set the course for the development of the whole cluster. Although public funding was found to be important during the growth phase, it was also clear that with the lack of public funding, organisations find ways to develop their projects with other means - utilising a whole mix and range of mechanisms from crowd-funding to private financing. Even lighthouse projects are possible without public funding, as the example of Tapetenwerk showed. In some cases, organisations had personal reservations about receiving public funding: “We are here non-non-profit. I work here. [...] Creative economy - this is an economy - funding is not for the economy - this is what I think. And this is the philosophy.” (Reichenbach-Behnisch, 07.07.2017). Many other projects were also cautious of the negative effects of public funding, which is shown in more detail in the next section.

During the consolation stage, only the lighthouse projects, which had a noticeable impact or potential for creating the quality of places, received public funding. Even though both municipalities were in tight budgetary situations, they were still able to financially support projects which they saw as benefiting area development. For example in Sheffield, the municipally sold

Yorkshire Artspace a building it owned at a discount price of £200,000, half of what it paid for it a few years earlier (Jones, 2016). This value difference was used as a match funding element needed to secure further funding for the refurbishment of the building (Dore, 17.10.2017). The building was considered a lighthouse, setting the tone for the further development of the area, adding to the “vibrancy, cultural attraction and reinvigoration of the Castlegate area and wider City Centre and [having] economic benefits in terms of making the city an exciting place to locate and attract talented staff for businesses in the creative and digital industries” (Jones, 2016: 21). Similarly, in the area development documents for West Leipzig, both Spinnerei and Schaubühne Lindenfels were considered lighthouse projects, contributing to the wider development of the area (Stadt Leipzig, 2010: 32).

However, public funding was only given to those lighthouse projects, the value of which the municipality was prepared to defend publicly, as in the case of Exchange Place Studios by Yorkshire Artspace or Spinnerei and Schaubuehne Lindenfels. In other cases, the support was less extensive, with municipality assisting actors with small amounts of funding or mediating relationships with property owners. In some cases, the city was not able to support projects, which were under the threat of closure, as in the case of Nachbarschaftsgarten. Most of the smaller actors had to find new ways of supporting their projects, through the methods of civic funding and self-funding, which is described below.

During the consolidation phase, funding alliances started to emerge between organisations in both cities, in order to collectively apply for funding, or enable the financing of their projects. In Sheffield, this was the case with Older Cultural Organisations coming together with a number of key strategic partners like the University of Sheffield, and the support of Sheffield City Council in the form of Sheffield Culture Consortium. Collectively, they developed large funding applications, which benefited individual members: “Sheffield was really underperforming in terms of how much Arts Council funding it received – specifically NPO funding - and we wondered whether there was something that we could do as a consortium to secure more Arts Council money for the city, that we seemed to be unable to do as individual organisations..” (Dore, 17.10.2017). The network was successful in attracting a substantial amount of funding to the city, helping many spatially-focused enterprises to market themselves nationally through Our Favourite Places, and building a number of other networks, like Sheffield Creative Guild.

In Sheffield, there was also knowledge sharing between members of particular sub-clusters on how to access certain funding. For example, the text of funding applications was shared between sub-cluster members and successful projects, or similar funding frameworks were used by various organisations to apply for the same funding programmes. This was the case with a few of Newer Cultural Organisation using the same activity programme to apply for Awards for All funding.

In the case of Leipzig, alliances between organisations have been important in developing financing models for many Hausprojekten. Through these networks, direct loans were assembled, and knowledge was shared about how to purchase properties or how to deal with financial institutions. The importance of national networks like Miethäuser Syndikat was also important in ensuring the financial stability of a potential project, in the sense of showing that their financial models have been checked:

“Some of the houses - it helps them a lot to be part of the Syndikat if they want to speak to GLS Bank. [...] you can trust this model. And you can say: “We are a part of Miethäuser Syndikat” so the bank knows that there are other people who have had a look at the figures and there is control and social network. If they have problems, they will find a solution... Or they will find people who would help them.” (Grabolle, 17.06.2016).

8.2.1 Resistance to state funding & the emergence of civic funding alternative

The research highlighted some criticism and resistance of socio-cultural actors towards state funding. In a number of cases, the actors viewed public funding with caution. They were concerned about extra conditions, which they needed to fulfill, and about the effects of funding on the culture of organisations and their public image. Many interviewed organisations in both cities were very aware that they were not just supported for their good work, but had to fulfill other funding conditions and requirements. This was the case in both cities, with for example the founder of Tapetenwerk in Leipzig mentioning various conditions, which needed to be satisfied in order to be eligible for funding: “we didn’t want to become dependent, because when you are given funding, you have certain conditions, requirements” (Reichenbach-Behnisch, 07.07.2016). Similar was in Sheffield, where the founder of Union Street was concerned about the effect of funding on both culture and image of the organisation:

“Well, people are quite cynical about things that are funded too often. And if they are not, I am anyway. I think it is important to get a balance if we can. I’m not sure about how I feel about how a lot of grant funding... and the implications that it has for the general culture and environment. Not a big advocate of lots of funding - I don’t think it is a good direction to go down.” (Studio Space Representative, 12.11.2015).

Some organisation were even conscious of not being seen as a funded organisation: “If you go to an organisation which is entirely grant-funded and you walk in, you can often tell because the guy on the door is asleep and doesn’t give a shit and everyone else is bored” (Studio Space Representative, 12.11.2015). Similarly, Hausprojekten in Leipzig were concerned about funding, not wanting their projects to be used as part of city marketing, for ideological reasons.

In fact, most of the organisations, apart from established art spaces, which showed international work and didn’t have other substantial sources of income (e.g. Schaubühne Lindenfels, Site Gallery, S1 Artspace), accessed funding only for specific activities, or for one-off projects. In most case, there was a clear separation between funded one-off activities and non-funded core activities. This was the case with Haushalten, who utilised funding for the development of pilot projects and other special activities, with the income from membership covering all the running costs for the organisation.

Also, there were some innovative uses of public funding. For example, the lack of public funding for a specific activity; or lack of public funding in general in the Sheffield led to a unique solution in terms of adapting funding to suit the needs of organisations. For example, the Future Jobs Fund, meant for getting people out of unemployment, was utilised by many organisations to employ multiple recent graduates for short periods of time. Most of the people employed as part of the programme did not stay on after the end of funding, but their efforts helped many organisations (CADS, Bank Street Arts, S1 Artspace) to grow. Similarly, Awards for All, focused on supporting socially-focused projects, was utilised to create interior elements for a number of spaces, in the form of a training programmes for the unemployed.

In parallel to this development, there was also an emergence of civic funding methods - crowd-funding, crowd investment and direct loans. The use of these tools was only possible through the existence of legal frameworks (in the form of IPS as a legal organisational structure for raising capital from the community), or organisations facilitating these methods (as Key Fund, assembling social investments from a variety of sources, and Mietshäuser Syndikat, providing a framework or a model for collective purchase of assets). Without these structures, projects would not have been able to access capital so easily.

However, it should also be noted that actors did not see all civic funding as a silver bullet, or a better version of public funding. They were also aware that civic funding providers, like Key Fund or foundations, also had their own aims and objectives, when they were supporting projects: “the foundations don’t just do it for the idea - they want to earn money with this model [...] - not so much, but they earn money.” (Grabolle, 17.06.2016)

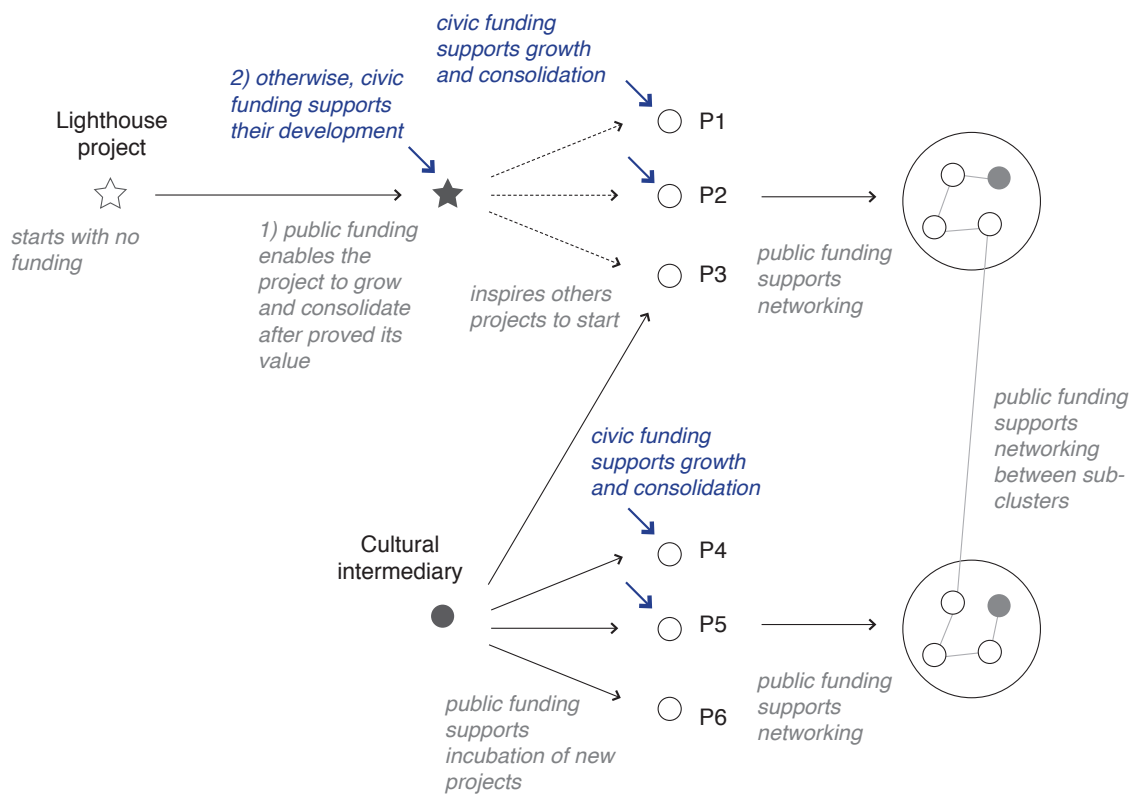


Figure 8.1: Role of funding on cluster development; Designed by the author.

