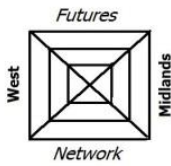


Futures Network West Midlands – FNWM

Looking to the future in an uncertain world



A contribution by the Futures Network West Midlands to CFN discussions on the need for a National Spatial Policy Framework

At its meeting on 4th December, the FNWM Steering Group discussed the attached papers

Part 1 – a ‘think piece’ paper highlighting the inter-relationship between the development of an NSPF with wider issues relating to the restructuring of sub-national governance and the prospects for further devolution;

Part 2 – a ‘nuts and bolts’ paper highlighting the potential value of developing an NSPF for a region like the West Midlands.

In the Steering Group discussion, the following points were raised:

- a. Whilst the important inter-relationship with the issue of governance should be acknowledged, this was likely to be beyond the remit of the CFN initiative - the central focus should therefore be on ‘how to rebalance the economy’;
- b. There is a need for a National Debate (possibly post Brexit) and, given the current government’s reticence, this should perhaps be generated ‘bottom up’ possibly through an alliance of Combined Authority mayors (including London);
- c. A possible further CFN input to such a debate might include a more explicit comparison of the possible shape of an NSPF based on current government policy with alternative re-balancing scenarios (e.g. creating more opportunities in areas of greater need);
- d. In taking any initiative forward, there was a need to acknowledge the following issues:
 - the development of an NSPF would involve hard choices and should challenge the status quo;
 - the level of detail to be incorporated (principles of subsidiarity) would need to be addressed;
 - the intra-urban/inter-urban balance would need to be considered;
 - whether and how democratic bodies, representative organisations and wider civil society should be engaged;
 - the timescale to be set (20-30 years?).

In a subsequent discussion on the FNWM priorities for 2018, it was agreed that, if appropriate, consideration could be given to arranging an open debate on the implications of the CFN proposals for the West Midlands later in the year.

We trust that the perspectives set out in this note will be useful to on-going CFN discussions.

Sandy Taylor
FNWM Chairman
December 2017

Part 1 - An FNWM 'think piece' input to CFN discussions

The need for a National Spatial Policy Framework

Introduction

The Futures Network West Midlands (FNWM) comprises individuals from professional and academic backgrounds who have experience of and commitment to strategic and spatial planning with a particular interest in the West Midlands. The purpose of the note is to set out a FNWM perspective on the CFN Interim Prospectus based on our recent experience of promoting the need to re-establish strategic planning arrangements in the West Midlands.

Our starting point is that we welcome the idea of developing a National Spatial Policy Framework on the grounds this fits well with our proposals to re-establish strategic planning arrangements at the regional level, and the need, if it is to be effective, for this to connect with and be nested within a wider national spatial strategy. Nonetheless, we do have a number of concerns relating to its design and implementation.

Successful reforms need to recognise the 'real world' of policy making

England faces a set of long-term, cross-cutting policy problems that seem impervious to short-term solutions and that vary in their impact within and between regions, but which transcend the capacities of individual local authorities. These include recent changes to the political and economic landscape of the UK, arising from the economic crisis, economic competitiveness, migration, responding to climate change, the provision of housing and infrastructure for the projected additional ten million people in the UK by 2050 (especially in the Greater South East), increasing pressures on natural resources and new technologies.

A key question is whether, in order to improve the government of England, political reform is required. We contend that, despite growing recognition across the major political parties that the territorial system of government in England is in need of change, after decades of real and threatened reforms, there remains no clear and shared imagery on how England should be governed within an increasingly devolved UK. The present status of strategic spatial and land use planning or, indeed any sort of planning of core functions, at any territorial level in England is unsettled. Indeed, land use planning and its consensual underpinnings have been challenged as merely a break on economic development with limited capacity for coordinating policy outcomes over the long term.

This view is pervasive and while spatial planning has its supporters the key problem is that given political, constitutional and economic circumstances there appears to be a huge gulf between those advocates and current realities. Whether England has the institutional capacity to prepare and implement a nationwide plan remains an open question. It might be asserted that spatial planning is a 'good thing' and uncontentious, but if citizens and politicians are to be convinced then potential benefits need to be clearly enumerated.

