

RTPI response to the UK2070 Commission Teesside Task Force call for evidence

December 2020

The UK2070 Commission is an independent inquiry into city and regional inequalities in the UK, chaired by Lord Kerslake. In order to further the recommendations of its [10-Point Plan for Levelling Up the UK](#), the Commission set up the Teesside Task Force. This aims to support long-standing aspirations for a major increase in number and quality of employment opportunities in the region, and to enhance wellbeing in the Teesside.

This is the RTPI's response to a call for evidence from the Teesside Task Force, and was prepared by members of the RTPI North East region.

About the RTPI

The Royal Town Planning Institute (RTPI) champions the power of planning in creating prosperous places and vibrant communities. As a learned society, we use our expertise and research to bring evidence and thought leadership to shape planning policies and thinking. As a professional body, we have over 26,000 members across all sectors, and are responsible for setting formal standards for planning practice and education.

Context

The RTPI welcomes the work of the UK2070 Commission, and supports this particular inquiry on a new economic vision for the Teesside economic sub-region.

Inequalities across the North are pronounced: as IPPR North's latest [State of the North Report](#) highlights, the North is currently experiencing levels of unemployment not seen since 1994 - in October, 657,900 people claimed unemployment-related benefits in the North. At the core of Teesside (currently under Tier 3 restrictions), Middlesbrough is among the worst affected northern towns and cities. There are fewer job opportunities in the North compared to the rest of England, with lower median wage levels, lower qualifications and, most disturbingly, lower health outcomes and life expectancy.

All indications are that the Covid-19 Pandemic has seen a marked worsening of many of these economic and health and wellbeing indicators in the North, with the Tees Valley Combined Authority's [Monthly Economic Update](#) (November 2020) showing that self-employment support is higher at 71% take-up rate compared to the national average.



The RTPI's 2019 research study **Ambitions for the North**, alongside other components of the Great North Plan initiative (including the **economic strategy work from IPPR North**), are designed to contribute to an emerging, pan-northern spatial framework for people and places. It recommends a more ambitious approach to strategic planning and governance across the North of England: promoting co-operation beyond traditional boundaries, helping cities, towns and rural areas develop sustainably, and ensuring that prosperity generated by the Northern Powerhouse is shared as widely as possible.

The reaction to the pandemic and the inequalities that exist, demonstrate that to deliver sustainable, fair and equitable growth, there is a need to address the following challenges:

- Complex post-industrial decline
- Affordable housing associated with changing demographics
- Viability concerns associated with regeneration
- High street decline and reinventing town centres
- Technological and behavioural transformation, ensuring no members of society are left behind
- Fragmented governance, short term planning time horizons and funding
- Process-based planning

The *Ambitions for the North* study sets out three clear ambitions:

- To become a globally competitive, sustainable and attractive North of England
- To deliver this transformational vision by coordinating planning and investment across functional areas, and
- To narrow the disparities within the North, provide better and more coordinated planning for rural and coastal communities, to create well connected, high quality, sustainable places.

Also of interest to the commission might be the Institute's recent response to the **Freeports consultation**, and the emerging findings from our research on **place-based solutions to net zero carbon transport: the role of spatial planning**, which will be published early 2021. This will show that Government and local authorities need to take urgent and radical action around transport decarbonisation, in order to achieve anything close to an 80% reduction in surface transport emissions by 2030.

Response to the key questions of the Task Force

1. Current state of Teesside: What is the scale of economic growth required to level up the Teesside economic region?

The Teesside sub-region requires a transformative step-change in the scale of sustainable economic growth, in order to level up with the UK as a whole and in comparative performance to other European regions. For this reason, we fully endorse the overall aim of the Tees Valley Combined Authority (TVCA) and the Tees Valley Local Enterprise Partnership (LEP), as expressed in the Strategic Economic Plan (SEP), which is to maximise the amount of investment in Teesside and in particular to improve, diversify and accelerate growth in the sub-regional economy to benefit businesses and residents. The (pre-Covid) ambition is to create some 25,000 new jobs and add £2.8 billion GVA to the sub-regional economy by 2026. Longer term, Teesside has the potential to generate 60,000 additional jobs and GVA of circa £17 billion (up from £12 billion).