8.3 Lighthouses and cultural intermediaries - the role of funding at the cluster level.

At the cluster level, certain actor groups played a key role at setting the tone for the development of the clusters, or by networking and enabling other organisations. These actor groups were cultural intermediaries and lighthouse projects. Lighthouses were recognised and visible projects, which provided a model for others to follow. Usually, they were the first projects in sub-clusters, setting the tone for the development of that sub-cluster in terms of organisational structure, use of space and business models. Cultural intermediaries enabled projects by creating and managing relationships between various networks (Andres, 2011). They had connections to various local and national networks, had the right set of skills and expertise to help others develop their projects (Andres, 2011). These actors groups are discussed in detail below.

The role of these actors at different stages of cluster formation, and their interaction with various forms of funding is summarised in Figure 8.1. Even though most of the lighthouse projects started off without funding, they were given public funding to grow and consolidate themselves after they proved their value. In turn, these lighthouse projects inspired other similar projects to start, which led to the creation of project sub-clusters. Parallel to this, public funding supported the development of cultural intermediaries. This funding not only helped the cultural intermediary as organisation, but also provided first seed funding for other supported projects. In addition, public funding supported further networking activities between projects in the newly created sub-clusters and the interaction of different sub-clusters with each other. For most of the individual projects, which were not considered lighthouses, civic funding helped them to grow and consolidate. A certain amount of lighthouse projects and cultural intermediaries are needed to develop a dynamic creative cluster. This is in addition to the physical infrastructure regarding available space, potential users and founders, which was described by Montgomery (2003, 2004) and Evans (2004).

8.3.1 Cultural intermediaries

Cultural intermediaries facilitating access to vacant spaces for others have been important in the development of both project clusters. They were important in combining two key ingredients of a creative cluster - people and infrastructure (Montgomery, 2003). The infrastructure was in the form of cheap space, which served a whole range of creative activities. In addition, they brought many creative people together, stimulating networking and interaction between them. For example, in the case of Haushalten, the tenants of a Wächterhaus were required to engage with each other through the association, which needed to be set up for each of the houses. This interaction further assisted the networking between projects. In the case of CADS, this networking was facilitated through regular events which happened in its buildings, in which the tenants regularly took part.

The scale at which both organisations operated was also important - in the case of Leipzig, Haushalten created 11 Wächtershäuser, as well as multiple Wächterladen and a few Ausbauhauser. Each of those projects was a large multi-family house, with more 10-20 flats each with multiple shop units on the ground floors. In the case of Sheffield, CADS operated eight different buildings, comprising of more than 100 studios and multiple event spaces.

Both organisations exhibited the traits of cultural intermediaries presented by Andres (2011). They were connected to the local and national networks, they were engaged with users, media and the wider population. Both were very public projects, which constantly hosted opening events and public activities, reported on by the local media. They had a wide network of collaborators with whom they had a win-win relationship. Both worked with the municipality and

other actors in the city, who benefited from the experience of both organisations in taking over vacant spaces, and their wide network of connections.

Both organisations received support from the local municipality. For example, in the case of Haushalten, the municipality was critical in helping the organisation access national funding (for example Bürger initiieren Nachhaltigkeit (BIN) and ExWoSt), which the association would not have been able to secure otherwise. Most likely, thanks to the success with the first funding, the organisation was successful in securing further funds. Haushalten also had an intermediary role in helping landlords secure conservation funding, which helped Haushalten access properties without paying anything to the landlord for them. In the case of Sheffield, the municipality helped CADS in introducing and recommending them to property owners, as in the case of Castle House and a number of other properties in the Castlegate area.

CADS relied less on funding and was mostly self-reliant. It accessed some funding in the form of Key Fund and Future Jobs Fund after it started, to help it scale its operations. However, afterwards, it reached a point of self-sufficiency, operating a number of buildings. This is similar to Haushalten, where the income from membership fees covered the running costs for the organisation. The funding the organisations received was primarily used for developing a specific programme of activities, on which its core business did not depend. What is also important to note in the case of Haushalten, is the role of funding in spreading the model to other cities, and for building national networks.

Both CADS and Haushalten functioned in a similar way to the cultural intermediaries ZZZ Bremen and Meanwhile Space, discussed in Chapter 2. All four organisations, apart from CADS, were founded with the help of funding, which also supported the first pilot projects. All the organisations were working in close collaboration with local municipalities. Most of the organisations worked on the local level, apart from Meanwhile Space.

Also, Key Fund, Renew Sheffield and Quartiersmanagement Leipziger Westen can be considered as boundary spanners, or cultural intermediaries - they also connected various networks together, enabling projects with funding. They were gatekeepers of funding. In Leipzig, the funding, which Quartiersmanagement distributed was allocated through the local panels. In the case of Renew Sheffield there was an attempt to do something similar, but with much fewer resources. The difference between these two organisations and the ones described above is that they did not have as much integration into local networks, with the officers of the organisation not having as much local knowledge and connections. Also, they did not have a self-sufficient funding model, meaning that they relied on public funding to operate.

As can be seen from this section, cultural intermediaries provide help in assisting the civic actors with finding spaces, connecting them with other urban actors, or assisted with any licensing or space management issues. A municipality can provide a considerable level of support for the set up of these cultural intermediaries, in terms of helping them secure funding. The organisations which are most effective are those with a robust business model, allowing them not to rely on continuous funding, and whose founders have wide networks and right skills and experience. To be most effective, they also need to have the right level of freedom to pursue the projects of their own choosing. This happened in both cities - in Sheffield through CADS with minimal support from the state, and in Leipzig through Haushalten with substantial support from the state.

8.3.2 Lighthouses.

Lighthouses are some of the most visible and recognisable projects in the clusters. They feature in the municipal publications about the city, as well as in general media. They attract visitors and have research projects developed about them (for example Architektur Apotheke, 2014; Vecchini; 2013). In the context of the cluster, they serve a role of providing a model for other projects in the cluster, and sometimes beyond it, to follow.

In both cities, each sub-cluster had a lighthouse project. For example in Leipzig, the lighthouse projects for Off-Spaces was Schaubühne Lindenfels, and Spinnerei for Large Creative Spaces. In Sheffield, it was Yorkshire Artspace for Older Creative Spaces, and CADS for Newer Creative Spaces. These lighthouses were the first projects of that type of use to be established in the area, and they influenced the development of the projects, which were set up in the area afterwards. For example in Leipzig, Spinnerei is considered “an important factor in the image and citing of [new] businesses in the area” (Stadt Leipzig, 2008; own translation), “an anchor point for culture and innovation” (Stadt Leipzig, 2010; own translation).

In many cases, the lighthouses provided other projects in the cluster with a starting model, which some followed as closely as possible, and others changed to suit their own needs and aspiration. The example of the first one is the multitude of Mietshauser Syndikat projects in West Leipzig, with Zoll11 being the first lighthouse project. Other projects followed this model closely. However, other Hausprojekten slightly adapted the model, founding collective houses, but not following the more strict Mietshauser Model of Zolle11, like Central LSW33: “We formed GmbH inspired by the model of Miethauser Syndikat, but in the beginning we said: ‘We don’t want to be part of Miethauser Syndakat from the very first beginning’” (Grabolle, 17.06.2016). In a similar way, with Older Creative Spaces in Sheffield, each new studio space provided something different to the original lighthouse model of Yorkshire Artspace. There was a different curation policy for spaces or a different organisational structure. Each subsequent space expanded the offer of the sub-cluster, catering to a different user group.

Most of the lighthouses started with no public funding. Only when their value for the area, or city development was realised, did they start receiving public funding, which grew as the impact of the projects increased. For example in Sheffield, Yorkshire Artspace, which was founded in 1977, only started receiving funding 15 years later in 1992. At the start, it was given a small amount of funding for education activities. Gradually, the amount of public funding given to the organisation increased, leading up to the municipality even helping Yorkshire Artspace in securing national and EU public funding, culminating in securing £5.5 Million from the National Lottery and ERDF. The support continued, with the organisation being helped to purchase another building in the late 2010s.

Lighthouses projects provide concrete examples for others to follow. They show to other aspiring founders that a certain business model is possible and that there is a demand for a specific activity or space use (i.e. studios, co-housing, galleries). They create an image for the cluster and market it to the outside. For the municipality, support for such projects usually brings positive media attention, as they are supporting projects which are visible and in the media, and therefore their action also becomes visible and in the media. If this support makes organisations more sustainable and self-sufficient, it makes sure that the state resources are spent well.