In responding to these issues the government, unlike their counterparts in the devolved nations and elsewhere in Europe, has resisted demands to set out a long term spatial for England as a whole. It might be expected that the recently adopted National Planning Policy Framework would have offered such a perspective. Nonetheless, rather than being a national spatial document it is determinedly aspatial. Its primary focus is on the process by which individual local authorities prepare plans for their areas.

At the same time recent research of government documents has identified over '100 major maps for England relating to policies and programmes on the economy, transport, communications and the environment' (Wong, *et al*, 2012, p.5). This might suggest that an unofficial national spatial strategic plan already exists, but there is limited evidence that this patchwork of sectoral policies is orchestrated. Moreover, even if this were the case, the central issue would remain to convince people across the UK and England that this would not be anything more than an Anglo-centric or London-centric exercise hiding behind an apparently benign and acceptable agenda: that it does not simply seek to latch on to a populist 'national' agenda to provide a new justification for existing patterns of infrastructure development and public investment that are uneven, compound unequal opportunities (in housing, employment, education) and largely neglect agendas about place making, urban sprawl and the environment.

This accords with the view that civil service departments are 'spatially blind'. It also reflects the prevalent economic orthodoxy that the concentration of resources in economic core regions with mostly universally polices represents the best approach to improving people's lives and to guarantee equal access to opportunities, regardless of where they live. Ultimately, the outcome will be a more even geographical distribution of wealth and an enhancement of overall economic growth (Barca, *et al*, 2012; [Gill, 2010](#)).

The need for a better justification for the need for an NSPF

Over the years there have been calls for the Government to adopt a national spatial strategic plan (Royal Town Planning Institute and the Town and Country Planning Association). These have often rested on the need to address regional disparities but other issues have been drawn upon including England's economic competitiveness and the role of the national in the context of the new regionalism and localism. Nonetheless, as Wang (2015) observes, questions remain:

- Who would be responsible for the preparation of a national spatial strategic plan?
- Who would be responsible for the implementation of a strategy?
- Would the strategy be a detailed and comprehensive plan, or a spatial framework that ensures that the more detailed regional/sub regional and local plans are better informed?

This suggests that the concept of strategic spatial planning remains rather elusive.

At the very least there is a strong case that the absence of a national spatial planning strategy and limited spatial awareness in key Whitehall spending departments continues to undermine efforts to coordinate disparate public funding streams and provide the continuity necessary to deliver private sector investment. Indeed, efforts to tackle interconnected issues beneath the national scale have been frequently frustrated by Whitehall's silo culture, in which policies and budget lines are fragmented and where local discretion is limited. A greater focus on 'placed-based' policies would remedy these weaknesses and also seek to capitalise on the potential of lagging regions and ensure that they contribute to, rather than act as a drain on the national economy.

Furthermore, in the case of the more prosperous regions such as the South East, a commitment to merely deregulate in favour of economic growth may lead over time to external costs including infrastructure overload and rising house prices. The presence of spatial variation in the demand and supply of resources confirms that responses need to vary considerably within and between regions.

It is important, therefore, that a National Spatial Policy Framework does not appear to simply confirm the uneven patterns of development and investment that emerges from government policies - a backfilling exercise to justify continuity in approach and outcome. Doubts about whether the 'state knows best' therefore limits the economic returns of a spatial top-down development intervention (Allmendinger, P. and Haughton, G, 2012). Viewing such a Framework as an end in itself and a counter to devolution in the rest of the UK also has little appeal. So is it possible to express its purpose more definitively? Should it aim to challenge the present Government's implicit national strategy and change patterns of growth rather than confirm them? Should there be recognition of alternative strategies and the conflicts associated with them and an ambition to achieve more effective medium and long term planning and better outcomes involving different approaches in England's regions and sub-regions, rather than just some notional national growth aggregate. For example, Proposition 5 stresses the importance of securing the global role of London but presumably the same proposition should apply to the roles of other places?