The SEP aim of becoming a high-value, low-carbon, diverse and inclusive economy is highly laudable, as is the focus on the six main strategic priorities of:

- **Business Growth**
- **Research, Development, Innovation & Energy**
- **Education, Employment & Skills**
- **Culture and Tourism**
- **Transport & Infrastructure**

The Teesside economy has long been significant on an international scale - it has vital assets and capabilities which have both national importance and global reach. Significantly, the four Northern Powerhouse 'prime capabilities' of advanced manufacturing, energy, digital and health innovation are at the core of the Tees Valley economy. By 2040, Tees Valley has the potential to add 10% of the Northern Powerhouse's transformational GVA target of £47 billion, with only 4% of the population. The regeneration of the South Tees (mayoral Development Corporation) area is key to the effective realisation of this potential.

The RTPI's 2019 research study **Ambitions for the North** set, as its primary ambition 'To become a globally competitive, sustainable and attractive North'. The vision espoused by the Tees Valley SEP indicates that Teesside has the capabilities and the potential to contribute very significantly to this ambition, which also reflects the policy thrust of the Northern Powerhouse initiative and Transport for the North's Strategic Transport Plan.

2. Re-industrialised Teesside: What is the potential for an integrated approach to the proposed three-pronged programme of revitalising steel-based industries, decarbonising the economy and unlocking opportunities connected with the port and its assets?

As the Ambitions for the North study proposes, there is a need to co-ordinate planning and investment across housing, employment, infrastructure, technology, environment and community, in order to deliver distinctive, attractive, healthy and prosperous places to live, which deliver the transformational vision for the North.

To achieve this effectively, we recommend that spatial strategies for each functional area in the North should be produced, following the Greater Manchester Spatial Framework (GMSF) model, which is based on collaborative strategic planning across a sub-regional area. These strategies should encourage strategic approaches to new settlements, urban extensions, and urban regeneration. Teesside has a clearly recognisable identity as a functional economic sub-region and is therefore ideally suited to this approach.

As such we welcome the integrated consideration behind the revitalisation of the structural economies of Teesside. However, in order to maximise the potential for the decarbonisation of places, we recommend this is done in a more systematic and coordinated spatial way, through the formulation of a sub-regional spatial framework for the Teesside sub-region, considering the future industries, their supply chains, workforce and how these industries - including Teesport - should knit into their local communities and the opportunities of innovation and new industries from climate change and essential carbon reduction initiatives.

The RTPI's emerging research on planning for zero carbon transport points to the need for a radical shift towards a new model of integrated spatial planning, underpinned by a strong place vision and focused on the delivery of ambitious, cross-cutting outcomes. These outcomes need to include much more than numerical housing targets, road capacity and expectations of architectural design. At the most basic level, spatial planning needs to make 'zero-carbon' outcomes a pre-requisite of new development, and a priority for regeneration. This alone requires a significant uplift in ambition compared to the current approach.

If spatial planning is to deliver net-zero outcomes at pace and in a way that addresses other challenges such as high street decline, habitat loss, health and wellbeing, inequality and deprivation, it needs to be more ambitious still in setting clear expectations of what truly sustainable development really looks like, and ensure that the planning system is not only capable, but required to deliver the necessary outcomes.

3. Other Economic Opportunities: What other opportunities have significant potential for contributing to the growth of the Teesside economic region: for example, on health, caring and education; supporting the local foundational economy; and on environmental programmes, including harnessing the cultural and environmental assets of the area?