8.4 Implications of the seed-funding approach.

Chapter 2 has shown that from the 2000s, a shift from area-based funding approach was taking place. It was gradually being replaced by, what has been referred to by the author as, the seed-based funding approach. The area-based funding programmes were used to support and develop clusters of socially-beneficial initiatives in the most deprived areas. There, public funding served as an incentive to steer a mix of private, public and civic actors into forming partnerships to collectively address urban issues. In some cases, these partnerships took on the functions previously carried out by the local state, providing housing, workspace and social support in the areas of the greatest need.

From the mid-2000s, the seed-funding approach was developing, underpinned by the principles of creative city, austerity urbanism and process-led planning. In this phase, public funding supported bottom-up urban actors in developing their own ideas and projects, in the hope that they would both create unique solutions to urban problems (Wagenaar, 2007; Boelens, 2006), and increase the quality of places (Florida, 2012; Landry, 2000). Furthermore, funding steered separate actors into creating networks around a common goal of area development (Wagenaar, 2007). This started with support for ‘urban pioneers’, who developed cultural and social projects in areas undergoing a transformation, activating dis-used locales (Tonkiss, 2013; Misselwitz in Matthiesen et al., 2014; Senatsverwaltung für Stadtentwicklung, 2007). These actors acted as catalysts for further development, attracting other firms and uses into the areas (Senatsverwaltung für Stadtentwicklung, 2007; Colomb, 2012).

From the support for individual projects, the approach evolved into the support for independent intermediary organisations, who in turn supported individual projects. These intermediaries encouraged a mix of civic and private actors to develop projects in line with the objectives of the programme. In some cases, the organisations were redistributing funding (see Chapter 2). They were mostly independent organisations, contracted by the government to carry out an enabling function.

What was also characteristic for the seed-funding approach is that little financial means were needed to encourage the actors to develop their projects in something to which Tonkiss (2013) referred to as a ‘positive’ approach. The approach was criticised by Tonkiss (2013) who said that it masked the real intention of making certain under-marketed areas ready for commercial urban development, co-opting cultural and social projects to develop temporary solutions, which were ‘sometimes corrupted and often doomed’ (p. 318) in a sense that they were not meant to become permanent after the private-sector stakeholders came into the same area. In some cases, the bottom-up actors felt “cheated by the municipality, when they have become abandoned to the logic of the market after they have performed their intended duty” (Honeck, 2015: 229; own translation). However, the examined literature did explore the views of these bottom-up actors in detail.

Building on the above-mentioned theories, the thesis showed how seed-funding approach was implemented on the ground, which methods were utilised by the public actors and what actor constellation were encouraged and supported. The seed funding approach was not used to support individual projects, but rather various intermediaries, who encouraged the development of bottom-up projects. Therefore, the seed-funding approach was used to 1) support lighthouses to inspire others; 2) support network-building between projects (through events and support for network brokers) to develop new collaborations and strengthen networks; 3) support project incubation (in the set-up stage) through intermediaries. Although the importance of cultural intermediaries and network brokers was highlighted by many authors (Andres, 2011; Gould and Fernandez, 1989), the thesis showed great importance of lighthouse projects - projects, which were both recognised and visible, and provided a model for others to follow, as discussed above.

One of the side-effects of the seed-funding approach is that organisations which were not considered lighthouse projects had to develop innovative funding models, which did not rely on public funding. Some of them collected a multitude of small pieces of funding from a wide range of sources, others made use of civic funding, which helped them to grow and consolidate, and in many cases become permanent. It could be argued that this is a positive development, supporting the positive benefits of austerity programmes, which encourage the development of local innovations and resilient networks, which function independently from the municipality (for example, Mietshäuser Syndikat in Leipzig). However, this was only available in places which had these initial seed projects and willing organisations, which were areas of the highest potential, not the highest need.

In addition, certain frameworks needed to be in place, so that actors can utilise these civic funding methods. This can be in the form of an organisational structure, which enabled a wide network of individuals to invest in a project with little effort (i.e. IPS structure). Also, private organisations, which assemble finances from a wide range of sources, and make it available to bottom-up organisations, are important. Although financial support can come from individuals, the right frameworks need to be in place to allow them to contribute financially to physical projects. Right incentives and stories need to be in place to motivate them to support the projects. As was shown in Chapter 3, many investors in such cases are not interested in pure financial returns but have a desire to help others, both in the sense of self-help and philanthropy.

The seed-funding approach could be seen to build on the theories around the creative city, austerity urbanism and creative planning, as is shown on the examples of Sheffield and Leipzig. Indeed, both cities seemed to have followed closely the ideas of Landry and Bianchini (1995) to invest in improving the city's liveability by involving people in the urban decision-making through staging workshops, symposiums, festival and cultural events to "facilitate scenario building and visioning" (p. 47-48), creating more opportunities for people to participate. Indeed, with the reducing of funding for physical projects, much funding was given to support networking activities in order to create joint urban development visions (as in the case of Sheffield City Council supporting a staff member in Sheffield Culture Consortium or Stadt Leipzig supporting many workshops, where local people co-designed the area around Josephstrasse and Nachbarschaftsgarten). Certainly, the imagination and talent of various stakeholders were harnessed (Landry, 2000: xii) by both municipalities in the process. The efforts of bottom-up actors were generating visible results, at least in the number of articles in the national and international press, with both cities being described as liveable and creative (for example Naylor, 2017; Blond, 2015; World Economic Forum, 2014). In the case of Sheffield, the area of Castlegate managed to attract a large tech incubator developed in partnership with Barclays (Mulla, 2019). This is quite in line with the creative city idea of converting the cultural capital developed in a bottom-up way into economic capital in order to improve the attractiveness of the cities (Mayer, 2012). Concerning the austerity urbanism, as funding was reduced, civic groups were still encouraged to carry out their projects on the other hand, with their own means (Tonkiss, 2013). This was clearly seen in the rise of civic funding and self-funding. The study supports remarks by Mayer (2013) and Peck (2012) that the government was encouraging civic groups to take more responsibility, in this case in terms of finding other sources of funding for their projects.

From the process-led planning perspective, seed funding was indeed supporting the coming together of various stakeholders, implementing a common vision of area development (Wagenaar, 2007; Boelens, 2006; Willinger, 2014). The new approach sees a move away from funding physical projects, with an exception being support for the lighthouse projects. However, even in those cases, it could be argued that the projects were funded to create examples for others to follow, not for the sake of funding something one-off. Any other state funding was mainly used for activities or for supporting networking between projects, like support for intermediary

organisations and networking between actors. Visible and creative projects were also valued by the municipality, and given funding, supporting the creative city theories (Florida, 2012; Landry, 2000). The concentration of support on these activities was described by the municipality under the pretext of the lack of resources, backing further the austerity theories (Tonkiss, 2013; Mayer, 2012).

On the one hand, the seed-funding approach showed a lot of positive results. It developed urban solutions, involving local stakeholders in decision making, like for example enabling the local community around Nachbarschaftsgärten in Leipzig to get involved in the development not only of the community garden but of the wider area around the site. Another benefit was that many projects were possible without a need for a large amount of funding, as most of the actors brought various forms of own capital into the process. Therefore, the approach was possible with little financial spend.

However, there are some aspects, which remain unclear. Some relate to the new role of non-state intermediaries in the urban- and cultural- policy development context. In both cases, they have been used by the municipality or national funding institutions (as in the case of Locality redistributing Big Society-related funding, described in Chapter 2) as scouts or assessors, finding bottom-up projects to support and vetting certain organisations, to receive further government support. In their new role, intermediaries act as mediators, deciding on the implementation of certain policies or how central/European funding should be spent, instead of the municipality. Although saving the municipality efforts and resources on the one hand, this development can be seen critically on the other hand. In reality, these new intermediaries are non-elected organisations, which are not accountable to the people but only to their members. Although their agenda is in parts aligned with that of the municipality, they are less transparent in their decision making. If indeed the urban policy development is towards giving more power to these types of actors, more research needs to be carried out into the accountability and governance of these organisations.

Also, the seed-funding approach had another possible drawback, with a clear move away from supporting the areas of the highest need and towards supporting the areas of the highest potential. The areas of West Leipzig and Sheffield City Centre were chosen as areas where the cultural intermediaries (Haushalten in the case of Leipzig and ReNew Sheffield in the case of Sheffield) and wider urban development focus would be. They were far from the most deprived areas of the city but had the highest potential for transformation and for generating positive results quickly. In addition, the seed-funding approach only works in the area, where bottom-up actors are available, or where they want to carry out projects, not the areas which require the most work. If the seed-funding approach is encouraged, the question remains of what happens to the area of the greater need. However, to answer this question, more research is needed.

8.5 Limitation of the study and suggestion for further research

In addition to the points raised above, there a number of limitations to the study, which could be addressed in further research. These limitation could be addressed by either looking in more detail at particular elements of the studied cases or looking at these case across a wider time frame. Also, other instances of phenomena discovered up in the course of the research could be explored (i.e. cultural intermediaries or civic funding).

Limitation 1: the study was carried out when both of the clusters were still in transformation.

The fieldwork was carried out in the time frame of two years between 2015 and 2017 across both cities, with a lot of projects and network going through changing at the end of the research. In both cases, examined clusters went through the seeding and growth stages. Only West Leipzig went through the third phase when some projects started to be displaced, and consolidation was happening. The consolidation phase was just starting in Sheffield.