Sub-national governance: Muddling through

There is an explicit rejection of a bottom up process in the preparation of a National Spatial Policy Framework but it is not clear what the Proposition 7 view that key issues must be decided at a national level mean? Some might see this as demonstrating the real intent here - to impose a view from the top and expect regions/sub-regions to kowtow to it and find their place? It might be asserted that rather than a centrist or top down approach the formulation of a national framework should begin by focusing on regions and sub regions and seeking to join them up.

Seen in this context there is no *right* scale of government at which spatial planning should be pursued. Indeed, spatial policy making and implementation involves different interests, and key strategic issues in different parts of the country. However, the capacity of sub-national governance in England is highly

constrained. The 292 district councils outside London enjoy far less constitutional protection than many of their Continental counterparts, have very limited financial autonomy and lack a formal place in national political debates.

Conspicuously, as part of its austerity measures, the Government has instituted a reduction in local authority funding of over a third since 2010 and funding streams administered by a multiplicity of government bodies involved in local provision have also shrunk. Government departments including CLG and BEIS also have reduced capacity. These cuts can be interpreted not only as a measure of the Government's desire to reduce the national financial deficit and 'get more for less', but also as an opportunity to diminish the size of the state. Equally, suggestions that government should 'let go' of over-prescriptive central targets and that communities should develop solutions to local problems can be regarded as a calculated strategy to broaden the resource pool of the state. Discerning a role for strategic planning in these circumstances is hard to say; at best it might be argued that fiscal discipline highlights the need for explicit trade-offs and coordination, though outcomes will be mixed.

In England land use planning has become effectively a local matter, with district councils taking control of planning policies, while communities have been given the opportunity to prepare Neighbourhood Plans. Local plans are formulated in the context of a National Planning Policy Framework (NPPF), setting out how localities should produce their own frameworks, with a strong steer in favour of up to date plans with a strong economic growth remit. Though local in focus, individual local authorities are expected to cooperate on policies such as housing which have an explicit trans-boundary dimension. The growing salience of housing numbers has forced the Government to strengthen this duty and is an acknowledgement of the limitations of reliance on 'localism'.

The changing roles and the relationship between national and sub-national tiers of government in England are reflected in the recent round of sub-national government that can be traced to the devolution settlements elsewhere in the UK and the search for answers to the English Question. Broadly, the Government has followed a largely unchallenged consensus that favours more decentralisation or (some claim) devolution to cities, city-regions and sub-regions, overlapping fragmented local government boundaries in favour of governance arrangements that more closely match functional economic areas. It has set its face firmly against any formal reorganisation of local government or any more fundamental constitutional reforms in England.

Following the creation of the Manchester city-region authority with statutory spatial development planning powers a complicated but quite important set of change in the pattern of governance has emerged outside Greater London. First, groups of Combined Authorities serving conurbations and sub-regional areas have been established. They sit alongside county councils, districts or boroughs, and parish and town councils and are intended to support collaboration and collective decision making and to take advantage of the limited powers and resources devolved to them from national government. In most cases the Government has insisted that Combined Authorities have a semblance of accountability via an elected mayor, though transparency and legitimacy remain limited. Nine Combined Authorities are now in place serving a third of the population outside London and in 2017-18 the revenue and capital budget for the six mayoral combined authorities was £1.3bn, a relatively modest sum.

Second, non-statutory and unelected Local Enterprise Partnerships have brought together public and private actors at a local scale in order to promote local economic growth. Finally, pan-regional brands – *the Northern Powerhouse and Midlands Engine* – have emerged to support collaboration in attracting investment, trade and supporting industry, science and innovation. Nonetheless, they have minimal real economic power.

These initiatives have an explicit focus on supporting short-term competitiveness and are loosely tied to the long term spatial objective of 'rebalancing' the national economy through devolution. In addition, the Combined Authorities, apart from the West Midlands, have acquired limited strategic planning powers, though how far the economic imperative will take account of social and environmental policies is unclear. Indeed, in developing its 'devolution' agenda the Government has avoided dictating formal powers and responsibilities in favour of informal arrangements that sit alongside traditional forms of regulatory planning.

