

# How does the localism agenda relate to the place-based/territorial approach being explored in ESPON?

Discussion points for the ESPON UK seminar 14 February 2011

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## Common Ground

The concept of “localism” is central to the development of the planning system in England. The idea also captures concerns of those involved in planning and development in other UK administrations. The latest ESPON Synthesis Report<sup>2</sup> argues that

*“A territorial development strategy that is clear in its messages to investors as well as to local stakeholders can reduce uncertainty and risk and be part of the process of restoring business confidence and creating attractive places” (p 10).*

The ESPON research agenda draws strongly on the Barca Report<sup>3</sup> which advocated to the EU the case for a “place-based development policy”.

The Localism Bill introduced in December 2010 promises to revolutionise the English planning system by sweeping away regional strategies and making neighbourhood plans “the new building blocks of the planning system”. Local authorities will have greater freedom in how they do plan-making. However, there will be a duty on local authorities and other public bodies to cooperate on planning issues. There will also be a new requirement for developers to consult local communities before submitting planning applications for very large developments.

While the preparation of a National Planning Policy Framework is not in the Localism Bill, and thus is not intended to be statutory, it was part of the Coalition Agreement. However, it is not clear whether such a Framework would be spatial in the way that the Scottish National Planning Framework is, for example. Similarly, while not covered by the Bill, the introduction of Local Enterprise Partnerships is also viewed as an important part of localism. LEPs have been promoted as a key vehicle in delivering economic growth and decentralisation,

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<sup>2</sup> ESPON (2010) *Smart, Sustainable and Inclusive Territories: First ESPON 2013 Synthesis Report*

<sup>3</sup> Barca, F (2009) *An Agenda for a Reformed Cohesion Policy: The Barca Report*; European Commission

whilst also providing a means for local authorities to work together with business for economic recovery.

According to the Department of Business, Innovation and Skills, LEPs will

*“play diverse roles reflecting the differing local priorities in different areas. These will include ensuring that planning and infrastructure investment support business needs, and work with Government to support enterprise, innovation, global trade and inward investment. By combining strong business leadership with groups of local authorities whose planning, regulatory and public realm roles are critical to growth, these bodies will be able to bring an integrated approach across real economic geographies.”*<sup>4</sup>

This agenda reflects the increasingly decentralised and place-based approach to development policy which has come to the fore in recent years in a number of key policy reports and is explicitly explored in the ESPON 2013 programme. For example, the OECD’s “New Rural Paradigm”<sup>5</sup> noted that in many countries there has been a shift towards “policies and programmes that have an explicit goal to develop rural places and make them more competitive by mobilizing local assets”. The Barca Report made the case for “place-based policy” as an integral part of multi-level governance, in which strategic and local initiatives are combined:

*“it is up to the top levels of government to set general goals and performance standards and to establish and enforce the “rules of the game”. It is up to the lower levels to have “the freedom to advance the ends as they see fit”. (p.41)*

However, in this context, strong local institutions and networks may also be barriers to development, blocking new opportunities and setting low expectations. Institutions tend to be “path dependent” – in other words the area’s, and its institutions’, history shapes attitudes and practices, and is not easy to change quickly. One of the frequent problems associated with path dependency, as noted by Barca, is the existence of an entrenched, self-interested local elite.

Recent ESPON research underpins this place-based approach. The EDORA project, for example, along with the TeDi project, emphasised the uniqueness of places and the need for endogenous development policies. Current projects such as GEOSPECS and PURR are carrying these ideas forward. One size does not fit all, local knowledge matters and while there is value in general principles and a role for national governments, territorial development needs to engage with the local context. As the ESPON 2013 First Synthesis Report argues, there needs to be capacity “to understand the wider territorial context, and to formulate and to implement locally adapted measures” (p.103).

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<sup>4</sup> <http://www.bis.gov.uk/policies/economic-development/leps/lep-expressions-of-interest> [1 February 2011]

<sup>5</sup> OECD (2006) *The New Rural Paradigm*; OECD

There is much common ground: particularly around the idea that uniform solutions imposed top-down are not appropriate because there are real and significant differences between places. Both localism and the place-based approach stress the need for a vital local democracy, and local implementation. Building on this common ground, what insights can be gleaned from ESPON that might inform the implementation of planning under localism? The listing below is not comprehensive and selects some generalisations rather than specific UK findings and examples. However, recent and ongoing projects include a number of UK case studies.

### **Diversity and local initiatives can drive economic recovery and sustainable development**

ESPON explores the idea that “diversity is a strength”, which is at the heart of thinking about territorial cohesion. The Synthesis Report asks “*What are the very particular opportunities opened up by factors that are strongly place-based such as accessibility, or cultural and natural heritage?*” (p.103).

