Royal Town Planning Institute

Comments on UK Industrial Strategy

14 April 2017

The Royal Town Planning Institute champions the power of planning in creating prosperous places and vibrant communities. Our 24,000 members from across the UK, Ireland and many other countries are from the private, public, academic and voluntary sectors. Using our expertise and research we bring evidence and thought leadership to shape planning policies and thinking, putting the profession at the heart of society's big debates. We set the standards of planning education and professional behaviour that give our members, wherever they work in the world, a unique ability to meet complex economic, social and environmental challenges. We are the only body in the United Kingdom that confers Chartered status to planners, the highest professional qualification sought after by employers in both private and public sectors.

We welcome the Government's creation of a dedicated department for industrial strategy and the intention to take a more coordinated and intentional approach to economic growth. For many years this is the approach which has been adopted by competitor countries and the perhaps over- enthusiastic assumption that "the market knows best" has put the UK at a continuing disadvantage in Europe and globally. For some years now the RTPI has been championing inclusive and sustainable economic growth, for example through *Fostering Growth: Understanding and Strengthening the Economic Benefits of Planning* (2014). We are pleased to be working with the Future Cities Catapult on their Future of Planning programme.

0. General observations

Joining-up National Strategies

A leading observation for us is the need for greater clarity on how the emerging Industrial Strategy is being connected to other UK Government strategies. DCLG has just produced a Housing White Paper which has clear relevance for the UK's industrial strategy and requires a lot from it as well. For example the Housing White Paper focusses on the importance of developing construction skills but, despite having a section on skills in the Industrial Strategy, construction is not drawn out as a priority and in fact is not mentioned. The Housing White Paper briefly refers to modern methods of construction but where is the provision for this in the Industrial Strategy?

Encouraging growth across England as a whole is a worthy aim of the Industrial Strategy which could have implications for changing demand for homes. The need to move south for rewarding jobs could be reduced. It is not clear how the Government intends to measure whether this aim of the Industrial Strategy is working, and what its impact on housing demand might be over time. We would not wish to lend unqualified support to the 1960s notion of preventing economic growth in successful areas in the hope it somehow is deflected into other areas. On the other hand if the Government is serious about encouraging growth in all parts of the country that will have implications for housing supply and a number of other environmental and infrastructural consequences.

The UK government is committed to producing a 25-Year Environment Plan which is not referred to in the Green Paper. There is no reference in the introduction or the foreword to the critical environmental context of an industrial strategy, and yet with leaving the EU the environment will come under new focus. The RTPI's Map for England project demonstrated in 2012 that Government Departments as a whole had at that time about 95 different plans with spatial implications for England but these are not available all in one place to link and compare.

It would be helpful if each of the 10 pillars were to identify the integrated links with other UK government strategies. For example Pillar 2 should be linked to current education and training strategies; Pillar 3 has strong links to spatial planning, energy, transport and the work of DEFRA. Pillar 8 is really about place making, and therefore the planning system again.

Objectives

We are generally concerned that as the strategy emerges from Green Paper status to a plan of action, it will be necessary to have more specific, longer term and integrated goals.

By specific we mean that there need to be broad targets for the scale and distribution of change that is required. This should encompass what is the rebalancing in the pattern of people and jobs sought or which regions maybe should specialise on what activity (as in France or Germany). This should include for example advanced manufacturing in Sheffield and Biotech in Tayside.

By **longer term** we mean that the short term programmes for additional money should be seen as longer term programmes – an extra £1bn on infrastructure will get us nowhere, Cross Rail costing £16bn alone. There is a risk that strategy is rather dispersed among many activities and also quite incremental. A lot of recent literature is focussed on the lack of "patient capital" in UK economy[1], and steps should be taken to address this, and provide worth while destinations for the cash that companies, pension funds and many fortunate individuals hold.

By **integrated** we mean that the pillars appear to be dealt with as separate programmes when in fact there is a great deal of overlap and interaction between them, e.g. research and developing skills. But most particularly the pillar about driving growth across the whole country should be an integral part of all the other pillars – it is fundamentally different to the other 'pillars' which are essentially components of the 'toolbox' available to *central* government. This is probably the clearest area of concern.