Ostensibly, the Government is continuing to press groups among the remaining 80% of local authorities to combine around shared sub-national priorities in order to promote economies of scale

with the promise of more devolved resources. Over time it might be envisaged that a new English local government map might emerge, reflecting the scale of the city-regions and sub-regions in which most people live and affording a strategic focus. Sub-national government might also gain the fiscal autonomy necessary to negotiate long term commitments for key investments with Whitehall. For the present, however, the scale of ambition remains highly constrained and speculative. Indeed, though attracting widespread political and academic support, evidence of the benefits of devolution/decentralisation, especially given deep-seated spatial disparities, has yet to emerge. It is questionable whether decentralization to an archipelago of city-regions is sustainable, in the absence of 'some (socially and politically agreed) form of social equity across the components of the national territory' (Colomb and Tomaney, 2016). Moreover, underlying tensions between the traditional regulatory planning system linked to administrative boundaries and the informal assemblages emerging at the sub-regional level remain unresolved.

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Part 2. – SOME FURTHER NUTS AND BOLTS

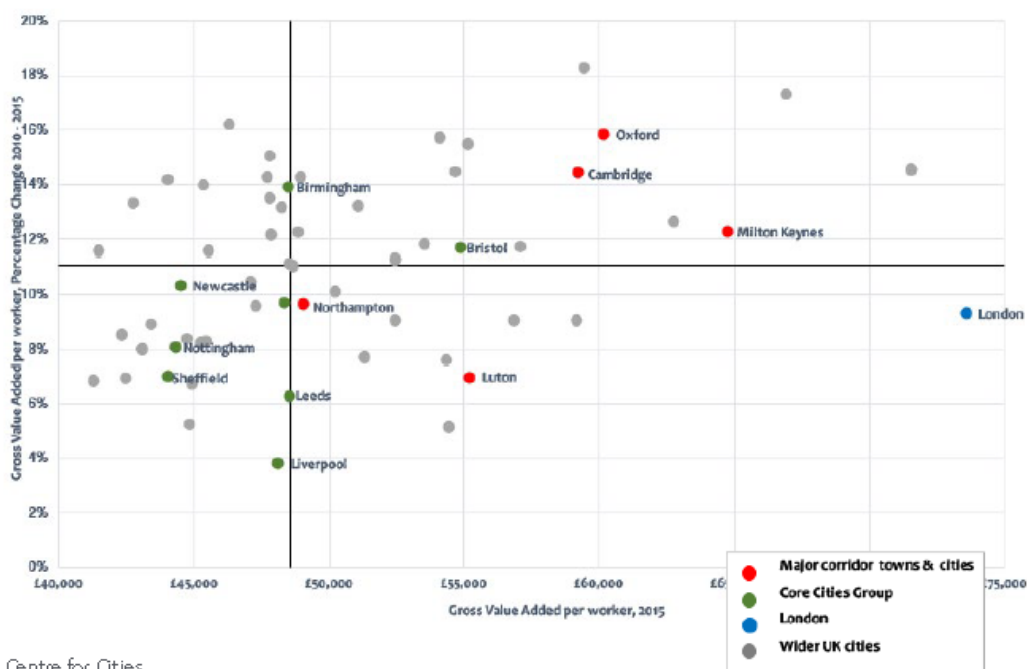
The potential value of developing an NSPF for a region like the West Midlands

A starting point – the inter-connections between regions

The NIC recently published report “Partnering for Prosperity” puts forward proposals for promoting the Cambridge-Milton Keynes-Oxford Arc (CAMCOX) as a major growth area. As with the proposals for a Milton Keynes South Midlands Growth Area (ref the Labour Government’s Sustainable Communities Plan), this potentially re-opens previous concerns as to the impact of the ‘arc’ on the regeneration prospects for the West Midlands. The previous fear was that the scale of development (and in this case its East-West configuration) will not only act as a ‘barrier’ to potential investment moving out from London and the South East reaching the West Midlands (i.e. the arc acting in part as an ‘intervening opportunity’) but will also draw in skilled labour from our region.

An examination of the NIC report recognises that, “its current principal transport arteries run north to south, providing strong links to London, the midlands and the north of England. (e.g. the M40, M1, A1, and A14/M11)” but surprisingly it shows little regard to the relationship of the ‘arc’ with surrounding regions. This clearly reflects the current Government’s myopic approach of utilising public investment to further the existing pattern of economic growth (ref the diagram below taken from the NIC report) without recognising wider longer term consequences.