Monitoring the development of both clusters, through regular intervals, would provide further data on how they develop in the consolidation stage, and whether different dynamics in terms of funding, emerge at later stages. For example, in Sheffield, there was a lot of network formation, thanks to the work of Sheffield Culture Consortium in 2017, with the formation of Sheffield Creative Guild in 2015 and its growth in the next few years. Similarly, in Leipzig, the network Westbesuch started to get engaged with a campaign for the safeguarding of creative spaces in the area. It would be interesting to see how further networks impacts the way projects consolidate and professionalise, and whether new methods for financing projects develop.

Limitation 2: Unit of analysis was a whole project cluster

The study aimed to look at how funding affected the development of a whole project cluster, not individual projects within that cluster. In the course of the research, it was found that the key actors for the development of the clusters were lighthouse projects and cultural intermediaries. Although these have been examined in the context of the thesis, they were given limited attention. For example, some assumptions were made into what makes these organisations successful, in terms of having sustainable business models, which supports their operations without the need for continued funding. Although a number of theories were developed on what makes them successful, a more extensive study would improve the validity of these theories.

Therefore a study of business models of cultural intermediaries and lighthouses to determine collective properties could shed more light on how these organisations develop and what makes them successful. A study of a number of cultural intermediaries in terms of how they develop, and their operational models, across a number of contexts is suggested. They can be examined both in a quantitative as well as in a qualitative way. The quantitative aspect can explore in depth their financial and operational models - looking at how much funding they needed to start in the beginning, and what results in terms of organisations assisted and space utilised, they achieved.

Another strand, which is related to one of the case studies in the current thesis, could look at the role of the cultural intermediaries in different contexts. For example, in Leipzig, it was mentioned that Haushalten helped to set up a number of similar organisations in Chemnitz, Gorbitz, Dresden and Magdeburg. A closer examination of how the cultural intermediary model of Haushalten was adapted to other locations, is interesting, in terms of what role the context of different locations plays on the way the model functions. A comparative case study of these organisation would show how effective the model translates onto other locations, and what modifications took place.

Limitation 3: Funding was examined from the side of the bottom-up actors

The aim of the study was to determine how bottom-up actors deal with funding and how funding affects the development of their projects, and the networks with other projects in the cluster. This gave an overview of how funding is used at the 'receiving' end. However, not much detail was given to how funding programmes are implemented or organised from the funder perspective. A number of interviews were carried out with funding institutions and with municipal

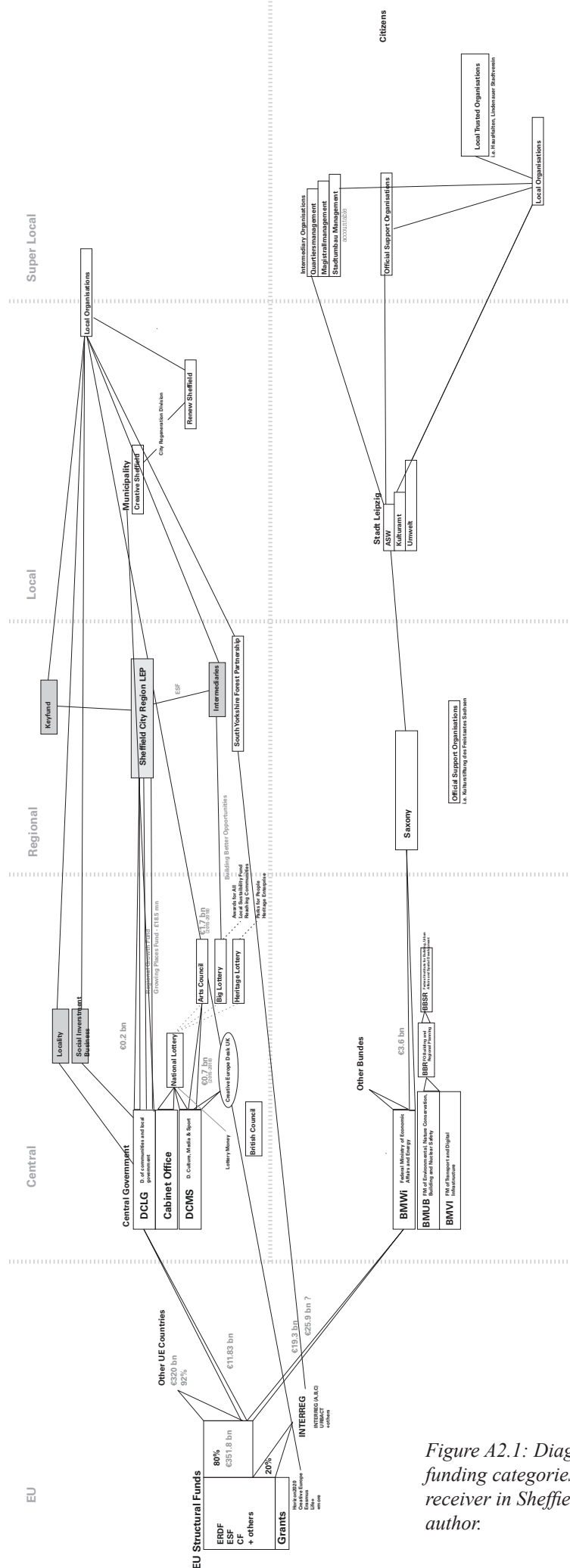
officers in charge of distributing funding, but this was rather limited. Therefore, in the course of the study, the following questions emerged, which were considered worthy of further investigation, but which were beyond the scope of the current thesis: How the funding programmes are designed and what considerations are there during the programme operations? What are the considerations of programme designers when working with intermediaries? How have funding partnerships between intermediaries and have evolved?

Therefore, a study which looks at the funding from the perspective of the funders could address these questions. In the study, motivations and operational procedures of funding institutions (inc. civic funders) could be addressed. Alternatively, a study of the funding instruments used by certain municipalities could be looked at. Also, the evolution of certain funding programmes from a particular funding body (i.e. Bundesamt für Bauwesen und Raumordnung (BBR) or the Ministry of Housing, Communities & Local Government) could be looked at in more detail. Alternatively, the design of civic funding programmes and bodies could be examined (i.e. Mietshäuser Syndikat, Key Fund). Another phenomena, which can be explored through other case studies, is that of civic funding instruments. Although many studies documenting crowd-funding and crowd investing (e.g. Cabras, 2011; Davis and Brauholtz-Speight, 2016; Hollow, 2013; Davies, 2015), not a lot of studies explored direct loans or civic investors like Key Fund or non-profit foundations.

APPENDIX

List of interviews

| First Name | Position | Date | Location |
|--------------------------------|---------------------------------------------------------------------------------------------------------------|------------|-----------|
| Matt Conduit | Development Director, Showroom and Workstation | 10/02/2015 | Sheffield |
| Matt Hayman | Development Officer, City Regeneration Division, Sheffield City Council | 24/02/2015 | Sheffield |
| Dave Thornett | Business Development Manager, Key Fund | 17/04/2015 | Sheffield |
| Mark Parsons | Director, Studio Polpo | 17/04/2015 | Sheffield |
| Steve Rimmer | Co-founder, CADS | 22/04/2015 | Sheffield |
| Amy Sutherland | Project Officer, Renew Sheffield | 10/09/2015 | Sheffield |
| Felicity Hoy | Co-founder, Common People | 10/11/2015 | Sheffield |
| Richard Motley | Development Director, CIQ Agency (2000-2007) | 11/11/2015 | Sheffield |
| - | Studio Space representative | 13/11/2015 | Sheffield |
| Matt Hill | Co-founder, Common People Co-founder & coordinator, Union Street | 13/11/2015 | Sheffield |
| Julia Udall | Director, Portland Works IPS | 16/11/2015 | Sheffield |
| Sara Parratt-Halbert | SEEDS Project Manager, South Yorkshire Forest Partnership | 17/11/2015 | Sheffield |
| Simon Ogden | Head of City Regeneration, Sheffield City Council | 17/11/2015 | Sheffield |
| Louis Pohl | Co-founder, Foodhall | 19/11/2015 | Sheffield |
| Sarah Sharp | Programmer and Producer, Theatre Deli | 19/11/2015 | Sheffield |
| Steve Rimmer | Co-founder, CADS | 20/11/2015 | Sheffield |
| Amy Sutherland | Project Officer, Renew Sheffield | 26/07/2016 | Sheffield |
| Kate Dore | Director, Yorkshire Artspace | 17/10/2017 | Sheffield |
| Ludwig Geßner, Aleksandr Delev | ArchitekturApotheke | 07/06/2016 | Leipzig |
| Roman Grabolle | Mitarbeiter, Magistratenmanagement Georg-Schwarz-Straße Co-founder Haus und Wagonrat; Co-founder LS W33 | 17/06/2016 | Leipzig |
| Jana Reichenbach-Behnisch | Founder, Tapetenwerk | 07/07/2016 | Leipzig |
| Anna Schimkat | Co-founder, A und V | 03/10/2017 | Leipzig |
| Karsten Gerkens | Co-founder, Lindenow ASW | 03/10/2017 | Leipzig |
| Rita Werner | Kulturförderung, Stadtteilkultur und Soziokultur, Kulturamt | 03/10/2017 | Leipzig |



Appendix 2

A2.1 Funding Context

The following section gives a brief overview of how public funding functions. The mechanism through which funding travels from the issues to the recovered are briefly discussed. This is applicable to both case studies. As both of the studied countries were members of the EU at the time of the investigation, similar funding was available to both of them, leading to a further equalisation of distribution mechanisms and practices. However, there are still some differences which would be highlighted. Afterwards, the main types of public funding, accessed by organisations in Leipzig are introduced. This proved a contextual background for the empirical section below.

