harnessing towns and cities for better growth

Nicholas Falk and Richard Simmons explain how a 'considered reset of how we do development' could transform the economy and reinvigorate urban life



Masterplan for Eddington, North West Cambridge

The next government must tackle low productivity in our cities before it can make real progress on its vital mission to boost the UK's miserable economic growth. We propose four steps to revive conurbations as economic and social powerhouses, creating places that add extra value by promoting wellbeing and sustainable living, not just short-term financial rewards.¹

- 1. Learning from what works
- 2. Restoring spatial planning
- 3. Using stations as development hubs
- 4. Innovation in finance and tenure

Both major political parties advocate building many more homes faster to solve the housing crisis and boost economic growth. The Conservatives have shifted from mandatory targets and George Osborne's Garden Cities to brownfield development. Labour intends to 'bulldoze' the planning system and build 1.5 million homes in five years.²

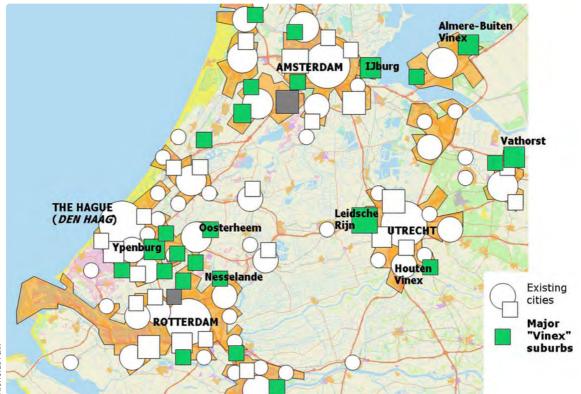
Yet neither party seems willing to address the fundamentals. The bulk of UK output comes from cities whose performance is generally poor compared with their continental equivalents.³ Fractured local government; failure to devolve decisions to the most appropriate level, including the abolition of regional planning; the dominance of volume house builders, and a finance system biased towards property all contribute to the lowest per capita economic growth rate and the highest house price inflation in Europe.⁴ This malaise has persisted for at least four decades.⁵

We need a considered reset of how we do development, especially in areas with the greatest growth potential. Housing can only play a positive role in getting Britain moving if it is combined with measures to improve local infrastructure – with a strategy to intervene where government and its partners can make most difference.⁶ Reinvigorating urban life through targeted investment will boost productivity, promote wellbeing and help us meet environmental goals such as restoring natural capital.

Rather than simply axing planning controls, we must learn from what worked in the past and what still works in much of Europe – focusing on building better, well-connected neighbourhoods, not just new homes, and tapping financial institutions for development partnerships. Finally, to be sustainable, growth needs to follow models closer to those of the foundational economy,⁷ doughnut economics⁸ and the circular economy⁹ rather than the market theories espoused by most think tanks.¹⁰

1.Learning from what works

The immediate solutions lie in rebuilding our capacity to deliver results quickly. Policies like the Dutch VINEX programme prove local leadership and



Vinex suburbs, Randstad, The Netherlands



Vathorst, Amersfoort, The Netherlands

devolution of powers pay off. Across The Netherlands, 95 urban extensions increased the housing stock by 7.6% over ten years.¹¹

With over 10,000 homes, the urban extension of Vathorst in the mid-sized town of Amersfoort is one of the most popular places to live, kicked off by a new railway station. Amersfoort was the Academy of Urbanism's European City of the Year in 2023.

But we should also learn from closer to home. Historically, both major political parties sparked urban growth using innovative mechanisms. This included Development Corporations under Labour in the post war New Towns – a model adapted by the Conservatives for urban regeneration in the 1980s and now for housing growth. Partnerships conceived by the Tories in the City Challenge programme were adapted by Labour to administer and deliver successive rounds of the Single Regeneration Budget programme, English Partnerships and regional development agencies created thriving housing markets and quality regeneration in places like Ancoats, Manchester and in the centre of Nottingham.¹² Labour's approach to urban renaissance, recommended by the Urban Task Force led by Richard Rogers, was starting to deliver before the financial collapse in the US housing market precipitated a change of aovernment.