Figure 2: Fast growing and highly productive cities - productivity and productivity growth (2010-2015)



Source: Centre for Cities

Note: City median data reflects the median for UK’s largest 62 towns and cities

So – would an NSPF lead to a different outcome?

One of the advantages of developing an NSPF would clearly be a requirement for such proposals to be embedded into a wider spatial vision within which the inter-relationship between all regions and their respective roles are at least addressed. In the case of CAMKOX, this could include, amongst

other things, a consideration of relationships with West Midlands Universities and research institutions along with associated economic linkages and further transport investment

In this context, FNWM is pleased to see that Proposition 4 of the CFN Interim Prospectus promotes 'Building a Networked System of Cities' and that this principle is referred to in the CFN response to the CAMKOX consultation. However, our concern remains that, despite giving lip service to rebalancing the economy, any development of an NSPF under the government's current philosophy could merely strengthen a London/SE dominance.

In practice, the true test would be whether an NSPF would lead to a long term commitment for a fairer share of resources for key investments in the West Midlands in turn also providing greater certainty for private investment.

A possible shape for the West Midlands piece of the NSPF jigsaw?

If an NSPF is to be developed through an inclusive process incorporating 'bottom up' sub-national interests, this will require sub-national areas to be appropriately organised to inter-face with government. This points to the need for a more fundamental recalibration of the relationship between the 'national' and the 'sub-national' not merely worked out through a series of limited 'devo-deals'. Ideally, all areas would have their own perspectives and visions, developed in response to the specific challenges they face, as the starting point for negotiations with government..

In the West Midlands, regional arrangements have been replaced by a disjointed range of LEPs along with a West Midlands Combined Authority covering the former Metropolitan area.. Even in the latter case, the Combined Authority has rejected the option of taking on a spatial planning role (i.e. preparing a Spatial Policy Framework) so there is now no clear over-arching West Midlands vision which can be referred to.

So what might the West Midlands wish to see incorporated into an NSPF – what would be the shape of the West Midlands piece of the jigsaw?

Drawing together broad themes incorporated in the WMCA's Strategic Economic Plan and key principles embodied in previous strategic planning documents, examples could be as follows:.

- support for the WM to retain its role as a manufacturing centre focussing on particular sectors such as new automotive developments (battery technology/electric cars) and the aerospace industry;
- support for the WM to develop new roles with Birmingham becoming a digital hub as part of the TechNation programme along with other priorities (e.g. life sciences)
- support for a major skills programme focussing on key economic sectors (e.g. manufacturing, digital, construction)
- the importance of a long-term commitment to an urban agenda to support urban renewal linked to key principles of sustainability and polycentricity;
- the need to support a step change in public transport/integrated transport investment as the focus for an urban restructuring.

Given that the West Midlands is the largest conurbation outside of London and has suffered significant economic decline, **it is the urban agenda which will be particularly important to the region.**

The following extract from an FNWM submission to the WMCA mayoral candidates makes the economic case.

An extract from the FNWM submission to WMCA Mayoral candidates (April 2017)

In much of continental Europe, cities have higher productivity than their national average: in the UK however most of our major urban areas are less productive than the nation (Figure 4.1)¹. If English cities (mostly at least 10% below the UK national average) performed more like continental cities (mostly at least 10% above), the increase in national productivity would be worth around £100bn per year.