In order to address these challenges we would strongly commend that the UK Government takes on board a new, **mission-oriented** way of thinking about industrial policy**.** The Royal Society of Arts has a good explanation:

> President Kennedy's 1961 'man to the moon' challenge sparked waves of innovation in many sectors of the economy by bringing focused attention to achieving an ambitious, measurable objective. More generally, mission-oriented innovation policies stimulate transformational change and economic growth by setting a goal, without dictating a particular route to reach it. They define measurable objectives to address public problems, then mobilise public and private resources to achieve them.

An example could be having as an objective to replace all fossil fuel use in existing buildings with renewable energy coupled with retrofitting to reduce energy use. This would not only place the UK in a good future competitive position in terms of building up exportable capability, but it would have wider *benefits at home.* Moreover The UK is signed up to the UN Sustainable Development Goals. SDG9 is "Build resilient infrastructure, promote inclusive

---

1 See for example M Mazzucato "Innovation, the State and Patient Capital" IN M Jacobs & M Mazzucato (2016) *Rethinking Capitalism: Economics and Policy for Sustainable and Inclusive Growth*

and sustainable industrialisation and foster innovation." Such a mission would show how the UK was implementing one of the Global Goals.

Another could be setting as the mission the creation of one million more homes. While important as a social objective, and also one which would underpin a better labour market generally, this could also result in more direct economic benefits. These could include

- Developing national expertise in modern methods of construction which can be exported
- Building up the skills needed in construction and in built environment professional services
- Stimulating infrastructure investment

What is necessary in all these approaches is a more entrepreneurial attitude to government investment.

UK Nations

The Industrial Strategy is a UK-wide strategy but many of the means of implementation are matters for governments in the UK other than the Whitehall government. The UK Government proposes establishing "Ministerial Forums on Industrial Strategy" with each of the other Governments in the UK. "This is an open invitation to [other governments] to jointly develop plans with the UK Government to support all areas of the UK." While this is supported, and a useful mechanism, it is disappointing that the Green Paper makes no mention of *existing* industrial strategies in various UK nations.

The Scottish Government Economic Strategy was published in March 2015 and contains four priorities:

- **Investing** in our people and our infrastructure in a sustainable way;
- Fostering a culture of **innovation** and research and development;
- Promoting **inclusive growth** and creating opportunity through a fair and inclusive jobs market and regional cohesion; and
- Promoting Scotland on the **international** stage to boost our trade and investment, influence and networks.

The Northern Ireland Executive published a draft Industrial Strategy 'Economy 2030' in January 2017 which contains an ambitious vision to create a 'globally competitive economy that works for everyone'. The strategy contains five Pillars for Growth:

- Accelerating Innovation and Research;
- Enhancing Education, Skills and Employability;
- Driving Inclusive, Sustainable Growth;
- Succeeding in Global Markets; and
- Building the Best Economic Infrastructure.

Both the Northern Ireland strategy and indeed the UK Strategy will need to address the issue of the land border in Ireland. 60% of Northern Ireland exports are to the Republic of Ireland. We appreciate that negotiations over this border will now commence and last for two years. However the emerging UK and NI strategies will need to take this into account in due course.

Devolution in England

Throughout the following pages of our response we have drawn attention to the potential in England for polities other than the UK Government to make positive contributions to future economic growth in a joined-up manner.

It is not clear from the Green Paper how the quasi-devolved government of London will be involved. The London Plan is being reviewed by 2019. One issue which affects London's economy is the Government's imposition on London boroughs of the loss of workplaces without planning permission being needed ("Permitted development rights" "PDR") (see section 3 on land supply).

