

RSA City Growth Commission

RTPI Evidence

17 January 2014

Introduction

The Royal Town Planning Institute (RTPI) has over 23,000 members who work in the public, private, voluntary and education sectors. It is a charity whose purpose is to develop the art and science of town planning for the benefit of the public. The RTPI develops and shapes policy affecting the built environment, works to raise professional standards and supports members through continuous education, practice advice, training and development.

Up and down the country planners are working on the creation of rounded communities together with the homes, jobs and facilities they need. The centralisation of most investment decisions by the public sector and regulated industries causes delay and makes it harder to deliver plans to shape and improve individual places.

The planning discipline along with other professions is challenged by the multiplicity of government departments and their agencies, not to mention private (but regulated) infrastructure companies all of whose consent and budgets are needed to make development happen in England. It is the RTPI's belief that decisions need to take place at the right spatial level – be it local community, sub region or nation. As regards promoting economic growth if decisions were made closer where development can happen, it would be easier to draw together the funds and consents needed to make development happen, including the necessary ability to secure concessions and compromises. Therefore we welcome the RSAs City Growth Commission on how best to enable England's major cities to drive growth. As is evinced below, the core driver of city growth is devolution of powers from central government. From the RTPI's perspective the more powers that are held at the city level the more likely it is that decisions around planning at the local level would be made closer to the sites where development can happen.

Under new Labour's Sustainable Communities Plan John Prescott set up a cabinet committee (MISC22) to drive through the necessary coordination between government departments to make growth areas such as the Thames Gateway take off. The fact this was necessary, and the difficulties nevertheless experienced in achieving a substantial rate of development in the Thames Estuary, show that a centralised governance structure is counterproductive to growth.

1. What are the key benefits - for the economy, investment, innovation, productivity and public finances - of shifting to a multi-polar growth model, in which our major cities are key players in the nation's economy?

England is unique in that London and the surrounding South East of England has been steadily growing disproportionate to the rest of the country¹. There is disagreement whether growth in London benefits the rest of the England without consensus among thought leaders. The majority of thought leaders however recognise the positive benefits of growth in other parts of the country that would re-balance the economy and broaden England's economic reach.²

There is a body of evidence which suggests that distributing economic growth across a number of cities is beneficial in that it alleviates the economic pressure on the capital and can absorb the capital's growth as it reaches its limit. Flourishing 'second tier' cities can also be directly beneficial for wider national growth by fostering innovation and providing a setting for emerging industries³. The reported economic benefits of shifting to a multi polar growth model suggest that a recalibration of policy and resources towards nurturing second tier cities may ultimately be of national value.

Planning and growth

A spatial strategy identifying areas' strong and weak points has the ability to achieve efficiencies that would improve the national economy as a whole. However, a lack of a comprehensive strategy means that local communities have struggled to take advantage of what sets them apart. In December England's 39 Local Enterprise Partnerships (LEPs) submitted the first drafts of their Strategic Economic Plans (SEPs).

In the run up to the first drafts Minister of State for Cities Greg Clark MP urged LEPs to follow American singer-songwriter Dolly Parton's advice: "Find out who you are and do it on purpose." The plans will ultimately be used to determine the allocation of £2 billion local growth fund in a competitive process pitting LEPs against one another for funding.

If areas are able to identify what sets them apart and are given resources to build onto those assets they can have a positive effect on the national economy. Upfront regeneration sparking sustainable

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¹ <http://www.theguardian.com/business/2013/oct/23/london-south-east-economic-boom>

² See Dolphin, T. (2013) New priorities for British economic policy, Institute for Public Policy Research: IPPR

³ Organisation for Economic Cooperation and Development: *Promoting Growth in All Regions: Lessons from across the OECD*, Paris, 2012

growth has the potential to reduce public spending in the long-term as the cost of regenerating a city in decline and dealing with the accompanying social problems is avoided.