As discussed in Chapters 1 and 2, public funding is generally linked to political aims and objectives. It is mainly redistributed through a hierarchical system where ever smaller amounts are distributed onto a greater amount of smaller organisation until it reaches the recipient, with management and administration fee being extracted at every stage of the process (refer to Figure 1). This process is best described through an example of ERDF funding. European Regional Development Fund (ERDF) is “is the largest of the three main funds used by the EU to achieve greater economic cohesion, reduce regional disparities and promote economic growth across the EU. The fund was set up in 1975, and now operates on a seven-year cycle.” (House of Commons, 2012).

First, the European Commission distributes ERDF funding to the responsible government department in each of the member states. Thus the first recipient of that funding is the Department of Communities and Local Government (DCLG) in the UK, and Bundesministerium für Wirtschaft und Energie (BMWi) in Germany. From there the funds are then redistributed to the regional authorities: to Sheffield City Region LEP in the case of Sheffield, and to the Free State of Saxony in the case of Leipzig. These organisations then redistribute it to different organisations depending on what objectives they are trying to fulfil. It can go either directly to an organisation delivering a certain program or can be given to a redistribution organisation, which then subdivides the funding further so that it can reach smaller organisations. Two examples of the latter are Quartiersmanagement in Leipzig and Sheffield Community Network in Sheffield.

At each of the stages, the organisation which redistributes the funding adds its objectives to those issued by the European Union. It can be either that only social enterprises can apply, or only projects in certain areas or certain economic sectors are eligible. Thus, more context-specific rules are added, the further down the chain the funding travels.

The main difference in above example between Germany and UK and is the number of organisations and the types of organisations which are between the issuer (i.e. National government or EU directorate) and the receiver. With the level of privatisation and subcontracting in the UK, a lot of funding redistributive functions have been outsourced to independent or non-state organisations, as has been discussed in Part 1. These organisations could be said to be part of the governance apparatus. This is clear from the example above, Quartiersmanagement in Leipzig is appointed by the municipal government and Sheffield Community Network is a private organisation with much less accountability.

However, with other types of funding, like Stadtumbau Ost, for example, private organisations (e.g. Zarof GmbH) were also responsible for its redistribution in Germany. It could represent a convergence between the practices of the UK and Germany. For example in 2013 the management of a Quartiersmanagement in West Leipzig has been transferred to a private organisation, ZAROF. GmbH (ZAROF., 2014). This is similar in the case of Sheffield, where redistribution

of EU funding at the local level is performed by a constellation of actors - from Key Fund to Sheffield Community Network, which is a consortium of various private organisations. However, this privatisation has been happening mainly at the local level in the case of Leipzig.

A2.1.1 Funding Context in Leipzig

The main categories of funding, accessed by the organisations in West Leipzig are:

- urban funding, for the creation of green spaces, improvement to the physical environment (URBAN II, Stadtumbau Ost, LOS, ERDF)
- funding for securing, preserving and renovating buildings. This is a broad category, which contains funding covering heritage and historical building preservation to funding for the energy-efficient renovation of buildings (Sicherungsfonds, Kreditanstalt für Wiederaufbau (KfW))
- social funding for job creation, education, community work, community facilities & activities (ESF, Verfügungsfonds)
- cultural funding for the support for the creation and exhibition of arts, as well as socio-cultural work and projects (Kulturamt, KDFS)
- research funding (ExWoSt, Nationalen Stadtentwicklung)

Funding was available from the municipality as well as from the regional, national and EU institutions. The regional level has played a more significant role in Germany than in the UK. Also, most of the funding has been channelled through local-based intermediary organisations such as Quartiersmanagement & Magistrallenmanagement. Much of the funding accessed by the organisations described in the previous section had a strict geographical remit and has mainly been the case with urban funding as well as with securing, preserving and renovation funding which was targeted primarily at Gründerzeit areas.

A number of authors cited external funding as an essential factor in the development of a lot of schemes to deal with vacancy:

“Today the city has a “bouquet” of support programs for interim use through the European Union, the federal government, and the city’s own redevelopment designations. None of these initiatives would have been realized without special funding - Leipzig could not afford to do anything for interim use within the parameters of its own budget.” (Blumner, 2006: 17)

In addition, the support of URBAN II has been highlighted as instrumental in support of a number of small initiatives:

“Altogether, these European subsidies positively accelerated the local development of Plagwitz and Lindenau. The various small associations and initiatives were able to professionalize a part of their work. The experiment “Urban II” has impressively shown the benefits of discussing the distribution of funds within a large group of stakeholders. Officials and employees of local businesses as well as civil representatives and members of non-profit organizations participated in the negotiations. This kind of open dialogue is still practiced at present.” (Garcia-Zamor, 2013: 90)

The targeting of major urban redevelopment funds (URBAN II, Stadtumbau Ost, ERDF) at the area has been instrumental in its development. Various hard physical improvements have been supported by the programme making the area an attractive place to live and work. In addition, softer approaches related to the actor-led development models have become the showcase tools of the Leipzig municipality.

From 2001 to 2006 the area received €20 million from the EU URBAN II programme (Ploger, 2007). The programme consisted of three strands. The first strand supported the local economy, and employment measures included helping companies to relocate to the area and provided start-up support. The second strand supported the improvement of urban qualities including the creation of green space, footpaths and cycle paths, as well as developing nine townhouse locations. Included in this strand was the support for temporary artistic projects to improve the image of the area. The third strand supported the development of social qualities through the work of Quartiersmanagement described in the previous section (Stadt Leipzig, 2009).

In 2003, Stadtumbau Ost started in the area (Stadt Leipzig, n.d.), which was mainly aimed at the physical improvements. Through the programme not only the demolition of vacant and derelict housing stock has been funded, but also physical improvements to the area: support for townhouses, a greening of vacant sites & renovations to vacant historic housing stock (BMUB, 2012). Through the programme, the development of Halle14 in Spinnerei has been funded.

In terms of conservation funding, a number of separate financing sources concerned with the preservation and restoration of building fabric were accessed by the examined projects. Unlike the urban funding programmes described above, conservations fundings were not concerned with the urban realm, area animation or infrastructure. Within this category come funds for the renovation of historical buildings and energy-efficient renovation. These funding pots have not been exclusive to the non-profit housing projects, but could also have been applied for by private individuals and businesses.

In the areas of Sanierungsgebiete, a package of funding has been available for the renovation of buildings, which came from three sources - city, state and federal government. Thus “[t]he amount of funds available for urban redevelopment each year depends first and foremost on to what extent the city of Leipzig can muster the necessary own contribution” (Stadt Leipzig, 2005: 44; own translation). If the building is located in the area, it can get up to 30% of its renovation funded through the programme. (Reichenbach-Behnisch et al., 2008)

As well as this there were Gebäudesicherungslists (List of Building under protection), in some way similar to listed buildings registers in the UK. In Leipzig, neighbourhood forums had a lot to do with compiling these lists and putting pressure on the local authority to make sure the buildings on these lists do not deteriorate. After the lists were approved through various municipal agencies, they are published after which point the city has the power to impose various sanctions on the building owners (Reichenbach-Behnisch et al., 2008)

In terms of cultural funding, there were two primary sources - Kulturstiftung des Freistaates Sachsen (KDFS) from the regional government. Cultural funding has been targeted at the area of West Leipzig since 1999 when a number of “lighthouse” sites have been promoted as part of EXPO 2000 (Garcia-Zamor, 2013: 90).

Three kinds of cultural promotion strategies have been outlined by Mrs Diebler (a district manager of Plagwitz and Lindenau) in an article by Garcia-Zamor (2013):

“First, she mentions the municipal funding of the city’s existing facilities and institutions. Secondly, she names the subsidization of services that are not in municipal sponsorship.

This allocation of money by the department of culture (“Kulturamt”) to specific projects is called Fachförderung. In addition to these two funding methods, a third way of cultural promotion enables “unofficial” cultural organizations and initiatives to apply for funds from different programs and funds on a municipal, federal or even European level.” (p. 89)

Federal research and development programmes were a key source of knowledge and pilot funding for projects, being an important tool for the transfer of best practice between various parts of Germany:

“[A]ppplied urban research seeks to stimulate the substantive and methodological renewal of local authority planning practice. [...] The addressees of such research are mainly local and regional administrative authorities, which expect the scientific monitoring of pilot projects to provide helpful advice and recommendations on planning contents and methods, and on legal instruments and development tools” (Jessen, 2006: no pagination).

A2.1.2 Funding Context in Sheffield

The main categories of funding, accessed by the organisations in Sheffield City Centre are:

- municipal funding (Central Community Assembly)
- arts funding, for wide-ranging socio-cultural purposes as well as for art creation and promotion (Arts Council)
- social funding, for job creation, helping people in disadvantaged areas, doing socially beneficial projects related to the environment, health, etc. (Future Jobs Fund, Key Fund, Awards for all, ERDF)

Funding from the above categories came from various levels - local, regional, national & EU. It also came from both private organisations and those funded or owned by the state, meaning that the state had some control over how it is spent. Private organisations are trusts and foundations and would be discussed in the next section. State funding (inc. from the EU) comes either directly from the official organisations responsible to the state (i.e. the Arts Council) or gets channelled through intermediaries as was discussed in the previous section.