1. Research

The Green Paper celebrates the world class excellence of British universities but also laments the globally poor level of R+D spending in the UK and the poor performance of business in contributing to R+D spending. (It makes no reference to the impact of the proposed withdrawal from the EU in this connection.) The solutions are all couched in terms of what government can do, rather than empowering city based solutions. One reason for the concentration of **46% of Research Council funding** in Oxford Cambridge and London, which the Green Paper laments, is that *central* government makes all the decisions. Rather than simply vowing to change this behaviour, it might be preferable for a radical change of approach to be adopted in which much more spend devolved and rooted in local urban circumstances where local connections can be made. By contrast:

> [In Germany there are] two great groups of scientific institutes: one belonging to the Max-Planck Gesellschaft, devoted to high-level basic scientific research; the other belonging to the Fraunhofer Society, with the mission of applying that research. The research institutes of the Max Planck Society, nearly eighty in number, with their budget of some EUR1.4 billion, and the sixty Fraunhofer Institutes, with a budget of some EUR1.65 billion and a payroll of 18,000 scientists and engineers, go a long way to explaining Germany's continued predominance and economic success …[2]

2. Infrastructure

The Government recognises that there has been "an historic lack of clear long-term thinking" (p 52) but this seems to be related to "interdependencies of infrastructure sectors". But the critical lack of policy has been failure to address interdependencies between infrastructure as a whole and other parts of the economy and society. On this we do welcome the recognition (p51) that "infrastructure investment can also play a key role in driving and supporting private funding, such as to encourage private investment in housebuilding on much-needed but more challenging sites".

On the relation between housing and a specific kind of infrastructure the Green Paper says:

> The Government is committed to spending £2.5billion by 2021 on improving flood defence and resilience, which will ensure 1,500 new flood defence schemes are built and over 300,000 homes are better protected
>
> (p 58)

However *a Map for England* demonstrated that if past trends are used to calculate housing targets, that would mean an increasing proportion of new homes in districts most vulnerable to coastal and river flooding especially in the East of England. There is little point in spending

[2] Peter Hall (2014) *Good Cities, Better Lives* p 92

large sums on flood relief if we continue to direct homes to areas vulnerable to future flood risk.

The Green Paper maintains that a complex planning system has been one of the factors that has been perceived as responsible for our worse record over infrastructure. We acknowledge that Planning Inspectorate figures show that 80% of the funding for nationally significant infrastructure projects comes from outside the UK. The pertinent question is what kind of change to the planning system would be suitable. Many attempts have been made to simplify it which have added complexity. One of our members has concurred with the issue of complexity but also shown how more national and regional planning (city regions and counties maybe) are needed. This is not simply about simplification:

> I do a lot of work for AXA. They have huge pension funds to invest in schemes. Countries such as Germany, France and even Italy have a far simpler planning system and national & regional plans to support long term (+25 year investments in buildings and infrastructure). We are therefore competing for funding in a global market and need to provide more certainty to encourage investment.

In our recent response to the National Infrastructure Commission Call for Evidence we drew attention to difficulties in achieving objectives such as rebalancing the UK:

> We do not consider that the three objectives of the NIC (on economic growth across all regions, competitiveness and quality of life) really provide a sufficiently detailed steer to overcome past weaknesses in decision-making.
>
> One way then that these objectives could form a more useful basis for assessment is to develop them such that they make reference to the *spatial* dimensions of infrastructure investment decisions, in two main respects: how infrastructure could help to achieve the objectives set out in government strategies; and (relatedly) how infrastructure could generate the greatest returns on investment including by being directed to areas and regions that might benefit most (for example in terms of improved productivity and quality of life). This would provide a much stronger rationale for infrastructure decisions which might help to resolve some of the issues noted above.

3. Supporting businesses to grow

In our view there are currently several barriers:

Transport and connectivity – Under-investment in public transport systems both within and between the travel-to-work-areas and city regions is a major barrier to growth. It impacts upon the catchment area from which employers can attract skilled employees and also the transportation of raw materials and goods to market. It is vital that infrastructure projects such as Northern Powerhouse Rail (NPR) are delivered to improve the connectivity. As a business one of our members has found it unsustainable for employees to commute between city regions e.g. Manchester to Leeds; Sheffield to Leeds or Hull to Leeds.

Procurement – see Section 4 below.