The Tees Valley SEP outlines the ambition for 25,000 new jobs. This is broken down by sector in the table below:



Net Job Creation: 2016-2026	Original	Revised
Low Carbon / Process, chemical and energy	+2,500	+2,000
Advanced Manufacturing	+2,500	+1,500
Other Manufacturing	-5,000	-4,000
Construction	+4,000	+3,000
Professional and business services	+8,000	+7,000
Logistics	+2,000	+3,000
Digital	+2,000	+3,000
Higher Education	+1,000	+1,000
Health and social care	+4,000	+3,500
Services	+4,000	+2,000
Culture and leisure	-	+3,000
Total	+25,000	+25,000

These predictions, while influenced by the significant and rapid changes to be brought about by key initiatives such as the regeneration of the South Tees Development Corporation area, the potential for a freeport and projects such as Net Zero Teesside, anticipate that whilst the broad sectoral structure is expected to remain broadly similar, its future development will need to be supported by improved infrastructure, connectivity, placemaking and skills development.

The updated SEP (in preparation) is considering natural capital and ecosystems services and TVCA have been involved in a DEFRA funded Natural Capital Account Pilot. Sharing the same geography as TVCA and as the counterpart to the LEP, Tees Valley Nature Partnership¹ (TVNP) are working closely with the Combined Authority to develop a Natural Capital Investment Plan for the Tees Valley that will attract funding and finance for BNG and nature-based solutions to climate change. At the leading edge of innovation TVNP are mid-way through a National Lottery Communities Fund project to engage with the communities of the Tees Valley to ensure that proposed investments have a positive social impact alongside the already demonstrable environmental and economic benefits. These 'stacked' benefits include improved health and wellbeing outcomes in areas with high indices of multiple deprivation.

As strategic partners Middlesbrough Environment City (MEC) and Middlesbrough Council (MBC) launched Climate Action Middlesbrough² at the TVNP Nature and Climate Conference in

¹ See teesvalleynaturepartnership.org.uk

² See menvcity.org.uk/news



November 2020. This ambitious project seeks to empower communities and younger people in particular to address climate change and reduce the carbon footprint of Middlesbrough.

Health, wellbeing and employability are at the heart of the Borderlands Project³ that uses arts and culture to improve the prospects of the residents of North Ormesby, Brambles and Thorntree in Middlesbrough, and Southbank and Grangetown. This is complemented by an ongoing partnership with the Festival of Thrift⁴ and the emerging Festival UK 2022 R&D project with the potential to bring in £11million of investment in the Tees Valley⁵.

4. Labour Market: What are the local skills gap and action needed to future skill the workforce (including regional networks & educational performance)? Does the operation of the local housing market create any barriers to economic development?

Clearly, the ambitious new jobs targets set out in the SEP (see Q1 above) will significantly increase demand for higher and intermediate level skills in a number of sectors. Therefore, we welcome the recognition in the SEP that the skills gap is a significant barrier to accelerating the growth potential of Teesside and we endorse the SEP's multi-faceted strategy for addressing this.

In terms of attracting and retaining skills, one of the biggest issues that Teesside faces is that negative external perceptions relating to the Tees Valley as a place to live. Our *Ambitions for the North* research identified the need for a *transformational vision for housing* – moving away from planning by numbers, towards a more ambitious, high quality, affordable and sustainable housing provision. This means that the government's current approach to a standardised methodology for assessing housing need, must be replaced by one that is more closely aligned with the transformational growth agenda for the North (see page 27 of the study). This is key to the realisation of the vision-led, aspirational and ambitious approach to economic, social and environmental regeneration that needs to drive and deliver meaningful and effective positive step change outcomes for the future of Teesside.

5. Complementary Policy Action: What other complementary policy interventions are required to maximise the regeneration of Teesside, for example through better access to public and private funding, or programmes for environmental renewal?

Together with integrated spatial planning and decarbonisation policies as referenced above it is recommended that the taskforce considers the following complimentary policies areas:

- Natural Capital Investment Pipeline
- UK Infrastructure bank to free up finance for sustained long term major investment programmes as announced in the National Infrastructure Strategy

³ See creativepeopleplaces.org.uk/project/borderlands

⁴ See festivalofthrift.co.uk/talks

⁵ See festival2022.uk



- Funding local and pan Northern Strategic Infrastructure as recommended by Transport for the North
- Integrated healthy placemaking
- Addressing the place-based components of poverty and inequality
- Sustained investment in the existing building stock and environment to ensure integrated and transformational sustainability improvements

6. Wider Policy Impacts: What policies and action are needed to spread the social benefits of economic growth to ensure that levelling up is across all communities of the economic region which is dependent on Teesside in the wider region, especially smaller towns and marginalised communities?

