Event Report: Future Prosperity

3 December, The Guildhall, Bath

Enhanced competitiveness and productivity are key to future prosperity in a post Brexit world. This seminar will examine the contribution of planning to meeting the needs of a rapidly changing economy both directly through the provision of appropriate employment space and indirectly through ensuring access to markets and labour. The relationship of planning with LEPs and local businesses will be explored as will the question of how planning can encourage innovation and sustainable growth in the face of the 'fourth industrial revolution'.

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Factors driving competitive local economies - Why planning matters for city centres, high streets, and the housing crisis

Anthony Breach, Analyst, Centre for Cities

Key Points

Anthony explained that the Centre for Cities defines a city by the size of its labour market, in the South West this would include Bristol, Plymouth, Bournemouth, Swindon and Exeter.

Centre for Cities research looks at how local economies differ. It finds that there are concentrations of jobs across the country, and that they focus around cities. Further, the national economy actually equates to urban economies, so whereas cities equate to less than 10% of geographical area, they account for nearly 60% of jobs. Therefore, it is important to understand the city economy, in order to understand the local economy.

A further finding is that only 14 of Britain's 62 cities have productivity levels above the British average. Plymouth, for example, has very low productivity. In fact, all the big cities are performing below national average. This is a very British problem, not replicated across Europe, and it's a problem which needs to be fixed. A city economy will have an impact beyond city boundaries, and impact the local economy of towns, as can be seen with Bristol and Bath, whose economies reinforce each other.

So, what drives local economies?

- An economy consists of Local Services or Exporters.
- Local Services are in the majority and include shops, solicitors, cafes, dentists, etc. These services benefit from the large concentrations of people found in urban areas.
- Exporters sell their products and / or services beyond the city within which they are located. It is the type of Exporter which explains the differences in the success of economies.
- Whether an economy is dominated by low skilled / low value exporters: call centres, warehouses, etc. Or, high skilled, high value: advanced manufacturing, professional services, etc.
- Places such as Reading vs Hull illustrate the economic difference. Reading which has more highly skilled Exporting businesses, has a stronger economy than Hull, which doesn't.
- In turn, the presence of these Exporting businesses, leads to a demand for local services, from coffee shops to solicitors.

How can planning help city centres and high streets?

- Highly skilled Exporters will pay a premium for city centre locations, with their associated benefits.
- Groups of highly skilled Exporters in one place lead to knowledge spillovers, where firms and workers can learn from each other. It also encourages skills and learning in that area, helping with recruitment.

- But not all city centres attract these workers – look at Blackpool and Doncaster vs. London or Bristol.
- So, planning needs to think about attracting highly skilled, exporting businesses into its urban centres.

It should also be remembered that not every high street is struggling. There is a link between the success of the high street and presence of highly skilled Exporters. A strong city centre will also have more office space in the centre. When comparing strong city centres with weak, the strong has 62% office space, and 18% retail, whereas the weak has 23% office and 43% retail. Strong city centres will also have more food and leisure offerings. Therefore, it is not enough to only encourage diverse offers in the high street. There also needs to be measures to encourage a strong labour market.

What can planning do to help the housing crisis?

The housing crisis is urban not national. In Burnley it costs 5 times the average salary to buy house, in Oxford it's 17 times average salary. There is also little link between supply of houses and demand. So, the majority of house building is taking place in areas that don't have the highest demand, which means prices are never pushed down in high demand areas.

- The planning system needs to concentrate supply in expensive cities.
- Green belt reform is needed to release more land in the expensive cities.
- The planning system could also benefit from being shifted to flexible zoning where development can occur unless the local authority says 'no', instead of blocking development unless the authority says 'yes'.

Exeter Growth Area

Andy Wood, Project Director, Exeter and East Devon Growth Point

Key Points

Andy gave us some background to the Exeter and East Devon area, explaining it is two-thirds AONB, with an economy dominated by agriculture and tourism. The population has one of the oldest age structures in the country.

Exeter is consistently one of the fastest growing cities, as measured by population growth. This brings with it challenges such as housing affordability, it's one of the top 10 areas for highest rising house prices. Also, productivity is low, unemployment is low but the quality of jobs is poor.

The Exeter and East Devon Enterprise Zone includes the Exeter Science Park, Skypark, Airpark and Cranbrook Town Centre. Exeter Science Park is the flagship, with lots of high end jobs. The Skypark provides for the office market, although they have seen a slow office market.