As the British Property Federation and Local Government Association have concluded now isn't the time for further wide-sweeping reforms of the planning system⁴. Planners are in a position to facilitate growth at the city level by virtue of their ability to bring together specialists in housing, infrastructure and transport. Financing and viability is a challenge which will be explored in more detail in a future RTPi policy paper on economic growth to be published in spring 2014.

Shifting to a multi polar growth model in which finance and power is decentralised to cities has been shown to lead to product innovation, process innovation and organizational innovation nationally⁵. In the EU all three types of innovation flourish in second tier cities in decentralised states⁶.

In terms of what multi-polar growth would involve, the RTPi research points to the need for LAs to have a growth plan⁷, rather than relying on the market to decide what cities will look like. The need for joined up thinking involving multiple stakeholders when it comes to developing such a plan has recently been covered in the RTPi's 'Transport, Infrastructure, Investment'⁸ Paper.

2. What does the international evidence show about the role of cities in driving growth and catalysing innovation? What are they key success factors we can learn from

There is increasing evidence cities drive growth more so than central government. ESPON⁹ along with a number of researchers¹⁰ have said cities continue to grow in influence and are the true drivers of growth. This is in stark contrast from the growth in centralised power experienced in the UK and many other western societies following World War II. Cities ability to quickly react to local demands in a fast-moving global economy in which they're easily able to interact with business partners throughout the world places cities in a strong position to promote growth.

The international evidence shows that where cities do drive national growth and innovation, there are a number of administrative and financial arrangements in place which facilitate this. Bold local leadership aided by the allocation of substantial powers to regional and urban authorities, commitment to conscious urban planning, and a focus upon innovation and education are common themes in the success stories of second tier cities.

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⁴ Unlocking Growth Through Partnership, British Property Federation and Local Government Association, 2012

⁵ See http://www.espon.eu/main/Menu_Projects/Menu_AppliedResearch/kit.html

⁶ Parkinson, M.. (2012). Second Tier Cities in Europe: In An Age of Austerity Why Invest Beyond the Capitals?. ESPON & European Institute of Urban Affairs, Liverpool John Moores University

⁷ See

<http://www.rtpi.org.uk/media/581611/RTPi%20Response%20to%20APPG%20LEP%20Call%20for%20Evidence%20-%2019%20July%202013.pdf>

⁸ See http://www.rtpi.org.uk/media/816110/capturing_the_wider_benefits.pdf

⁹ England's urban growth challenge, ESPON, 2012,

http://www.rtpi.org.uk/media/10759/england_s_urban_growth_challenge.pdf

¹⁰ E.g. Bruce Katz, the Brookings Institute

The ESPON project, Secondary Growth Poles and Territorial Development (SGPTD), which examined core cities in Europe found that the main leveragers of competitiveness and performance are 'innovation; economic diversity; skills and human capital; connectivity; place quality; and strategic governance capacity'¹¹. All of these are connected to economic performance and attaining them involves successful governance at different levels.

International Evidence

Innovation and economic growth in Munich

In Germany cities frequently outperform Berlin in terms of population and economic growth. A strength of the German economy is that activity is spread across the country, and there is not a dependency on a central government. The success of cities in Germany is founded on the extensive powers of governance granted to them.

Munich as one of the most competitive cities in the EU, highlights the capability of regional decision making to nurture growth in second tier cities. Germany's decentralised system of governance has provided state and city governments with the scope and financial capacity to strengthen the city's asset base and competitiveness. Munich has benefitted from not only deciphering where its strengths lie, but also from having the power to play to these strengths in a truly decentralised system of government.

The powers held at local level coupled with the consistent dialogue between private and public sector in Munich means that initiatives arise out of dialogue between the parties affected and are therefore relevant to the specific situation of the city. This deliberative approach to policy making at the local level has led to strategic investment in key infrastructure which has in turn made Munich an inviting place for burgeoning industries to set up. Playing on its strengths in third level education and business infrastructure, Munich has been one of Europe's leading cities in terms of taking advantage of the biotechnology 'revolution'¹².