Linked to the response to question 5, the RTPI considers that inclusivity should be at the heart of all decision making. Our [Plan the World we Need](#) campaign, launched in 2020, seeks to establish an inclusive approach to recovery to the Covid-19 pandemic.

The pandemic has already exacerbated existing patterns of inequality and disadvantage both within and between places, and these could further worsen during the economic downturn. Across the UK, years of austerity have already led to cuts to local government spending and the dismantling of neighbourhood services, which disproportionately affect women, ethnic minorities and the disabled to identify just a few. Loss of income and stability of employment could push more people into insecure housing, and the most vulnerable into homelessness.

Disadvantaged communities are also disproportionately affected by the environmental risks caused by climate change, such as flooding and overheating⁶. These risks will continue to increase during the recovery period, interacting with and exacerbating the vulnerabilities.

The institute, alongside the United Nations, the Climate Change Committee, the Environmental Justice Commission and the Wellbeing Economy Alliance, has called for a strong focus on social justice during the recovery. This will involve prioritising long-term human wellbeing and equality through capacity building within communities and policies which reduce vulnerabilities to climate and other risks, considering socio-economic status.

We recommend:

- **Improving the quality of existing homes and neighbourhoods.** The current focus of planning on new build supply must be complemented with a massive uplift in improvements to existing housing and settlements, which comprises the great majority of the stock and communities. Much-needed investment in energy efficiency retrofit should be linked to masterplans which regenerate deprived areas, protecting the rights of existing residents, and improving access to jobs, services, amenities and infrastructure.
- **Deliver high quality and affordable housing in the right locations.** Significant growth should be mixed use and targeted on brownfield sites which support wider regeneration efforts. Housing should come from a more diverse range of providers, including SMEs,

⁶ See RTPI (2020) [Five Reasons for Climate Justice in Spatial Planning](#)



housing associations, local authorities and the custom and self-build sector, with clear design standards for space (both internal and external), light and thermal efficiency as well as heating and cooling.

- **Improving access to green spaces.** Parks, public gardens and other open spaces should be integrated into strategic plans for critical green and blue infrastructure. These should improve quality, scale and accessibility of quality green spaces, especially in areas of deprivation, while delivering multifunctional benefits such as flood mitigation, cooling, air quality, active travel, biodiversity gains, habitat creation and space for urban agriculture.
- **Embedding 'climate justice' in plan-making.** Strong climate mitigation and adaptation policies are required to achieve net zero carbon and increase resilience to environmental risks. These policies must be designed to support the most vulnerable in society, integrated with the measures outlined above.

7. Wider Policy Relationships: What wider economic inter-relationships of Teesside, pan-regional and national, need to be considered in the regeneration of Teesside?

The Teesside conurbation has strong linkages to the economy of the wider North East and North Yorkshire. Around 247,700 people (87% of working residents) live and work in Tees Valley with 38,100 residents commuting to surrounding areas - particularly County Durham, North Yorkshire and Tyne & Wear - whilst 34,700 residents of surrounding areas work within Tees Valley⁷. The Tees Valley economy has well established strengths in Chemical & Process, Energy and Advanced Manufacturing. There are also emerging strengths in Digital, Business & Professional Services and the Logistics sector, which are playing an increasing role in the region's economy. Many of these sectors form important parts of the pan-Northern economy and are therefore well positioned to contribute to and benefit from the growth that can be expected with enhanced strategic investment in connectivity and economic stimulus packages.

As Covid-related government support is gradually withdrawn, furloughs may be increasingly converted into job losses. The recession is expected to reduce economic activity across the country as a whole, but the most visible impacts are likely to be in places with a higher dependency on at-risk sectors, many of which were already struggling⁸. For example, coastal and rural communities are likely to be affected by disruption to the summer tourism season, while local economies which are dependent on manufacturing and aviation could suffer from continued job cuts.