The area is very well connected, over £50 million has been invested in infrastructure, including motorway junction improvements, new roads and Cranbrook train station.

A lot of commercial space has been delivered, a lot of which is distribution space. Large investments have been seen in the area from companies such as Lidl, the Met Office, Amazon and FlyBe.

Being able to be flexible has been key, for example, the Environmental Futures and Big Data Impact Lab, which includes a £98m supercomputer from the Met Office, was not included in original plans. Its introduction has led to a new growth sector forming around data and data science.

Another key success factor has been the ability to ringfence Business Rates income, this assured revenue stream allows the Local Authority to borrow against it.

The Local Industrial Strategy has influenced direction with a focus on clean and inclusive growth.

Inclusive growth included planning for linkage between jobs and homes, ensuring that jobs were near where people lived. Cranbrook town is located near jobs, however, residents don't necessarily have the right skills for the available jobs. One solution to this is education, creating a pathway towards the high skilled jobs down the road in Skypark. There are challenges though, for example, St Martins Primary School has three times as many children with Special Educational Needs as the national average. At secondary level, the Big Bang SW inspirational programme has proved successful at encouraging interest in STEM jobs.

The focus on clean growth is seen in plans to roll out two district heating networks, which have received over £50m investment from Eon. There are also ambitions to facilitate Lidl's use of electric transport at its distribution centre.

Conclusions

- *"Exeter has been on a journey"*
- There was an ambitious long-term vision for growth. This was development plan led and accompanied Exeter's transition from being a county town, to becoming a knowledge economy.
- Anchor institutions have been key, as has productive public and private partnership working.
- Funding of big ticket infrastructure projects has helped enable strategic projects.
- Questions remain about whether housing and industrial strategies are as joined up as they could be, especially at national level.
- Flexibility has been key, the super-computer centre wasn't on the radar, but they were able to adapt to accommodate it.

National and Major Infrastructure Projects – capturing the benefits through planning
Claire Pearce, Director of Planning and Economic Development for Gravity

Key Points

Claire wanted to talk about positive planning, without too much reference to the NPPF, but by describing the experience in the 'HotSW', specifically Hinckley Point C (HPC) and Gravity, an enterprise zone in Somerset with ambitions to becoming the UK's leading Smart Campus.

She said that Hinckley Point C (HPC) presented an opportunity to step forward and, instead of letting the national infrastructure process take hold, make sure the project made a long-term difference to all host communities.

HPC needed to be used as a kick start and driver to encourage confidence in the area. This approach didn't come with government support from the outset, it hadn't been done before and there was no recipe for doing it. The team wanted the Nationally Significant Infrastructure Project process to work with local planning policy. This was tricky as there is no mechanism for the two planning systems to talk to each other legally.

The vision was fundamental and called for infrastructure, education and opportunities for local people to be incorporated into the project. A key priority was ensuring that jobs were created for Sedgemoor people. This meant ensuring that the project wasn't led by the technical processes, but the planning led the process to achieve the outcomes they wanted to see. This focus on the vision has been ongoing, it's a long-term project, and inevitably developers can 'drift' from the original vision.

There have been many benefits captured for the area, not least the mitigation budget. Initially, this was £1 million, but has ended up in the region of £100 million to £130 million.

There has been a focus on housing, the original Developer Consent Orders for the temporary housing for the circa. 900 construction workers didn't provide for any permanent housing. The physical structures are due to be relocated to Sedgemoor after completion. Successful lobbying has resulted in reverse engineering to retain some of the other benefits such as the football pitches.

There have been new, iconic buildings such as the National College for Nuclear, which has changed the sense of place, inspiring youngsters and attracting high skilled workers.

The Energy Innovation Centre has created an office market for Bridgewater.

The Advanced Engineering and Skills Centre ensures there is a continued focus on skills building. There was always a risk that the construction jobs would disappear outside the area, so there was an imperative to improve skills training. There is still five to ten years of construction left, so the opportunities for advanced engineering and construction skills, at all levels, still exist.

Cannington Court, a derelict Grade I listed building has been completely restored, using innovative methods. It will now become a visitor centre for HPC.

The construction of HPC included a huge spend but it was only ever going to be temporary employment. Local labour agreements were put in place, but the Planning Performance Agreement has been the most powerful and important mechanism in the process to make a lasting difference. It has put transformation at the heart of the project, and although not popular at the time, the side benefits of the project are now appreciated by all parties.