Corporate Taxation – Many small businesses grow at a steady rate through cashflow (see page 63 of the Strategy). It is important that taxation (including VAT, National Insurance and Corporation Tax) supports this growth and does not stymie growth. For example, National Insurance rebates for SMEs to employ more people, or reducing VAT would improve cashflow and facilitate growth.

Land supply: The Government brought in permitted development rights for change of use from B1(c) light industrial to C3 residential in The Town and Country Planning (General Permitted Development) (England) (Amendment) Order 2016 (March 2016). The rights will be for a temporary period of 3 years from 1 October 2017. Whilst residential supply is clearly important, these PD rights do not sit well with the above positive statements on ‘joined up approach’ regarding industrial investment etc. if changes of use are taken out of the institutions’ hands.

The London Borough of Lambeth for example has lost 20,000 sq m of floorspace since 2013. Yet secondary workplace floorspace can be crucial to encouraging innovation, as Tech City has proved already. This report from Segro shows the consequences of a blanket application of one employment based policy across the whole of England from a department other than BEIS. http://www.segro.com/media/keeplondonworking?sc_lang=en

And this is not only a London problem. Following the introduction of "PDR" in 2013, Gravesham (Kent) council sought exemption from permitted development rights for change of use of commercial to residential uses for the Gravesend town centre and Ebbsfleet office space. The council was refused leave to do this by DCLG and 90% of the town's office space has now been lost to mainly single residential flats with existing businesses forced out of the borough and new B1 enquiries having to locate outside of the borough due to a lack of available office space. This has affected the area's economic growth potential.

The issue is not confined to the conversion of industrial property; it also concerns industrial land. In the desire to increase housing supply, it is important that attention is also paid to the space needs of industry. There is indeed a lot to be said for planning these together. Industry may benefit from more peripheral locations close to the national road network, especially if it is a high user of space. Such uses may be sensibly relocated from cities. However this requires both that planning takes place at functional area scale, and also that the uses of land for different purposes are considered in plans and that decisions made by local authorities on those plans are backed up by central government.

Recent statements in connection with the Housing and Planning Bill give some encouragement that Ministers may be prepared to ease up on this approach in future.

4. Procurement

BEIS discusses "banning burdensome prequalification questionnaires" (p 74) but the procurement chapter does not discuss the use of public sector procurement to drive local supply chains. There is evidence that construction by housing associations delivers strong local supply chain benefits. This can extend to the health sector: Liverpool Clinical Commissioning Group uses "proportion of supply chain spend with Liverpool based businesses" as a key metric[3]. Government's own procurement should be targeted to support areas of the country which need business. The green paper makes great play of trying to get contracts to SMEs, but the chapter is seriously lacking in setting a spatial steer to procurement.

Government needs to move away from a merely price-based procurement system to a quality model of assessment.

Our members have shown how they think public procurement can be improved for SMEs. For example smaller business can be innovative and creative; doing things better and/or faster than larger corporates. Public sector procurement often overlooks this assuming that 'big is best'. Public sector procurement needs to be rationalised to ensure that unproductive bureaucracy is reduced and public sector contracts/frameworks are open to all businesses who are able to deliver the goods or services.

This is especially important where deprived areas are concerned. Far too often government procurement favours large organisations whose headquarters and key high value jobs are far

3 *Shaping Healthy Cities and economies*, NHS Clinical Commissioners, Dec 2016

from the regions being provided for and with often limited understanding of areas' particular needs. If we are really serious about lifting up poorer regions then tighter and more localised supply chains – the circular economy – will be needed. Government spending is a key way to drive this, but that would be a sea change.

5. Trade

The RTPI along with the other built environment professions , is considering what changes to its role should be made in order to respond to the challenges and opportunities of the UK leaving the European Union. Part of this is to emphasise the value of built environment professional services exports, which total over £750 million per year (RICS, RIBA). The RTPI has supported a conference in Budapest with the British Embassy in February 2017 which focuses on British built environment expertise, and we are looking forward to future working with DIT. While the RTPI has 1300 listed international members, a further group of our members have a significant part of their income coming from overseas contracts. We have stressed along with our sister Institutes that a key success factor in winning consultancy work overseas is the high standards of professionalism currently exhibited in the UK, together with high standards of environmental protection and construction products. A race to the bottom on environmental standards will mean our consultancies lose valuable marketable experience. And if the UK fails to invest in and value urban planning and other built environment professional services at home, this will not go unnoticed in overseas markets.