A more recent example of smarter growth can be seen at Eddington, North West Cambridge. Inspired by a study tour to the Netherlands and Germany, Cambridge University decided to lead development of its own land into a place 'designed for twentyfirst century sustainable living'. A bond issue raised £350 million, enabling advance infrastructure investment, which included an innovative sustainable urban drainage scheme. The first phase included 700 homes for staff, 700 market homes and 350 rooms for post-graduates – all designed by leading architects – plus shops and community facilities. The scheme shows the value of proactive planning by a progressive landowner in securing innovation.

'Housing can only play a positive role in getting Britain moving if it is combined with measures to improve local infrastructure'

These domestic successes have three common elements: a coherent change strategy; a budget to build confidence, and skilled, dedicated teams. All three are singularly lacking in most places nowadays. Generations of politicians and professionals from the 1970s to the early 2000s had economic, planning and infrastructure delivery skills to broker change. The skills required to work in small multidisciplinary teams; focus upon outcomes not inputs; manage large urban development programmes and build partnerships that engage investors and communities are in short supply. Rebuilding a cadre of energetic and knowledgeable practitioners and leaders is a first priority.

2. Restore spatial planning

It is time to replace our tortuous adversarial planning system with an integrated model of strategic spatial planning for housebuilding and infrastructure linked to a 'green' economic base. This can provide a strong sense of shared ambition, bringing stakeholders on board to ensure smoother delivery of better placemaking. URBED's report for Sheffield's growth as a Garden City illustrates how a well-visualised plan can win support from business, developers, local people and environmentalists, offering a model for spatial planning from city to neighbourhood.¹³

The digital revolution should make it much easier to bring together different sources of data at a sub-regional level in the manner that the Digital Planning Task Force has recommended.¹⁴ The Royal Society for the Arts' Urban Futures Commission recommends strengthening data and modelling capabilities. Spatial science can map social and natural capital and travel patterns to identify the best growth points. It might also be used to assess the extra wealth created through effective strategic plans, rather than relying upon the sometimes dubious claims of site promoters. It helps local partnerships turn plans into places by evaluating the impact of different options and scenarios on a multiplicity of objectives. Cambridgeshire did this in the Structure Plan that has shaped its growth to date. Greater Cambridge is now using Bioregional's innovative carbon calculator to optimise site selection.15, 16

The technology is there. What about the art of urbanism? When it called for an urban renaissance, Lord Rogers of Riverside's multidisciplinary Urban Task Force (UTF) learnt from how European cities like Rotterdam rebuilt themselves after the Second World War.¹⁷ The UTF report drew upon a lot of accrued wisdom about how to shape places for the better. English Partnerships and the Housing Corporation complemented this with comprehensive advice on delivery in a companion to their *Urban Design Compendium*.¹⁸ Both are still useful.

Whatever one thinks of standard house types, the creation of beautiful neighbourhoods has been a challenge, as housing audits have revealed.¹⁹ Yet there is long history of providing advice for developers and local planning authorities. The Commission for Architecture and the Built Environment (CABE) played an important role before its effective abolition in 2011. Its advice is still available online.²⁰ The 2009 World Class Places strategy, introduced by Gordon Brown's Labour government, was ditched by the Conservative/ Liberal Democrat coalition in 2010.²¹ The de facto hiatus in design policy that followed was, thankfully, ended by the Building Better Building Beautiful report, Living with Beauty. This was followed by the National Design Guide, the National Model Design

Code and an updated *National Planning Policy Framework* mandating design coding.²² If there is a hole in skills, it is in writing effective codes.

Richard Simmons undertook a review of a small sample of developer-written codes in 2023 for a non-governmental organisation and found a wide variation in quality – from detailed roadmaps to justifications for standard estate and house design without even a controlling diagram. The Office for Place, university design schools and architecture and built environment centres are trying to fill the skills gap, but all is dependent upon local authorities having the ambition to raise quality standards.

3. Using stations as development hubs

Even with the growth in working from home, connectivity that cuts travel times remains key to raising productivity. It takes twice as long to get to work in Birmingham as in French cities such as Lyon.²³ Grand projects have inherent flaws, which lead to cost and time overruns.²⁴ They need to be broken into incremental steps where transport and housebuilding can be joined together, and private investment mobilised.²⁵ One opportunity is to make the most of underused railway lines, as Manchester and Croydon have done, by transforming them into tramways rather than pursuing *grand projects* like HS2.