Gravity

The next generation of investment is Gravity, an Enterprise Zone with a vision of becoming an intelligent, sustainable, connected and immersive mixed use campus, home to the world's most innovative companies.

This initiative presents an opportunity to provide a long term and sustainable economic boost to the area, in response to the cultural shift in the digital economy, to create a venue for high value jobs.

Gravity is expected to create over 4,000 jobs and contribute approx. £500m to the local economy. It has ambitions to lead the clean growth space in the UK, Siemens has been secured as its technology partner and Eon as the energy partner. It has received National Government, LEP and District Council support. The Heart of South West LEP has approved a £3.94 grant towards a new link road for the site.

Conclusions

- Planning policy change is being outpaced by the rate of change in the world, it needs to be speeded up or risk slowing innovation.
- Capturing the benefit of major infrastructure projects is not just about processes but about being aware of the big picture, being aware of the politics and economy of the area and what can be brought to the area.
- It's about getting under the skin of place performance and short, medium and long term planning.
- Finally, planners should *"Relish the opportunity to achieve and create a personal legacy."*

Local industrial strategies – addressing the spatial planning dimension.

John Baker, Principal, Point Consultancy

Key Points

John Baker talked about the history of the Local Economic Partnership (LEP) and Local Industrial Strategies (LIS). He pointed out that LEPs don't have any planning powers, so the question is, are they working spatially?

Local Industrial Strategies (LIS) have replaced the previous Strategic Economic Plans (SEP). They focus on how to improve productivity, in the most cost-effective way. In the past, Local Authorities were reluctant to acknowledge significant employment growth, due to the consequent impact on housing numbers. Thus, the overly prescriptive focus on numbers of jobs seen in SEPs has been moved away from. However, this has led to an avoidance of well-planned employment space. This can be overcome with communication between plan-making organisations, and a good evidence base.

Using the example of Gloucester, John explained that it has lots of different layers of plans, within which the LEP must fit. To indicate how complex this can be, Gloucester County Council employs a Strategic Planning Coordinator to help navigate and combine the layers.

The LIS in Gloucester focusses on the county's core strengths, as well as some of its issues. A lot of time and resource has been spent gathering the LIS evidence base, which can then be hugely useful for planning. It has evolved following extensive engagement with key stakeholders including the county's local authorities, partners such as the Local Nature Partnership, the Cyber Valley LEPs, Gloucestershire's business community, including GFirst LEP's network of ten Business Groups, and over 5,000 of the county's young people.

The LIS for Gloucester describes the county's "Five Foundations of Productivity', which include Ideas, People, Business Environment, Infrastructure and Places. It describes what is needed within each of those to help the county achieve its core, ambitious objectives.

It should be noted that the LEP in Gloucester has evolved to say that everything we do now needs to be about climate change. This may not yet be replicated in local plans, but this is still a significant change, one we might not have expected five years ago from an organisation so focussed on economic growth.

Conclusions

- The need for strategic planning is greater than ever.
- LEPs provide a necessary regional focus, as they are not bound by LPA boundaries.

- LEPs also provide valuable evidence, particularly on economic issues.
- LEPs can encourage and facilitate much needed dialogue with business.

Planning and employment land – allocate and/or protect?

Simon Prescott, Partner, Barton Willmore

Key Points

Simon is a non-exec Director on the board of the Bristol Chamber of Commerce and Business West, he is also Chair of the British Chambers of Commerce Expert's Planning Group.

Nationally, there are 53 accredited Chambers, some of which are more engaged in place-shaping than others. Bristol Chambers has articulated its vision for the city region, for example.

The British Chambers of Commerce Expert Group on Planning engages with national government on planning issues. As well as meeting with MHCLG, the Treasury and the National Infrastructure Commission, it has published the 'Planning for Business 2017' report, which includes a member survey on planning issues. Key findings from this report were that only a third of firms could access the land they needed. It was found in particular that the increasing focus on housing supply was having a detrimental effect on employment land supply.

This favouring of housing was partly a result of policy, but possibly also due to the powerful housing lobbying group, in comparison to the wider business community, which doesn't ten to lobby across its interests about issues such as land supply.

While the NPPF provides support for economic growth, in reality in order to successfully answer the policy requirements, a strong evidence base showing existing and future plans is required. This is often lacking.