A series of government initiatives in the Bavarian region have supported growth and innovation. Business start-ups, research projects in universities, and a local business angel network all supported by the regional government, have fostered growth and innovation in Munich. At the city level development policies chime with these, while also emphasising inclusion and sustainable development.

While growth can be facilitated by local planning, policy efforts are often better directed toward tackling problems such as housing shortages and congestion, which prevent long term growth. As the RTPi pointed out in a recent briefing paper 'Metropolitan/city-regional institutions may not themselves directly determine 'agglomeration economies' (the advantages brought about by concentrating economic activity together), but they can be hugely important in helping to create the

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¹¹ See http://www.rtpi.org.uk/media/764965/prospects_for_cities_-_rtpi_research_briefing_2_november_2013.pdf p2

¹² Zeller, C. (2001), *Clustering Biotech: A Recipe for Success? Spatial Patterns of Growth of Biotechnology in Munich, Rhineland and Hamburg* Small Business Economics, 17 (1-2), 123-41

conditions for such agglomerations, and so influence the choices that firms and individuals make in a cumulative, indirect way'¹³

The factors leading to the success of Munch indicate that, LEPs and local government may benefit from working together, and with local universities, to encourage local business networks and connect them to global ideas. The Bio Tech Cluster in Oxfordshire is an exemplar of the benefits of this kind of joined up thinking at the local level.

Any growth and innovation strategy benefits from an awareness of the dynamics of the local business environment, and it also needs a spatial element in which planners can play a key role. But planners and spatial policies should also be alert to the needs of local enterprise and the possibility for innovation. The RTPI's forthcoming papers on Economic Growth and Strategic Planning will deal with these issues in more detail.

Malmo's organisational innovation

The case of Malmo in Sweden¹⁴ points to the organisational innovation that can arise from the devolution of power to city level. In Sweden local authorities are far more powerful than their UK equivalents. They are not controlled by a national performance management administration like the UK, and this power gives local leaders the ability to make and implement key decisions at a local level.

The ability of local leaders to use the substantial powers granted them has been a key factor in the evolution of Malmo from a failing industrial city in the mid 90s into what is now one of the most lauded sustainable cities in Europe. The collapse of the shipbuilding industry in the early 90s was so complete that an entirely new approach to the economic structure of Malmo was needed. The city leaders decided to redefine the principal drive of the city and supported a radical vision of a modern sustainable city to respond to climate change, with innovative approaches to sustainability, including the conversion of derelict areas into modern sustainable neighbourhoods.

The response to climate change that has resulted from Malmo's locally led transition to modern eco city is illustrative of the benefits for innovation of empowering city leaders. Making decisions on priorities locally means better decisions because local people are more able to determine their own priorities. Research by Robin Hambleton explores why place-based governance is associated with innovation¹⁵. Hambleton explores the reasons decisions being taken at the local level lead to the kind of innovation that has taken place in Malmo, citing the informal interactions that occur at local level as being key to the creative process.

While the recent introduction of city deals in the UK is a step in the right direction, the reality is that local authorities in the UK still do not have the power to shape their own destiny in the same way that Malmo has done. There is international evidence which shows that cities are key agents in

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¹³ see http://www.rtpi.org.uk/media/764965/prospects_for_cities_-_rtpi_research_briefing_2_november_2013.pdf p2

¹⁴ Hambleton, R. Howard, J. Buser, M. and Taylor, M. (2009). *International Insights on Civic Leadership and Public Service Innovation*. Cities Research Centre University of the West of England, Bristol

¹⁵ Hambleton R. and Howard J. (2012) *Public Sector Innovation and Local Leadership in the UK and The Netherlands*. York: Joseph Rowntree Foundation

catalysing innovation, but this ability is dependent on their being granted substantial powers. The overall message from the international evidence is that substantial devolution of power is the dynamo that allows growth and innovation to take place at the city level.

3. What is the relationship between public service reform and economic growth at city level? How can more effective demand management – through public service reconfiguration and integration for instance – help to drive social and economic productivity? Can this enable our cities to become more financially sustainable?