During the period under investigation, the funding available directly from the municipality was limited. The only funding which the municipality has given out directly to bottom-up organisations was Community Assembly funding, which was cut in 2010 (Flinders & Dommett, 2013), and Renew Sheffield funding. The actual monetary amounts have been relatively small in both cases - grants to the maximum of £5,000 from the Community Assemblies and £30,000 in total from Renew Sheffield, given out mainly in £2-3,000 grants (Sutherland, 10.09.2015).

The money which was available to the municipality for various bottom-up enabling functions could be classed as “freely disposable” municipal resources. These are the resources which are “not earmarked for statutory and contractual obligations” (Mäding, 2004: no pagination) and which are available to pursue various programmes of its choosing. However if these resources are low as was the case in Sheffield, other ways were developed to mediate and enable various urban development processes.

The Community Assemblies in Sheffield were similar to Quartiersmanagement in Germany, where a group of local councillors and residents decided on what should happen in a particular area. Community Assemblies were introduced in 2008 in Sheffield covering the areas, where around 70-80,000 people live. Their aims were to give local people and local councillors more

control over how services were run in their areas. They had a small amount of funding of up to £5,000 which was available to a variety of community projects in the local area (Flinders & Dommett, 2013). One of the studied organisations which were able to take advantage of this was Portland Works, who used the funding to conduct various building surveys and cover costs for setting up the organisation (Portland Works, 2016).

There was also a small amount of funding available from ERDF, channelled and given out through local intermediary organisations, who won competitive contracts or tenders to re-distribute it. In this process, they had to fulfil a set of objectives which were related to the creation of a certain number of jobs which was also distributed to receiving organisations also on a competitive basis. Each sub programme had its own objectives - with for example Sheffield Community Network giving funding to organisations related to technology. Each applicant had to state how the funding would benefit them through job creation or job safeguarding.

Another major source of funding has been the National Lottery. Twelve organisations have been distributing the National Lottery funding - in the area of Sports, Culture & Heritage, with a separate body for each part of UK (i.e. Scotland, Wales & England) plus some organisations covering the whole country. "Each is independent of Government but has to follow [government] guidelines when deciding who should receive National Lottery funding." (The National Lottery, n.d.).

The main source of arts funding has been the Arts Council, founded in 1946. The organisation had different remits through its history. For example, during the time of Thatcher government, the government support for the Arts Council declined: "The arts were expected to increase box office and other income from their audiences, develop private and business sponsorship and become more efficient." (Brighton, 2006). During John Major, National Lottery became another contributor of money to the Arts Council. At the same time, social objectives were introduced: "While still selected for support by expert advisers, the arts were to revive inner cities and rural communities, to help develop the talents and skills of ethnic minorities and other disadvantaged groups, and they were to create employment." (Sinclair, 1995, as cited in Brighton, 2006). Under the subsequent New Labour government, these social objectives gained more importance: "The arts were a weapon against social exclusion" (Brighton, 2006: 6). Currently, Arts Council is "an executive non-departmental public body, sponsored by the Department for Culture, Media & Sport" (gov.uk, n.d.). It receives the money both from the Department of Culture, Media and Sport, and from the National Lottery (Youngs, 2014).

The state funding objectives are usually related to the current political landscape. Most of the funding rounds are short and related to the policies which are set by the ruling party at the time. If the political landscape changes, the funding can stop. This, in turn, can have an adverse effect on the organisations which are the recipients of that funding. This is especially the case if this funding is the primary source of financing for the organisation. This has been the same during the period under investigation and had an effect on organisations which have been looked at. During the period under investigation, a major change in funding landscape has occurred. Two factors have contributed to this, which in a way are interrelated. The first factor was the financial crisis of 2007-8, which had a noticeable effect on the local economy for the next years. The second factor was the election of the Conservative government in 2010, which reversed a number of policies and imposed a programme of austerity, as was discussed in Chapter 2. This had an effect of both reducing the money to the local authorities which in turn reduced the amount of money they gave to the bottom-up organisations and has reduced the amount of funding from the organisations such as the Arts Council.

In 2010, similar to the period under Thatcher government, the government funding to the Arts Council was cut by 30%. This has meant that regularly funded organisations needed to reapply

for their core funding, with the funding criteria itself becoming more strict (Higgins, 2010). These cuts were supported by a range of measures aimed at encouraging individuals and private sector to donate money to organisations through such measures as philanthropy and inheritance tax relief. This was presented as “promoting a sustainable mixed funding model for the arts by encouraging private giving” (Department of Culture, Media and Sport, 2012: no pagination).

The Department of Culture, Media and Sport has guided and set policies for the funding and how and for what purpose it has been distributed. In 2007 it has made a number of strategies which have been followed through by the subsequent Conservative government. The objectives have aimed at increasing the public involvement in the arts, primarily by “those who do not currently benefit from the cultural opportunities” (Department of Culture, Media and Sport, 2007; no pagination). There was also a call for volunteering, new skills development, as well as reducing economic and social deprivation.

Another source of funding has been the social funding, linked to job creation. This came from a variety of sources - both European Union, channelled through the local organisation, or from national bodies.

One private source of funding should be introduced here briefly. Arts Enterprise is internal funding from the University of Sheffield, which funds collaborative projects between the Faculty of Arts and Humanities and social and cultural actors in the city. Arts Enterprise “connects the power of our research and creative activities with local and regional partners, bringing benefits for staff, students and our communities.” (The University of Sheffield, 2012). One of the advantages of the programme has been that it helped organisations “fulfill their missions by drawing on the talents of our academic staff.” (The University of Sheffield, n.d.). As well as this, it also has small amounts of money available for various purposes. The way Arts Enterprise functioned is that an academic in the department together with the organisation in the city made an application. That application was then submitted by an academic and decided on by a special departmental board.

Not exactly a funding, but a possible source of finances are business rates. National non-domestic rates or business rates is a form of taxation paid for the commercial properties in the UK. An occupant of a commercial building, apart from a few exceptions, pays a yearly tax which is proportional to the estimated market rent (‘rateable value’). Thus, different uses have different valuations, with retail spaces requiring to pay the highest tax, followed by offices and industrial spaces. This makes it uneconomical to use a shop space for other activities without changing its planning use and related valuation. Since 1990, business rates have been collected by local authorities who then sent them to the central government, who afterwards gave the money back in the form of a grant with a certain redistribution principle, which depended on the needs of that particular authority. (Pope & Roantree, 2014).

An important change to this procedure has been the introduction of the Rating Act. Before its introduction in 2007, vacant properties were able to receive 50% discount on the amount of tax they would have to pay. The Rating (Empty Properties) Act 2007 forced them to pay the full business rates after three months of vacancy (Charity Finance Group, 2015). If a building is occupied, the tenant pays the rates, however, when the building is vacant, the owner has to pay them. Only farm building, religious building or listed (Heritage Status) building or building in a non-useable state are exempt (gov.uk, n.d.). As large or high-value buildings can have a substantial business rates burden, their owners are keen to “explore all opportunities available to avoid or reduce the cost of empty rates” (Sheffield Telegraph, 2010).

Charities are entitled to a mandatory rate relief of 80% on the property they occupy if the property is used “wholly or mainly for charitable purposes” (Charity Finance Group, 2015: 1).

Non-profit organisations with charitable objectives can also receive 80% relief, but this needs to be approved by the local authority first. Organizations can also receive additional 20% rate relief, which would mean they are can use the spaces for free, but this 20% needs to be paid by the local authority to the central government and acts similar to direct funding. To be eligible for this funding, the organisation needs to occupy the whole of the space. (Charity Finance Group, 2015). However, different municipalities have different policies related to this:

“Many charities are concerned about the clarity of discretionary rate relief policies by local authorities. The detail, application and publication of discretionary rate relief policies vary hugely between local authority areas. This lack of consistency causes problems for charities trying to claim discretionary relief: half of our survey respondents told us that they did not understand their local authority’s eligibility criteria for discretionary rate relief.” (Charity Finance Group et al., n.d.: no pagination)

However, this did not stop a symbiotic partnership between property owners and charities being developed (Third Sector, 2012). A charity would become a tenant for the vacant building in most cases on a short-term contract, which could end at a 30-day notice if a fully paying commercial tenant could be found. As the charity still needs to pay 20%, which in some case could amount to a substantial sum of money, the property owner donates to the charity, which covers the 20% and in some cases includes an additional fee for the activities which the charity undertakes. This practice has been utilised all across the country with this method being the primary income generator: Meanwhile Space, Theater Delicatessen, 3Space, East Street Arts, Somewhere to, and Ethical Property Company.

In Bristol, for example, where the municipality was offering to cover full business for the organisation working in the area of arts while having to pay the central government 25% of the awarded rate relief to these organisation has meant that the between 2009/10 and 2011/12 the municipal spending has increased by £100,000. While the projects which the money has supported have been beneficial to the local art scene, there has been little focus in the way the money was spent. (Ball & Essex, 2013).

A2.2 Description of individual projects in Leipzig and Sheffield.

The following section provides detailed description of individual projects from the sub-clusters described in Chapter 6. For each project, basic properties like size and space use are provided, as well as the history of the projects, where available. The order of the project is the same as in Chapter 6, starting with projects from Leipzig and ending with projects from Sheffield.