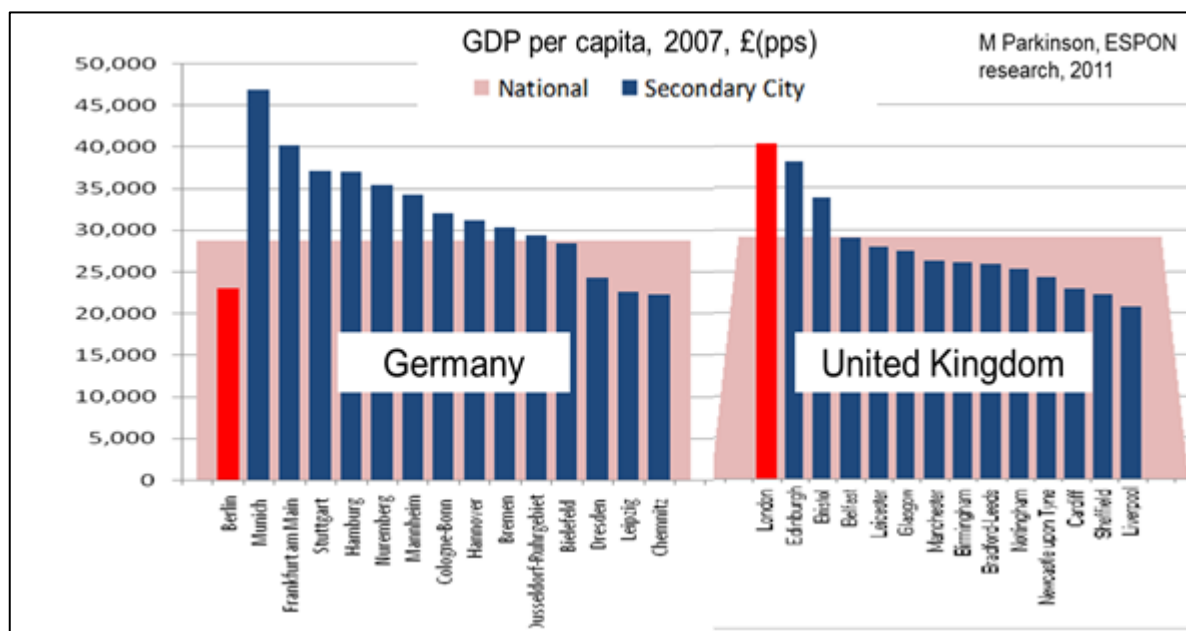


Figure 4.1: Productivity of UK vs German cities compared with their nations

There is a striking parallel to be drawn between Germany's East-West regional disparity, and England's North-South divide. But whilst the former East Germany cities (Dresden, Leipzig, Chemnitz) have substantially closed the gap since reunification in 1991, the northern English cities (Manchester, Birmingham, Leeds-Bradford, Nottingham, Newcastle, Sheffield and Liverpool) are drifting further away from the South.

Studies comparing urban policies between the UK and other countries suggest that it is the ability to integrate economic, transport, housing and spatial policies so as to deliver 'compact, liveable cities' is crucial to productivity. As well as being efficient in transport terms, such places are inherently more attractive to talent and so more productive.

Improving national competitiveness and productivity will thus require a much more devolved style of governance. The revelation of national divisions demonstrated by the Brexit vote gives this renewed importance and urgency. Current Government policy stresses the importance of devolution, clearly indicating recognition of the problem, and the opportunity. However, the strongly top-down style of governance remains an obstacle to progress.

Equally, although now revoked, it is nevertheless important to remember key concerns and principles embodied in the previous WMRSS (TSO – January 2008). If these principles were relevant then, then they should be relevant today.

“In spatial terms, it is particularly the outward movement of people and jobs away from the Major Urban Areas which is increasingly recognised as an unsustainable trend and one which provides the Region with its key challenge. The trend is seen as increasing the pressures on the environment, encouraging development on greenfield sites, increasing the need for car based travel and creating dangers of abandonment and greater social polarisation within the Region.”

“Urban renaissance will require an integrated approach to improving the urban environment, housing choices, access to jobs, transport efficiency, the distinctiveness of centres, and service delivery. To tackle these issues holistically requires integrating land-use decisions with other

activities (such as education, health,, community safety, leisure and community services) and joint working with others, including residential and business communities.”

Postscript - some possible over-arching questions

- 1. Can the current gulf between the logic for an NSPF and political realities be bridged – if so how?**
- 2. Is it possible to envisage arrangements for developing an NSPF through an inclusive process incorporating consideration of ‘bottom up’ sub-national perspectives – if so how?**
- 3. At what geographical scale would the balance between national and sub-national interests be negotiated (e.g. in the case of the West Midlands – the Midlands Engine v the WMCA v LEPs v strategic authorities)?**