A lot of the literature on public service reform centres on the need to integrate services when appropriate. Where public services are related and interact, the evidence suggests that it may be possible to integrate different teams more efficiently and catalyse growth.

Integration within councils

Birmingham City Council has an integrated planning department that has had a hand in economic growth in the city. The ability of the planning team to work at the interface of a number of areas such as transport, infrastructure and housing means the council has a good grasp of the sector strengths in Birmingham and what can be done to cultivate them. The council has altered its internal administration, moving from

‘a traditional, ‘siloesd’ local authority planning department, with separate divisions for planning management, and regeneration, employment and development

towards

an integrated and multidisciplinary approach [in which] planning and regeneration ... is divided into four specific geographical areas , each comprising three individual teams covering (i) development management (ii) regeneration, and (iii) development planning’.¹⁶

This integrated approach has been instrumental in the council’s development of the city’s strategic vision. The 2007 ‘Masterplan’ for the city centre aimed at the co-ordination of the physical, economic and cultural development of the city centre, and benefited from the interaction of different divisions within the councils planning department.

This plan has been the map for the ‘renaissance’ of Birmingham city in recent years. Its aim is to increase the size of the city centre by a quarter, and improve transport connectivity throughout the city. It has also outlined changes in the demography of the city and how the city centre will expand as the population grows, providing more than 5000 new homes and 50,000 new jobs, and redevelopment of New Street Station, a new Library of Birmingham and Eastside City Park.

The interaction of specialisms within the planning team has informed a holistic city plan which takes into account the effect that initiatives in areas such as transport have on related areas such as

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¹⁶ Nazir, W. Delivering the Growth Agenda: Experience The experiences of Birmingham City Council. Joint Planning Law Conference Oxford, 3

housing and employment.

Integration between councils

Under the Guidance of the Cambridge Forum¹⁷, a number of councils cooperated on the new structure plan for the greater Cambridge area which dealt with the need for growth in the face of restrictive planning policies. This has led to the planned growth of Cambridge and the shared delivery of new homes across the region, with land being allocated for 70,2000 new houses in Cambridge City, South Cambridgeshire, East Cambridgeshire, Fenland, Huntingdonshire, and Peterborough. Prior to 1996 the various local authorities did not cooperate or coordinate their planning and were happy to observe the restrictive planning policies that were in place. The integrated approach from local authorities has been instrumental in the release of land and the successful, planned growth of Cambridge.

4. How can decision making and responsibility for public policy and public services be better aligned with the reality of local labour markets? How can policies around employment support, childcare, skills policy, welfare strategy and economic development better reflect the needs of local people and businesses?

The RTPI's recent response to the Local Government Innovation Taskforce Call for Evidence for an alternative approach to public services based on place explained our position in favour of a realignment of public services towards the local level.¹⁸

Recent attempts at aligning services to local needs

Over the past few years there has been an increasing number of proposals in public policy circles (including in social policy, public services and local government) for greater devolution of powers, responsibilities and budgets to local areas. Many of these proposals argue that such devolution would enable local decision-makers to better align policy and public services to local needs, economies and labour markets, and to reduce waste and increase the effectiveness of services by allowing localities to join-up services more effectively.

For example, the Commission on the Future Delivery of Public Services (the Christie Commission) in Scotland¹⁹ recommended that the Scottish Government and local authorities explore Total Place-type approaches across Scotland, and that the Scottish Government develops and extends the use of funding models which expressly require the integrated provision of services. The Commission also proposed that all public service delivery organisations working in that area must then collaborate

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¹⁷ Platt, S. (2012). Backing for a big idea - Consensus building for strategic planning in Cambridge. Planning Advisory Service

¹⁸ See <http://www.rtpi.org.uk/knowledge/consultations/recent-responses/>

¹⁹ See <http://www.scotland.gov.uk/Resource/Doc/352649/0118638.pdf>

with each other, people and communities, to design and deliver an integrated pattern of service provision using their budgets flexibly.