Regarding economic planning, the Institute recommends,

- **Meeting the land, housing and infrastructure needs of sectors which can deliver emission reductions, environmental gains and job growth.** This will require strategic planning over wide geographical areas, across longer timescales and through close engagement with businesses groups, trade unions, skills agencies, infrastructure providers and investors.

⁷ See [Tees Valley Economic Assessment](#)

⁸ RTPI (2020) [Plan The World We Need](#)



- **Identifying and coordinating the upfront infrastructure funding needed to maintain viability in weak housing markets.** Public-sector master planning, with close involvement from infrastructure providers, can provide confidence for developers and local communities, and ensure that measures taken to stimulate construction are coupled with the investments needed to deliver sustainability and resilience.
- **Planning for mixed use communities with accessible local services, digital connectivity and networks of green and active transport infrastructure.** This investment will capture the benefits of more flexible and remote working patterns, reduce pressure on both local and strategic transport networks, freeing up capacity which avoids the need for costly upgrades.
- **Regenerate, revitalise and diversify town centres and high streets.** Maintain a town-centre first approach by taking a holistic, plan-led approach to the integration of high-quality affordable homes, and the repurposing of vacant commercial space for uses which support community resilience and environmental sustainability.

8. Post-COVID-19 Economy: What uncertainties and opportunities are created for the area by the COVID-19 pandemic, for example, in terms of changing work-life balances and the role of public transport?

The Plan the World we Need research has provided insight on the future economy and the likely impacts for planning. These include the implications of changing levels of homeworking, which are likely to decrease as Covid-related restrictions are lifted during 2021. Around 20% of those currently working from home report finding it difficult⁹, and some will have practical reasons to return to an office, such as the need for faster broadband and the use of specialist equipment. The value of physical interaction to productivity, collaboration and innovation will remain important, along with the benefits of in-person conversations, socialising and mentoring. Some will lack comfortable space for homeworking or have struggled to separate professional and domestic life. Property managers are anticipating the return of employees to offices and making the necessary changes to enable social distancing.

However, the experiences of lockdown are likely to lead to a permanent increase in flexible working arrangements in sectors and occupations where remote working has been shown to be not only possible but, in many instances, beneficial. Many employers have rapidly overcome practical challenges to homeworking and changed their perception around the productivity of homeworking. In a survey of 6,000 office workers across the UK, Germany, France and the Netherlands, only 24% of UK respondents said they wanted to return to the office full-time. Major tech companies, such as Twitter, Google and Facebook, are among those offering greater long-term flexibility to their employees¹⁰.

Demand for office space may be propped up in the short-term as social distancing reduces capacity. However, wider impacts could emerge as office leases come up for renewal, and companies seek to make operational savings during the recession. This could see the price of

⁹ RTPI (2020) [Plan The World We Need](#)

¹⁰ Ibid



commercial real estate decrease, and secondary impacts for restaurants, bars, shops and services located around office clusters.

Changing commuting journeys could reduce peak travel demand, easing pressure on roads and public transport, and alleviating the need for expensive capacity upgrades. However, transport networks may come under strain as commuting journeys are replaced by more complex local journeys, especially in locations with limited accessibility and connectivity by public and active travel. Broadband and energy networks may also come under strain, as daytime usage shifts towards residential neighbourhoods.

The impact on development viability is uncertain, and dependent on how quickly residential transactions recover. In China, property transactions have only recovered to 50% of their four year average¹¹.

The combined impacts of social distancing and a weak economy will accelerate existing trends on the high street. Over 11,000 major retailers have already ceased trading since 2008, in part due to competition from the convenience of large supermarkets, out-of-town stores and online shopping¹². The need to maintain social distancing could see this competition get even stronger. However, more diverse high streets, in areas with strong local economies, may prove resilient as social distancing rules are gradually relaxed and shops and offices reopen. Some local high streets may continue to benefit from the increase in flexible working, as employees spend more time in their local neighbourhoods. The reallocation of space for pedestrians and cyclists, may also help to increase footfall.