Further, there appears to be a conflict in the NPPF. On the one hand, there is an imperative to accommodate housing, which often uses brownfield sites used for employment land. On the other, there needs to be sufficient employment land in order to support growth. On top of this, the recent changes in Permitted Development Rights have led to a further 42,130 homes being delivered via permitted development of existing office buildings, again removing necessary employment land.

The risks of this loss of employment land, particularly in cite centre locations, are that:

- Travel distances to employment are increased, workers start reverse commuting;
- There is a shortage of the employment land that towns / cities need;
- Costs for employment land starts to rise.

In London, there has already been a significant loss of industrial land to housing, something which the new London Plan recognises and hopes to slow down.

In the West of England, the Joint Spatial Plan attempted to provide for employment growth. However, it didn't provide enough detail, leaving it to Local Plans to specify how much employment land there should be and where it should be located. The concerns of West of England businesses were also felt by Inspectors, who subsequently deemed the plan to be unsound.

Conclusions

Going forward and 'doing better':

- The importance of the evidence base can't be underestimated, it needs to provide a clear picture of sector growth, what type of land is needed and where.
- In order to deliver this, plan-makers need to consider whether there any supply issues and what might be affecting supply in the region, i.e. housing requirements, permitted developments, the quality of the existing stock.
- It is essential that housing and employment targets are aligned.
- A good evidence base will lead to effective, strategic plans. These in turn will enable targets to be set, which can then be monitored against.
- Development management teams should have access to the evidence base, they can then monitor losses and gains, according to employment type, across the plan region.
- Finally, consult widely and often with businesses to understand their requirements.

Understanding the opportunities and limitations of the planning system in creating prosperity and employment

Chris Cobbold, Wessex Economics

Key Points

Chris gave the planners in the room advice on how to ensure they were encouraging prosperity and employment in their plan area. He encouraged Local Authorities to be ready to grab opportunities when they became apparent. He said that planners need to understand the past employment and floorspace situation, understand what is happening now, and 'dream a little bit' in terms of what might happen in the future.

In order to do this is it important to:

- Understand and compare relevant employment data;
- Engage extensively with key players, including agents consultants, academics and businesses, preferably by talking face-to-face.
- Understand and value the Authority's 'corporate history', and ensure it is captured and reflected upon.

Chris also spoke about the current market on a macro-level and recommended considering current trends including:

- New property products such as co-working spaces, and hybrid spaces which combine distribution with housing.
- The tendency for businesses to favour city centre accommodation.
- Rising city centre office costs pushing creative and high-tech industries to 'edgier' locations on city outskirts.
- The continued growth of on-line shopping, and the need for last mile distribution centres, many of which have been lost to housing.

Finally, there were some words of warning about employment land considerations, such as considering that B Class land is often used for Sui Generis or D Class uses, and that allocated employment land needs to be deliverable.

Conclusions

- Employment land and provision needs to be back on the agenda, it should be getting as much attention as housing.
- Long term planning is key, cities will continue to be the key drivers of growth, the infrastructure is the enabler, and the impact of climate change **must** be considered.

Summary

Paul Barnard, Plymouth City Council, Past RTPI South West Chair 2019

Paul Barnard summed up the event as being about 'vision, evidence, leadership, and conversations'. He said that Anthony Breach had showed that high streets are becoming more, not less important. Andy Wood pointed to the importance of vision and a plan-led approach. He also reflected on the realities of delivery and talked about corralling funding sources.

Claire Pearce told us about her 'place-based vision'. She encouraged planners to keep thinking about the big picture and how we as planners are responding to the pace of change, 'is the planning process too slow for this fast-moving world?'

The links between LEPs and LIS came up everywhere, John Baker talked about the role of LEPs, the development of a LIS, as well as the importance of engaging with business and the importance of strategic planning.

Simon Prescott told us about the Business of Planning report, which would be good for everyone to take a look at. Simon also said we need to consider how much we as planners engage with business, face-to-face, to understand their issues.

The final speaker, Chris Cobbold, reiterated the importance of business engagement, while also informing us of interesting new employment trends.

Paul said the focus on the loss of land to housing draws attention to potential conflicts in objectives, one person's brownfield regeneration opportunity, is another's lost employment opportunity. We also need to consider the global forces we are dealing with, which go on to influence local provision of employment land.

Finally, Paul referred back to Claire Pearce's comment, that planners should *"Relish the opportunity to achieve and create a personal legacy."*

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