6. Energy

This chapter of the strategy proposes to abandon the 'energy trilemma', a framework through which energy policies are sought which simultaneously meet climate change targets, guarantee security of supply and minimise energy costs. It indicates that progress on increasing capacity and reducing emissions mean that policies "in the years ahead" should focus on energy affordability for households and businesses. It also states that the government will commission a review of the opportunities to reduce the cost of achieving decarbonisation goals.

These proposals appear to stem from the recent House of Lords Economic Affairs Committee report - *The Price of Power.* This criticises Government interventions to decarbonise the electricity sector, which it states have raised electricity costs for consumers through 'green levies', and calls on the government to vary the pace of emissions reductions needed to achieve its legally binding 2050 target.

This separation of energy affordability from emissions reduction falls into the trap of seeing decarbonisation efforts as only a cost. A recent report from the Committee on Climate Change (CCC) challenges this assumption, showing that rising energy costs for households are more than offset by low-carbon policies which reduce overall energy consumption. They show that low-carbon policies only have only a limited impact on business energy bills.

This focus on the cost of green levies also ignores the subsidy paid to fossil fuel industries in the UK, which are not directly subsidised through energy bills but receive taxpayer funding nonetheless. The IMF estimates the UK spent around £26bn in 2015 subsidising fossil fuels (not even accounting for externalities like climate change or air pollution) while projections for renewable energy subsidies are expected to reach only £9.1bn by 2020-21. Recent analysis from Carbon Brief found that the North Sea oil and gas sector became a net drain on the UK's public finances for the first time in 2016, as the costs of decommissioning increase.

When discussing energy affordability, the strategy should be clear on the full range of costs and benefits that accrue from subsidising different types of energy.

It is also worth unpacking the assumptions around progress on climate change. The strategy says that climate action is being successfully addressed by the legally-binding targets established under the 2008 Climate Change Act, and states that the government has "…*an exemplary record of meeting our [emission reduction] obligations*". Questions of how future obligations will be met are deferred to the forthcoming Emissions Reduction Plan, now labelled as the Clean Growth Plan (CGP), which will set out how future obligations will be met.

There are several problems with this approach. The latest CCC progress report shows that the 'exemplary record' made to date in reducing emissions has been driven almost entirely by decarbonisation within the power sector from the phasing out of coal. There has been almost no progress in other sectors, with emissions in transport, buildings, industry and agriculture, decreasing only slightly (or in the case of transport, increasing). The CCC have warned that the UK lacks the policies to meet the next carbon budget, which requires a 57% reduction in UK emissions by 2030 relative to 1990 levels - let alone the overall target of an 80% reduction by 2050.

These are extremely challenging targets and will entail major transformations across all sectors of the economy – net emissions from electricity, heat and transport may need to be reduced to almost zero. Meeting the Paris Agreement's long-term temperature ambition of no more than 1.5C warming will require the UK to exceed even the targets of the Climate Change Act. The uncertainty around renewable and domestic energy policies post-Brexit also mean there is little room for complacency.

The policies set out in the CGP should shape all aspects of the Industrial Strategy, yet by deferring any consideration of emissions targets, it drastically underestimates the challenges facing the economy and misses a critical opportunity to develop mutually compatible objectives. For example, the CCC recommends urgent action on the following to meet our legally binding emissions targets:

- Decarbonising heat
- Setting ambitious energy efficiency standards for new building (e.g. through a new zero carbon homes policy)
- Retrofitting the existing housing stock (e.g. through a replacement for the Green Deal)
- Setting new vehicle efficiency standards and boosting the uptake of electric vehicles
- Developing a strategy on carbon capture and storage (CCS)
- Limiting aviation emissions
- Deploying the cheapest renewables (like solar and wind)