Community budgets have also become a popular proposal. During 2012, four areas in England began trialing ‘Whole Place Community Budgets’ as a mechanism for tackling some of their biggest local challenges, from domestic violence to skills and employment. In each of those four localities, public services, business and the voluntary sector have been working together to develop new and sometimes radical joint responses to those challenges.²⁰

Community budgets, particularly the emphasis on taking a ‘whole systems approach’ to issues, were preceded by place-based approaches such as Total Place, which aimed to map the totality of public spending (current spending and capital) in an area to illuminate the interactions between local partners and expose any gaps or duplication in service provision from the viewpoint of the citizen. Evidence suggests that a spending analysis of this kind is a useful tool in delivering outcomes and improving value for money. Place-based analysis can also help to weigh the benefits of local partnership against the alternative of structural reorganisation, which is often designed to realise economies of scale by merging units of production.

From a planning perspective, such proposals could be valuable in ensuring increased and more integrated local decision making on priorities, which could be crucial to creating successful places. Further, the planning profession is well placed to assist: planners can play a pivotal role in overseeing and reflecting on participatory budgeting and ‘total place’ initiatives. This is because the training and experience of planners is especially focused on individual places and in drawing together different specialisms. Planners are also beneficial to the process of getting places to work in that they are trained and experienced in producing evidence-based strategies for the future of places.

In addition, Payment by Results (PbR) approaches, which have become increasingly popular on government commissioning of services and interventions, can also provide greater flexibility over traditional commissioning approaches regarding how providers approach the design and delivery of services. However, the operation of some PbR-based models have caused difficulty for many smaller providers in terms of ensuring sufficient cashflow for their operations, and there is a danger in such approaches of further fragmenting local services and interventions, in tension with the place-based approaches already discussed.

Furthermore, it is not clear from the question whether the reference to “local labour markets”

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²⁰ See <http://communitybudgets.org.uk/>

relates to only the context in which public services operate (for example, local economic conditions, unemployment hotspots), or also to those people who provide public services. Another debate in public policy circles from some quarters has been regional public sector pay. However, to critics regional pay would polarise wealth across Britain, depress demand further and reinforce the North/South divide in the country (further, national pay bargaining does not prevent organisations from taking account of regional differences in pay).

Housing

Finally, in terms of ensuring housing policy better reflects the needs of local people a current research report, 'Planning for Housing in England' examines recent changes in household formation rates and their implications for planning for housing²¹. The research, conducted for the RTPi by Neil McDonald and Peter Williams from the Cambridge Centre for Housing and Planning Research at the University of Cambridge, suggests how planners and others might respond to these changes.

The report concludes that due to the influence on the 2011 census of a number of exceptional factors such as increased international migration, the economic downturn and the effects of a long period of poor housing affordability, planning on the basis of the latest projections could lead to an under-provision of housing. The report suggests that government could help those planning for housing by providing sensitivity analysis at the local authority level so that users can gauge the amount of uncertainty they need to plan for.

5. How can growth in other English cities complement London's economic success? What should be the interrelationship between devolution, growth and reform strategies in London and in our other major cities?

As the RSA has already argued in announcing the City Growth Commission: "A London growth strategy for the UK will not suffice. We must develop a network of cities to serve as centres of productivity, home to businesses which power the UK on the world stage. We face a delicate balance between capitalizing on agglomeration effects and concentrating economic power, and providing assistance to people and areas currently less competitive – potentially undermining that power."