A2.2.1 Leipzig Projects

A2.2.1.1 Large Creative Spaces

Tapeternwerk a former former wallpaper factory, owned by a Leipzig-based architects Jana Reichenbach-Behnisch and Heiko Behnisch. The space contains a cafeteria housed in the former factory canteen, a coffee shop, co-working space as well as around 50 offices and studios for creative businesses and artists. The space has three galleries or event spaces spaces managed by the owner and rented out on a short-term basis. The main concept was to create a professional spaces for creatives out of a former industrial space (Tapetenwerk, n.d.). The curatorial role of the owner concerning selecting of tenants is important to note here. This has helped a close community to develop, around similar values which have occasionally even worked together on projects. The fact that owners also live and work in the complex helps to reinforce a sense of community and to have a closer relationship with the tenants (Reichenbach-Behnisch, 07.07.2016).

The building was still in good condition at the time of purchase, and during the first year, 40% of it was renovated with an initial commercial loan of €300,000. Thus the cost of renovation amounted to around €150/sqm. As the owner has been an architect, a lot of the design and management work has been carried out on a voluntary basis for 2-3 days/week, which reduced the cost of the project (Reichenbach-Behnisch et al., 2008: 58-59). Afterwards, the space was renovated incrementally as the finances came in from the rent:

“We did step by step reconstruction - first made one part, then the next, and then the next. To stay in the black. When we got more people renting, we got more money and were able to use it for further reconstruction. But we have taken a credit with the bank. We are not funded, but we needed this loan. [...] It was a problem to find a bank which appreciates the step-by-step approach. It only works when the bank has a person on the ground who can actually see the project. They are here every 6 months and they are very impressed. This is a model projects - model projects are always good.” (Reichenbach-Behnisch, 07.07.2016)

Westwerk is a former industrial site, owned by Westwerk GmbH and managed by Peter Sterzing, who previously worked as a lawyer in the city and helped the owner of the factory with the initial temporary use of the space (Sterzing, 2014). Westwerk contains offices, artist studios, craft workshops, a high-end restaurant, a beer shop, club and art spaces for artist residency space connected to Fugitif and a hacker space (Pic. 32). There are three strands to the business: “We have an artistic strand with musicians and painters, a strand of craft enterprises and then a strand which includes events and public functions” (Sterzing, 2014). Westwerk was renovated step-by-step, first with the money borrowed from the bank and then incrementally as more income came in from the rents (Peter Sterzing in Reichenbach-Behnisch, 2016).

A2.2.1.2 Off-spaces

Ortloff is located in a vacant unrenovated three-storey corner house. It was originally leased by three students. It contains living space, individual studios and a gallery on the ground floor. The gallery has been run on a voluntary basis, with the proceeds from the rest of the studios supporting it. Its programming consisted of a regular series of exhibitions by local and international artists. In a quote from Spike Magazine (2010), the founders say: “Our aim, primarily, was to have a place. What we would do with it once we had it was actually never all that clear.”

A und V Projekt- und Hörgalerie is located in a former shop unit in the first Wächterhaus building. It was founded by the tenants of the Wächterhaus, who were either living in the flats upstairs, or had studios there. The organisation which managed the gallery had 10 founding members - mostly artists, an art historian, an art manager, who formed an association - A und V e.V. in 2006 to manage the space. The gallery was managed in a collective way: “We knew that we could work [well] together, so we organised the artspace in a collective [way] without hierarchies and tried to do it in a democratic and collective way.” (Schimkat, 03.03.2017). The space was also dedicated to showcasing art which was not at the time shown in West Leipzig: “So we had 50-60% of our programme dedicated to sound art, and the other part was more discursive - political art, interdisciplinary stuff” (Schimkat, 03.03.2017). The gallery was run for 6 years. After this, the space was sub-leased to whoever wanted to use it:

“Like a free space which you can have for little money or nothing. Where you can do your political projects, meetings, exhibitions. But it is not an exhibition space like before. There is no programme, no concept behind it any more.” (Schimkat, 03.03.2017)

The ownership model of the space changed through its use. Originally started as a temporary use as part of a Wächterhaus, the whole building was then rented from the owner for three years,

and eventually the whole house, including the gallery was bought by A und V e.V. as an association in 2012. The house is owned and managed by the association, in a collective way:

“It is a collective, it is organised [in] a collective [way] from the beginning. No one is the owner, all the people who live here pay the the house costs inc. renovation costs. [There] is a lot to do in the house as well. And it is organised [through] a weekly meeting, sometimes two times a week. It is quite a hard work to do this in a collective way.” (Schimkat, 03.03.2017)

Schaubuehne Lindenfels is located in a historical dance space (Ballhaus) and a cinema building. Founded in 1994, the space is currently managed by an association “Schaubühne Lindenfels, Verein für internationale Theatererkundungen e.V.” which bought the building in 2005 after the former owner went bankrupt. Currently, the association functions as a gemeinnützige Aktiengesellschaft (non-profit joint-stock company). The space contains a 600 sqm theatre space, 115 sqm cinema and around 200 sqm for a cafe and a restaurant. As well as hosting theatre performances, the space also hosts a diverse programme of cinema screening accompanied by presentations from films’ directors, guest performances, concerts and readings. (Eickhoff, n.d.)

The property was purchased for €200,000 in 2005. €120,000 of that was a private loan borrowed from a private brewery, and €80,000 was given as advance by Kulturamt. The loan was repaid in 2014 with the income from business, sale of shares, which will be described in the next section, and from donations. The operation of the space is covered by the revenue from ticket sales and the restaurant, as well as funding from the city, which is discussed in the next section (Eickhoff, n.d.).

A2.2.1.3 Hausprojekten

Wend (2014) describes a number of characteristics of Hausprojekten:

- “Property jointly owned - Unlike Baugemeinschaften members of house groups are not individual owners of their homes. Instead, the property is legally in the collective ownership. [...]
- Anti-speculation obligation - The collective house projects pursue the objective to keep their acquired houses in the long term collective ownership and to prevent any speculative reselling of the houses later. [...]
- Solidarity and cooperation principle - The special characteristic of Leipzig collective house scene is the intensive cooperation between the projects and the support of new house groups in their often difficult start. [...]
- Self-management - The involvement of residents in decision-making is carried out in equal rights manner regardless of the amount of the capital contributed and without formal hierarchies in consensual decision-making procedures. Here all decisions are taken and implemented directly by the participants, without an institutionalized management, as is the case with large housing associations.” (Wendt, 2014, own translation)

In addition to the wish to live together collectively, there has also been a desire to develop communal facilities, which are shared not just by the users of the immediate house, but with a wider community. These spaces have been offered to various groups, for minimum or no charge:

“Sometimes people have funding and they can pay. And sometimes people don’t have any money, so they don’t give any money. Before we didn’t get any money from [anyone]. [...] And now we say: “It would be great if you could give us some money, at least [to] cover the costs for electricity and heating.” But still it is very little.” (Schimkat, 03.03.2017)

There are also different models of how the organisation of a Hausprojekt functioned:

“There are many houses who bought their house or have a contract just as a Verein... because in the former times it was easier to just do it with the Verein. And there is also this model of having this Einhausgenossenschaften - cooperatives for just one house, and there had been a couple of [GmbH] like ours, which is inspired by the Syndikat [...] There is this importance of Syndikat, but there also have been other models” (Grabolle, 17.06.2016)

As the initial condition of most of the buildings in the area was fairly bad, more money needed to be spent on the renovation work rather than on the purchase. In the case of a house on Naumburger Straße 5, €75,000 was spent on the actual purchase, but €330,000 on the renovation work (Haug, 2012). Most of the simple renovations and building works were carried out by the tenants themselves, which also brought down the costs (Wendt, 2014). However, professionals such as architects and builders still needed to be hired for the more complicated parts, such as the roof repair, making sure the facade and external appearance of the house are to the right architectural standard, especially if the building is under Denkmalschutz (Grabolle, 17.06.2016).

Gieszer 16 is a former paint and varnish factory. The building contains 750 sqm of residential accommodations, metal workshop, cafe, studios, gym, event space and a ‘free shop’. Semi-public space makes up 800 sqm, and the public functions taking up 2,900 sqm. The building is owned by ‘Verein für Stadtteilfeörderung, Wohn- und Kultur e. V.’ to which all the members who use the space belong. Due to self-organised nature of the project, there are no organisational substructures underneath the association. This means that the activities and tasks are decided during user-plenum. The whole project is run on a voluntary basis as semi-public spaces. Although this is more of a social space rather than a typical Hausprojekt, it is in a way different to creative clusters due to its more social and non-commercial nature and presence of housing. The project was redeveloped gradually over the next 10 years, it was redeveloped step by step by its tenants. (Stellmacher and Heise, n.d.)

Gieszer 16 was bought by its tenants after a short initial lease followed by informal use. The use of Gieszer 16 started with a year-long lease from the municipality in at the end of the 1990s. However, both the municipality and the project have forgotten about the one-year agreement for the next 10 years as the use of the building continued to be occupied. In 2009, while trying to get a connection to the city’s water supply, the group who were occupying Gieszer 16 found out that their one-year contract expired many years ago and that they were technically squatting the building ever since. This realisation led to a series of negotiations over the purchase of the building as well as paying back the running costs which weren’t paid since the start. Luckily, the group managed to save enough money retrospectively from various events over the years helping them to purchase the building for €57,000, which was anecdotally brought to the municipality in a plastic bag (Stellmacher & Heise, n.d.).