Few of these receive any mention in the Industrial Strategy, or, where they are, they are addressed in a fragmented way. Statements on smart grids, smart meters, energy storage and electric vehicles are welcome, but numerous opportunities for further synergy are missed. For example, the pressing need to retrofit the existing housing stock relates to Pillar 2 (developing skills) and Pillar 3 (upgrading infrastructure relating to housing). Developing a strategy for CCS requires clusters of shared infrastructure which will have implications for local growth and skills (Pillar 9). Setting ambitious energy standards for new homes could help the UK to cultivate a new world-leading sector of the economy (Pillar 8), while ensuring that the government's strategy to boost housing supply is compatible with emission reduction targets.

The Industrial Strategy should not view technology development and energy cost reductions as independent factors. Continued investment and deployment of low-carbon technologies and energy efficiency measures are essential to drive down costs to consumer and businesses (as occurred with solar PV). This requires a consistent policy trajectory from government in order to give industries the confidence to invest and to allow supply chains to build up.

The strategy is fairly silent on the locational implications of energy strategy. These are manifold. If power is increasingly generated from off shore or coastal locations via renewables or nuclear power, this has implications for jobs and the need for power lines. Alternatively we could see more industry located at places where power is available. The post 1930 world of equal power everywhere may be replaced. These are issues that an industrial strategy needs to embrace. At present power infrastructure is planned by National Grid on largely a commercial basis. Government should give a stronger steer on what it wants our power infrastructure architecture set up to be like in future, given the stated desires regarding rebalancing. Changes in technology could be a great opportunity for poorer regions, as our Great North Plan[4] suggested, but this will require coordination and leadership.

The RTPI also considers that there needs to be a change in the way energy markets are regulated. The long standing emphasis on low prices (plus some environmental objectives) has placed undue burdens on UK housing. By insisting on planning permission before agreeing investment, and by having only 5 or 7 year plans which bear no relation to local plan timetables, regulators are causing delays to housebuilding. Time is wasted while developers and energy companies argue about who is responsible for necessary investment. This applies especially to upstream reinforcing investment. In the past it has resulted in public money or S106 being used to bolster private energy companies' asset base, an asset base which is then used to earn them revenue.

7. Sectors

The Green Paper refers to a list of its favoured sectors (p 97):

> aerospace, automotive [industry], the life sciences, the creative industries, digital [industry], financial services and professional and business services.

We consider there is a risk that this approach is a static one, which simply looks at past performance and fails to seriously consider where the economy and society are going in the future. It would preferable to look at what kind of things global society is going to need in the future and see how the UK might tool itself up to be able to compete in *future* markets. We think that adopting a mission-oriented approach (or approaches) would be a great way of approaching this (see section 0).

The Green Paper does not explore the potential role of cities themselves in driving this agenda: "business should lead the relationship with the Government, rather than the other way round." (p98). The Green Paper frequently describes "government" as meaning "the UK Government". But properly empowered cities could themselves lead. The renowned planner Professor Peter Hall's last book *Good Cities Better Lives* describes how German cities such as Kassel link research, innovation, industrial strategy *and urban planning* . If the Government is indeed genuine in saying "A number of themes will inform our approach and

---

[4] See section 9 in this response

draw from successful practice in the UK *and overseas "* [p98 itals added] then it should devote some time to appraising these examples. The RTPI can assist here.

We note important learning also from the Cardiff Capital Region:

> It is tempting to suggest that the Cardiff Capital Region will succeed best in the long term if we focus solely on one or two priorities such as growth sectors, education, enterprise, connectivity, promotion, or tourism. But our commission has found that a long term strategy for the region needs to combine and sequence multiple interventions that are not in tension with one another but require careful integration.

Quote from the Growth Commission considering Cardiff Capital Region Approach

This further shows the benefits of *local* strategy making.

8. Driving growth across the whole country[5]

It is very welcome to see the Green Paper recognising that:

> Spending decisions by the government can support growth in different areas – not just in terms of total spend, but also its composition. For example strategic infrastructure investments in transport, housing, flood defences and cultural assets can all have a substantial impact on how particular places grow (p108).