The role of spatial planning

The RTPi has previously suggested how LEPs can deliver local growth strategies

"It is widely recognised that local economic growth and regeneration depends on combining spatial planning, housing, transport and other elements together. Few LEPs have integrated their economic strategies with local planning strategies meaning the essential role of spatial planning in enabling local economic growth is ignored. This is not a new problem as the same existed under Regional Development Agencies (RDAs). Spatial planning and economic development must be integrated to

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²¹ See <http://www.rtpi.org.uk/spire>

achieve success. Local economic, housing and transport development can create employment and generate local multiplier benefits to the local economy. Government with the publication of the National Infrastructure Plan has begun to develop a greater understanding of the role of national infrastructure programmed or proposed in generating economic growth. Properly planned and targeted infrastructure spending could significantly help LEPs achieve their objectives. The RTPI's Map for England campaign (ref) shows how the country could benefit from a more holistic approach to making national policy that recognises the different effects of government policies and programmes on individual areas such as LEP boundaries. LEPs need more resources and support from government to develop their strategic planning roles and their local delivery roles."²²

A 2011 review of the evidence on rebalancing the economy sectorally and spatially by UKCES²³ noted that there are very few examples of direct relevance to UK's governance and planning contexts where 'sustained rebalancing' has been realised, and the 'rebalancing' challenge in all forms is a long-standing one. Growing spatial imbalances reflect patterns of agglomeration, and have led over many decades to some places being significantly and persistently more vulnerable to, and less capable of responding to, these sectoral shifts.

The evidence suggests that there are a number of factors which appear to be linked with rebalancing impact and success, including 'packages' of interventions that span policy areas having better chances of success than single silo actions; interventions that go with the sectoral and cultural grain of places and are designed to sustain growth tend to be the more successful; certainty and predictability going forward matters; autonomy at the 'right' spatial level is key, along with local, city regional, regional and national actors working in co-ordinated and reinforcing ways; capable and competent governance and oversight is key; and investments targeting human capital and soft infrastructures have had positive results, although their impact varies from context to context.

6. What needs to change between Whitehall and our cities to multi-polar growth a reality? What does the Centre need to do to enable this and what economic and revenue levers do cities require?

The case for devolution

According to the Heseltine Review²⁴, the United Kingdom (UK) has highly centralised government in comparison to other OECD countries. Local government in the UK accounts for 30% of public spending, whereas in the US and Sweden local government accounts for almost half. Denmark and Canada's local governments account for 70% of public expenditure. The negative consequences of

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²² See

<http://www.rtpi.org.uk/media/581611/RTPI%20Response%20to%20APPG%20LEP%20Call%20for%20Evidence%20-%202019%20July%202013.pdf>

²³ <http://www.ukces.org.uk/publications/er33-rebalancing-the-economy>

²⁴ Lord Heseletine: No Stone Unturned, BIS, 2012 p 29

disempowering local governments are not just confined to local areas; the Heseltine review also provides information on international competitiveness. It would appear that although the UK ranks quite highly in the majority of world rankings of competitiveness, typically the countries that are more competitive than the UK are those countries with comparably more government expenditure taking place at local level. Further decentralisation would potentially enable UK competitiveness to rise further up the rankings given the benefits experienced in countries with more decentralised expenditure.

The OECD²⁵ surveyed 24 distinct global regions deciphering what successful and unsuccessful regions hold in common. One characteristic of the more successful regions is “the deliberate adoption of a horizontal approach to regional development focused on better coordination of sectoral policies and mobilisation of local assets and resources rather than reliance on external support”. Of the 24 regions surveyed, 12 regions displayed above average growth, and two thirds of that group adjusted policies to local assets rather than using policies passed through a centralised government, and embraced cross-border co-operation beyond administrative boundaries.

The fundamental generator of development at city level is the devolution of power to local areas. Based on the international evidence, substantial power being held at the local level is a necessary condition for economic growth, innovation, and the creation of cities that can play to their strengths and flourish.

What would devolution look like?

Responding to the need to rebalance the economy in Britain the IPPR²⁶ has unpacked the idea of devolution, looking at what specifically this should involve in order to achieve multi-polar growth

The study concludes that in order to spread growth more evenly across the UK there is a need to embrace a dynamic industrial plan to encourage the development of companies in zones of existing and potential competitive advantage and areas where international demand is expected to develop. This could lead to a more varied economy which would not be as vulnerable to sector specific shocks as the UK was during the financial crisis in 2009. Bearing in mind the evidence from Europe, transferring control from central government to local authorities for education and innovation policies could go some way to encouraging innovation in second tier cities. Finally setting up a ‘British Investment Bank’, to deal with the long-term inability of SMEs to get loans apart from benefitting local businesses, would allow growth that is less dependent on a small number of firms.