A2.2.2 - Sheffield Projects

A2.2.2.1 Older Creative Spaces

S1 Artspace changed locations during the investigation. The first location was on 2 Milton Street, which was a former industrial space above a garage. The organisation had a 25 years lease on the space, occupying it since 1995 (Prater, n.d.: no pagination). The space was converted into studios and an exhibition space, which hosted contemporary art exhibitions, screenings and events. The initial refurbishment of the premises was carried out by the tenants, who painted walls and floors, installed partitions, as well as electricity and lightning (Morgan, 2010: 9). Reflecting the cooperative structure of the organisation, the space was also open “to support a flexible and discursive working environment for artists who are engaged in using their space regularly and developing their work” (Morgan, 2010: 2). The space had a strict selection

process, where applicants had to be recommended and invited by existing studio members to be able to join (Morgan, 2010: 2). The space contained open plan studios “to support a flexible and discursive working environment for artists” (Morgan, 2010: 2). There was also a project space which hosted various exhibition and performances

In 2011, the organisation relocated to a neighbouring building, with a lot more space. There was a large dedicated double-height exhibition space, a central communal area with a library, and more studios. Some of the studios were rented out to companies in the creative industry sector - design agencies and a cultural magazine *Article*. To move into the space, a renovation was carried out mostly by its members and volunteers - with the replacement of windows, construction of internal partitions (Sheffield Telegraph, 2011).

S1 Airspace is managed by its tenants, who are members of a cooperative. There is a division between S1 Project and S1 Studios. For S1 Projects there is a curator, and S1 Studios are managed by the cooperative. As a legal structure, S1 Artspace is a Company Limited by a Guarantee with charitable status. This charitable status allowed the organisations to get an 80% business rates relief on its premises. The organisation has been funded by a range of funding streams which are discussed in more detail in the next section (Prater, n.d.; Morgan, 2010).

Access Space is located in the former TV studios (Wallbank, 2006: no pagination). Essentially, it consists of one large room, which is divided into two parts. The largest part is the activity space with 15 computers along the walls and couches in the middle. In the corner, there is an office for the organisation itself. The space has a changing array of exhibitions, with works hanging on the walls above the computers. In the back room, there is a storage space for computer parts, which are being recycled and repurposed by the organisation. (Wallbank, 2006: no pagination). In 2012, the organisation expanded into an adjacent warehouse space, adding a maker space called “Refab Space” with “rapid prototyping tools, including a laser cutter, 3D printer and CNC router, this benefits artists, business start-ups and the community as a whole” (Access Space, 2017: no pagination).

A representative and coordinator broker role (Gould and Fernandez, 1989) for all the organisations within the cluster, apart from Access Space, has been performed by Sheffield Culture Consortium. The group can be understood as an evolution of the culture board run previously by Sheffield City Council, but with a more exclusive membership. This had advantages of actually bringing the network closers together, resulting in many successful funding applications, as is discussed in the next section:

“So when we founded the Sheffield Culture Consortium it was on the basis of limited membership. It is always well-chaired and we are there to get things done. And that means that people keep coming. We invite people to come and talk with us every month - so we are listening to and supportive of lots of other cultural individuals and organisations, but we recognised that in order to get things done, we need to be quite a tight and efficient group.” (Dore, 17.10.2017)

Bloc Projects, S1 Artspace, Site Gallery, and Yorkshire Artspace are also linked together through Art Sheffield consortium, which mainly organises a bi-annual art festival, which takes place in the member venues, as well as in other locations across the city. This body provides mostly a coordinating role (Gould and Fernandez, 1989), not having much contact with, or trying to influence any other networks.

A2.2.2.2 Studio Spaces

Bank Street Arts is located in former law firm offices. Bank Street Arts opened in 2008. It was co-founded by a writer John Clark, who studied at Sheffield Hallam University, graduating at the age of 50 (Sheffield Telegraph, 2008). The space contained a number of small exhibition spaces, a cafe and 26 studios centred around an atrium. After some difficulties getting a planning application approved, space was also granted a license to stay open in the evening and to serve alcohol and food. The offices and studios were let to a variety of people - from writers, social enterprises, cultural organisations, academics and craftspeople (Sheffield Telegraph, 2008b; Our Favourite Places, 2014). The space was developed mainly through the efforts of volunteers in a somewhat DIY fashion, which is explained by the founder John Clark:

“I grew up in the punk era, so Bank Street’s got that DIY aesthetic too – we’ve got no one to answer to, so we can take a lot of risks.” (Our Favourite Places, 2014: no pagination)

Bank Street Arts was primarily run by volunteers and according to its profile is “an innovative cross-disciplinary arts centre [providing] a home, venue and setting for a broad range of creative individuals, organisations and events: from exhibitions and performances to education and publishing” (Charity Commission, 2016). The project also had an aim of establishing links with the businesses in the surrounding quarters, populated mainly by financial and legal companies (Sheffield Telegraph, 2009).

Union St. is located in the former office building, founded by Enable Space, a company founded by Common People and CADS, it was opened in 2014. It comprises of three floors, which serve different functions. The ground floor is the most public space with a cafe and two meeting spaces, with windows along the perimeter, visible from the street level. The space on the ground floor functions more or less like a semi-public space, where various people could come and spend time without the pressure of buying anything or without being members of the co-working space upstairs. The first floor has the main co-working space together with an activity space, which hosts yoga classes, workshop and events. The two top floors have more private offices. Union St. also rents an adjacent shop unit on the ground floor, which it rented out to a homeless charity Roundabout, who have turned it into a charity shop.

The project generates revenue from co-working fees and renting offices and a shop unit to a variety of small businesses. It also received an additional income from room hires for its meeting and activity spaces. At the start of the project, the University of Sheffield was an important supporter with getting the project off the ground, by providing a key tenant, who filled the ground floor. Union Street has been an important connecting, networking node for a few organisations working out of it, with many businesses having a chance to meet each other, developing businesses relationships and projects (Hill, 13.11.2015).

Studio spaces provided its tenants with an opportunity to rent a relatively affordable space, where they could do what they wanted:

“The truth is the prices of space exclude most activity. We don’t need to imagine all these types of activities, do we? In our lives, we have come across them. We just came across them in small spaces they are confined to.” (Hill, 13.11.2015)

A2.2.2.3 Event Spaces

Furnace Park is located on a vacant plot, where previously a factory used to be. The project was initiated and developed at the early stage by an informal group, which consisted of members of a community organisation SKINN, co-founder Dr Amanda Crawley-Jackson, and a few more members of staff at the University of Sheffield. The development of the project until getting access to the site was unfunded. The site was owned by Sheffield City Council and was rented from them by the University of Sheffield, who was the official tenant, for three years at no cost. The project started in late 2012, with the site opening to the public for occasional events in the Spring of 2013. The site remained fenced off and closed during most of the time, and was used mainly for one-off events and activities, which ranged from art installations, symposia & gardening. One of the activities on the site was the construction of temporary event infrastructure which was built during a series of volunteer workshops (Rabodzeenko & Porohina, 2013).

Moor Deli was located in a former Woolworth store. The project was managed by Theatre Deli, a theatre organisations incorporated as a charity. The space contained a cafe and a communal space, and a number of large spaces used for performances and rehearsals. It also had a number of smaller spaces, which used to be former offices - these were also used for parts of performances, rehearsals, and storage. During the day, the space functioned as a community cafe, where people could meet and which functioned as a neutral space for different community organisations who regularly used it. In the evening, the space hosted a wide-ranging programme of activities from theatre performances to electronic music evenings. To make the space suitable for performances and events, Theatre Deli had to install some infrastructure: “We had to install 8 toilets, we installed a lot of emergency lighting, made sure all the exits were safe and we built that wall and the cabinets [...] All the art on the walls.” (Sharp, 19.11.2015). Currently, the space is used by a multitude of groups, including theatre groups and artists:

“It is a sort of multi-disciplinary space. Theatre Delicatessen specialise in supporting and experiential early career artists. What that means is artists at the beginning of the career, who are making slightly bizarre work really. Its immersive, the audience goes around with them, they are taken into performance worlds or heavily technically based or site-specific. Or something with the aim of virtual technologies what might not necessarily fit into some of the more traditional theatre space. That is what they were first keen to do. But actually Sheffield has such a diverse arts culture, what most people were more interested in... the boundaries are more fluid a lot of the time, so you will have a visual artists who has been working very much with a theatre company. And they would not consider themselves theatre workers, but visual artists. But they are doing similar thing. And so now we have aspects what compliment all the different requirements what people request.” (Sharp, 19.11.2015)

A number of charities also uses the space:

“And actually a huge amount of that has been charities what want to use the building [...]. Because I think there is just a lack of space what is central space, which isn't just like a church hall or something. Affordable meeting spaces are in everyone's interest.” (Sharp, 19.11.2015)

The aim of the space was to engage with local people as much as possible. Being in a large shop on one of the main shopping streets helps to do this. Also, the content of the first space, where any visitors come in is also important:

“we are very keen on community involvement, so most people come past this space in the daytime. That is why we have set up the art cafe because people wanted to get in and see

what we were doing in the daytime. Obviously, if you just have a reception here, it would be a bit boring for everyone. So we thought if we had an arts cafe, people who weren't quite sure whether they wanted to come to a theatre event could maybe just have a cup of tea, chat to an artist, chat to a theatre company that would do some work for. And be introduced to it that way." (Sharp, 19.11.2015)

However, due to the short-term leases, there is little security in how long the space can be used for:

"There is only a guarantee what we will be in this place every three months. So we never really know when we are going to be moved on. But we have a good relationship with the landlord. They do communicate with us." (Sharp, 19.11.2015)

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