The Green Paper recognises that spending can be very skewed (e.g. transport). However rectifying this by simply changing the way that *central* government makes decisions risks ending up with a repetition of the problems which have dogged the country in the past. If all the decisions are centralised, outcomes depend on being able to influence central government. Countries where *cities and regions make their own funding decisions* have a more satisfactory approach,

The Green Paper places great emphasis on sectors at a national level, with the *government* deciding which are the key ones rather than freeing *places* to work out how to build on place strengths through forging strong relationships between players at local level. Perhaps City Regions and Counties (or groups of them) should be devising their own industrial strategies as well. This is not to rule out the value of action at national level, just to seek to see this augmented.

We welcome the Government's intention "to carefully consider the future of the European Structural and Investment Funds alongside the wider future funding environment". It is imperative that suitable (if perhaps not identical) ways can be found to achieve the same (or even better) outcomes than those achieved using EU assistance.

9. Institutions

The Green Paper describes the roles of local institutions. It is important to refer to the role of local authorities because the issue of housing is critical to driving economic growth across the country. For example the success of the Cambridge Science Park is highlighted but with no reference to the severe housing constraints that Cambridge now faces due to highly inconsistent housing and industrial strategy (not to mention the arguably unsatisfactory untaxed increases in land value.)

There is a serious challenge with continuing with LEPs in their current form. Frequently they include in their Strategic Economic Plans levels of GDP growth which are not consistent with

[5] See also our comments on Nations in section 0.

housing plans for their areas. Currently there is no satisfactory mechanism to require SEPs and housing plans to be consistent. It would be helpful for the UK Government to indicate if further arrangements like Greater Manchester and London (where the LEP is subject to democratic oversight and its actions can be made consistent with housing plans) are its preferred intentions.

On the other hand some attention to what can be learned from successful interventions in the past should not be foregone simply because those happened under previous administrations. Whilst Regional Development Agencies had their faults, they also had substantial achievements which should be carried forward into new arrangements without prejudice. One example is the work of Advantage West Midlands on automotive supply chains which is bearing fruit still today.

The Green Paper goes on to list other institutions locally (e.g. universities) but fails again to indicate how any of these organisations might *cooperate within city regions* to drive forward growth. The implication is that only the UK Government would have such a role. The Kassel example referred to above is a stark contrast :

> In 1970 the city took a fateful decision to found a new kind of university; a so-called *Gesamthochschule* … centred on new-style interdisciplinary projects based on practical examples which would bring both students and faculty into direct contact with political issues…. [Rather than see the city tram system closed down] Transport experts in the university then began to develop a radical proposal … to connect the tram system to the neighbouring towns…Economic success was not the central aim but …the city's ranking [is] as Germany's most dynamic city … (P Hall (2014) p 136

The lesson to be learned here is that cooperation between local institutions can yield great benefits, but they do need to be free to make their own decisions. Greater devolution of decision making, strong and unfettered cooperation between powerful local institutions and local tax powers can lead to optimal outcomes.

There is still far too little joined up thinking and positive co-operation between many councils on the issue of cross border infrastructure investment. A prime example is Milton Keynes – a former national growth point. Over the last 50 years there has been a huge amount of planned and completed infrastructure provided in the town. This runs right up to the edge of the Borough. Where roads cross the borough boundary dual carriage ways become normal roads in all four gateways as the surrounding boroughs do not wish to prioritise the development of Milton Keynes over the development of their own areas. The duty to co-operate is not working. LEPS have not been able to resolve this situation.

In 2016 the RTPI and IPPR North worked on a Blueprint for a Great North Plan. This was a ground-breaking exercise in addressing the kind of issues that could usefully be considered over a wider area than a single city region.

10. Concluding remarks

The RTPI welcomes a fresh approach to thinking about the government's role in the economy. We consider it needs to exhibit greater connections to the government's role in meeting the housing needs of the England and also how the government intends to handle environmental challenges in future. And clearly close working will be needed with governments in other UK nations.