The Transport Planning Society has released work on the **impacts of coronavirus for transport**. The pandemic has had a significant and unprecedented impact on how we get around, how goods are transported, and how transport planners do their work. The RTPI recommends that, during the recovery, places should integrate and consolidate temporary measures to enable walking and cycling into wider strategies for place, locking in long-term shifts in travel behaviour, engage with communities and businesses to ensure that changes meet a range of mobility needs, collaborate on temporary measures to support sustainable mobility in car-dependent locations, design and locate new development to maximise accessibility by public, active and shared modes of transport.

9. Post-Brexit Economy: What are the implications of the new trading relationships with the European Union and other countries post-Brexit, for example, relating to more localised or diversified supply chains, particularly, steel and port-related sectors?

The RTPI has previously appraised the implications of Brexit for environmental and building standards, access to skilled workers, funding for research and infrastructure projects and the regulatory environment within which it operates¹³.

¹¹ Ibid

¹² Ibid

¹³ See rtpi.org.uk/policy-and-research/topics/brexit

With specific regard to Teesside, it is important to recognise that, while any policies around Freeports are likely to have wider land use impacts, Teesside's economy is significantly focused on export-led and internationally-orientated sectors. Freeports are traditionally secure customs zones located at ports where business can be conducted inside a country's land border, but where different customs rules apply. Typically, goods brought into a Freeport do not attract a requirement to pay duties until they leave the Freeport and enter the domestic market – and no duty at all is payable if they are re-exported." The consultation considers the proposed Freeport policy including the objectives and ambitions for Freeports, noting that the model could be used for rail, sea and airports as well as integrated areas.

The RTPI's response to the Freeports consultation welcomes elements of the proposals such as the potential positive economic impacts particularly in supporting the levelling up of areas in England. We recognise that the government is enthusiastic to progress this policy and our comments have been made in the spirit of recommendations to fine-tune the proposals. At the same time, aside from the broader concerns over potential market distortion, tax evasion and money laundering which have attended the European debate over freeports, the RTPI's report on **Planning priorities for England** (April 2020) earlier explained in detail the very real risks of market failure, with its concomitant social and environmental impacts, from uncontrolled development - evidenced in some of the shockingly poor quality housing delivered through permitted development without the required high standards.

Therefore, as a coherent sub-regional economy, Teesside is a prime candidate requiring a distinctively larger-than-local approach and broader long-term strategic planning in relation to connectivity, sustainability, housing and further permitted development aimed at delivering high standards and outcomes in an adaptive and responsive way. Without such strategic planning, there is a serious risk that short-term piecemeal approaches and 'packages' will fail to achieve the desired coordinated and sustainable outcomes.

10. Institutional Barriers: What is the potential for more effective future relationships between industry, government and civil society? What are the priorities for further devolution to local government, especially the Combined Authority?

Teesside has acknowledged integrity as a sub-region/city region for economic and spatial planning purposes. It also has a proven track record of sub-regional cooperation and governance structures that should be the envy of many other larger urban regions within the UK. These require further sustained investment and development to support the massive challenge of driving transformational change over the coming decades and to complement the South Tees Development Corporation and other key action areas.

Key to the RTPI's approach to delivering the vision for the North is to secure the more effective coordination of planning and investment across functional areas (*Ambition 2 in Ambitions for the North*, p29). Accordingly, the RTPI considers that the scope of devolution to the Combined Authority should be broadened to encompass the development of a strategic spatial plan or framework for Teesside (along the lines of the Greater Manchester Spatial Framework).

At the same time, if Teesside is to maximise its contribution to the Northern Powerhouse initiative, then in line with the primary thrust of *IPPR North's State of the North 2018 – Reprioritising the North Powerhouse*, Teesside should commit to a 'Whole North' approach,



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reflecting the inter-dependence of the sub-region with the wider economy of the North, notably in terms of interventions in the prime capabilities of digital, energy, advanced manufacturing and health innovation, and concomitant investments in both infrastructure and people.