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²⁵ Organisation for Economic Cooperation and Development: Promoting Growth in All Regions: Lessons from across the OECD, Paris, 2012

²⁶ Dolphin, T. (2013) New priorities for British economic policy, Institute for Public Policy Research: IPPR

7. What other practical, organizational, cultural and systemic barriers stand in the way of a fundamental shift in economic power to our cities and how can these be overcome?

Some of the RTPI's work with partners has provided recent demonstrations of the difficulties local areas face in making jobs and housing growth happen. For example the RTPI is a member of a private-led partnership, the Local Infrastructure Demonstrators Pilots Programme, along with the Civil Engineering Contractors' Association and the Department for Business Innovation and Skills, which aims to progress stalled local projects with the potential to release economic growth. This process has been strongly informative in relation to the difficulties faced by local areas in achieving their objectives. Some of the difficulties stem from the centralised nature of investment decisions in government, its agencies and in privatised utility and transport companies (many of whose decisions are even made outside the country, let alone in London).

In Northamptonshire, County Council staff have pointed out to us that there are two key barriers:

- Current incentives in the field of economic and housing growth are too numerous, which makes it more complicated, and not linked sufficiently to the infrastructure delivery which enables growth. This is a major barrier in two-tier areas.
- There needs to be more focus on incentives for developers to bring forward development and infrastructure on major sites with the public sector and a way of securing a formal commitment to develop and deliver. This will reduce risks and costs for both and speed up delivery.

Previous government initiatives

The issue of how to energise local growth has been the concern of government initiatives. The Local Government Association and the British Property Federation ran a year-long project in 2011-12 to look at how local authorities' aspirations for growth could be realised. One conclusion was that "government should enable more decisions regarding the funding of local infrastructure to be taken locally"²⁷. For example in relation to Cornwall, there has been concern that the fragmentation of and delay to spending decisions pertaining to investment for growth has slowed considerably the rate of development and also caused valuable opportunities in the pre 2008 period to be lost. For example it took over 10 years to obtain the necessary funding to deliver a major new road scheme that will provide access to 64 acres of development land and create more than 5,000 new jobs and 6,000 homes in the Camborne, Pool and Redruth area. This development proposal was originally initiated in an Urban Framework Plan in 2001. Cornwall County Council said "we firmly believe that if more decisions regarding the funding of local infrastructure were taken locally it would accelerate the delivery of major regeneration projects".

Improved efficiency

The right public services (and other functions, including *policy making*) should be delivered at the right level. There is substantial scope for devolution of services currently administered by Whitehall; however a city level is not necessarily the only level to which they might be devolved. Individual

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²⁷ http://www.bpf.org.uk/en/files/bpf_documents/regeneration/BPF_Unlocking_Growth_Report.pdf p 12

local authorities may also be suitable, as indeed may as indeed may areas larger than sub regions, depending on the function.

We are also concerned about the costs to efficiency of the delays to development brought about by the necessity to achieve coordination of numerous national bodies before development can take place. The RTPI's recent housing paper²⁸ shows how getting sites off the ground is often delayed by getting agreement between different players to fund infrastructure. Ebbsfleet Kent is an example where although the Channel Tunnel opened 20 years ago, there is still only limited housing development partly as a result of arguments between agencies as to who is responsible. A key difficulty is governments seeking to reduce the burden on their own budgets by opting out of the provision of infrastructure and hoping that land values will pay for it instead. This is not only optimistic, but can also lead to extremely protracted discussions of a quasi legal nature before a planning agreement is signed and permission issued.

Royal Town Planning Institute

The RTPI is a charity registered in England (262865) and Scotland (SC 037841)

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²⁸ <http://rtpi.org.uk/media/630969/RTPI%20large%20scale%20housing%20report.pdf>