Thus a strong application of local knowledge is important and policy blueprints should not be transposed directly from one place to another.

### **Urban areas as economic drivers**

ESPON’s research shows that urban areas are home to the main drivers of innovation, the place with the sharpest social divides and critical for reducing the ecological footprint. The CAEE project found that in general urban areas do seem to offer economic advantages through agglomeration effects. However there has been a significant shift: from a period 20 or 30 years ago, in which manufacturing industries benefited from localisation economies, to the present in which knowledge based economic activities, dominated by service industries in terms of employment, have benefited more from urbanisation economies (CAEE, 2010, 29). In other words the main spillover advantages seem increasingly to be the “soft” ones of contacts and knowledge in areas of economic concentration, rather than more physical connections between firms and suppliers, for example.

### **Urban areas are decentralising and governance is responding**

“*Higher value manufacturing activity and some of the more routine service sector activities – particularly those requiring extensive land – tend to cluster around key transportation infrastructures, often on the fringe of the core urban area*” (CAEE, 2010, 5). Such decentralization dynamics, along with problems posed by urban sprawl, seem to be prompting the gradual development of stronger metropolitan/city-regional governance arrangements.

### **Urban-rural relations matter**

Urban areas and their hinterlands are connected in multiple ways, e.g. commuting, shopping trips, school provision, recreation and day trips etc. Administrative boundaries should not predefine our understanding of place. Benefits can be achieved from rural-urban co-operation and partnerships, notably

with small town networks as hubs for service provision and jobs. However, there are likely to be trade-offs posing difficult challenges for planners and policy makers – e.g. sustaining services but shortage of affordable housing.

### **Rural globalisation and rural business networks**

While global connectivity is now integral to urban development, it is important to note that vertical networks linking the local to the global are also important for rural development, along with horizontal networks connecting locally based producers, institutions and consumers. As the Synthesis Report says (p.44) “Understanding such networks, and facilitating them, is important in the nurturing of regional resilience.” Rural – global relations may be strongly linked to local cultural or environmental assets which draw tourists or branded local products such as food or drinks selling globally. In such situations effective regulation of development to sustain the asset and the authenticity of local products is an important part of smart growth (p 40).

### **Key factors for business**

Among the key factors identified as shaping the local business environment by interviewees in the CAEE project were “critical communication infrastructures, the availability of skilled or high potential labour (including the presence of research intensive higher education institutions), international connectivity through a globally connected hub airport, the clarity, decisiveness and speed of public planning processes” (p.7). Many of these are path dependent.

### **The need for spatial policy making and TIA**

Barca argues that “policies which make clear their spatial effects and ensure that these are subject to public scrutiny are superior” (p.20). However, many policies are “spatially blind” yet have territorial impacts. ESPON has led the development of methods for Territorial Impact Analysis (TIA). A new project (EATIA) is exploring methodologies that can be used easily and cheaply to anticipate likely territorial impacts of EU Directives and policies at national and regional levels.

### **Challenges to territorial cohesion**

ESPON findings expose territorial cohesion challenges within the UK that cannot be fully addressed just at the local level or just by planning policy. The south-east / north west divide reflects the global role and strength of London. Other divisions within the UK, however, are not really significant in a European perspective, mainly because of the relatively polycentric urban structure, the economic role of the cities and because the UK countryside is no longer an area dependent on primary production.

### **Policy impact assessment**

ESPON shows that many policies have territorial impacts. Some of these are intended, some are anticipated, but others are either unintended and/or unanticipated. More attention needs to be given to TIA so that impact analysis includes, but is not restricted to environmental impacts. For example, what are

the intended and likely territorial impacts of localism, or the planned high-speed rail developments?

### **New information infrastructures**

Localism implies a new diversity in policy making and practice. What new information will that create, and what structures are needed to learn from this “experiment”? What information does central government need to play an effective guiding role?

### **Recent ESPON 2013 Reports**

<b>CAEE</b>	The Case for Agglomeration Economies in Europe
<b>CLIMATE</b>	Climate Change and Territorial Effects on Regions and Local Economies in Europe
<b>DEMIFER</b>	Demographic and Migratory Flows Affecting European Regions and Cities
<b>EATIA</b>	ESPON and Territorial Impact Analysis
<b>EDORA</b>	European Development Opportunities in Rural Areas
<b>FOCI</b>	Future Orientation for Cities
<b>GEOSPECS</b>	European Perspectives on Different Types of Territories
<b>PURR</b>	Potential of Rural Regions
<b>ReRisk</b>	Regions at Risk of Energy Poverty
<b>SGPTDE</b>	Secondary Growth Poles in Territorial Development
<b>TEDI</b>	Territorial Diversity in Europe

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