An outstanding example of connected smarter growth is the London overground railway network. It has raised demand and private property values in previously neglected areas of east London like Dalston. Making better use of what already existed kept the cost relatively low. New trains and improved stations are popular. Compact apartment developments have followed. London, like other capitals, benefits not only from its public transport inheritance, but also from continual 'metroisation'.²⁶ This needs to become the norm within all of our main conurbations, as the Welsh government is demonstrating through the South Wales Metro. which uses smart electric trains to link the more socially deprived valley towns with the economic hub of Cardiff. The Well-being of Future Generations (Wales) Act 2015 helped to bring about this switch.27

Inflexible highways design brings connectivity into conflict with placemaking. The Department for Transport's *Manual for Streets* promotes circumscribed, pedestrian and cycle-friendly residential roads, discouraging wasting land on over-specified carriageways.²⁸ Yet in 2020, the Place Alliance's *National Housing Audit* found highway design scored joint worst in new developments. Often, road space was not integral to urban design.²⁹ Risk-averse local engineers continue to apply outmoded regulations that favour the car.

A better way forward is signposted by an alternative plan for Chippenham, Wiltshire, which is led by Sustrans and Create Streets. A 'vision-led'



South Wales Metro depot

approach', combining placemaking with investment in sustainable transport:

'could result in a healthier, happier, more productive and sustainable place [and] 'gentle density' [in] a walkable, well-connected and integrate[d] extension of the existing town, with good air quality, less congestion and vibrant neighbourhoods... the same number of homes can be delivered, within the same budget, and with a far smaller land take – simply by reducing the assumed need for a major road'.³⁰

4. Innovation in finance and tenure

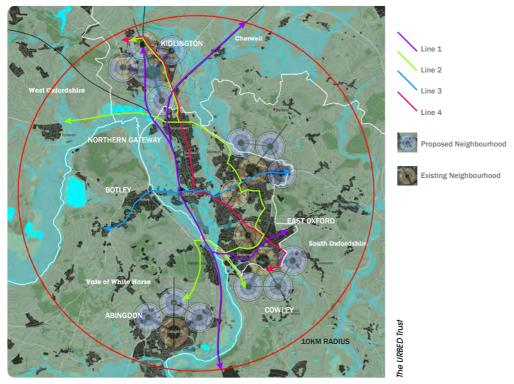
With little spare tax revenue, the next government must be innovative. Rowan Moore uses URBED's 2014 Wolfson Prize Award-winning Uxcester Garden City plan to show 'what else could there be,' if only we disregarded 'property myths'.^{31,} ³² Building 'visionary, popular and viable' garden settlements is best done by extending existing towns and cities. The uplift in land values could then be shared with the community.³³ Early results could come from intensifying locations with spare rail capacity and under-used land. Transport bodies should act as enablers, helped by streamlined compulsory purchase order powers. Transit-Oriented Development (TOD) would help end economic stagnation, house price inflation and congestion.³⁴ Cities such as Portland, Oregon, USA use tax increment finance (TIF) to raise private investment against the promise of local tax revenues from development. The community banking sector is also strong in Portland, focusing on the needs of local businesses and civil society organisations.

A better model for land assembly could transform stagnant towns and cities.³⁵ Development

corporations set up by groups of local authorities or city region mayors could assemble land and improve local infrastructure before selling serviced sites. Transport bodies should start with spare land they own, as Places for London is doing, backed by the £2 billion property portfolio of Transport for London. They plan to build 20,000 new homes by 2030 through joint ventures with housebuilders.³⁶

⁴Private investment could come through 30-50 year bonds for providing local infrastructure and rented homes, as in North West Cambridge.⁴

To scale up development, occupation rates must be accelerated through different forms of tenure and management, rather than relying mainly upon owner occupiers who need mortgages. A high proportion of residents rent their homes in some of the most productive and popular continental cities. Co-housing is common in the Danish cities of Copenhagen and Aarhus. In Vienna 60% live in rented apartments, most owned by the municipality. Some 200,000 homes are managed as cooperatives. The city is regularly ranked as the most liveable and happiest place to work. Zurich, Switzerland is raising its proportion of co-operative homes from 25% to 33% following a referendum. Spending less on housing means more to spend in town, supporting better public transport with more street space for pedestrians and cyclists.



Turning Oxford into 'Uxcester Garden City'

The potential in the UK is there to be grasped, especially with an ageing population in need of more manageable homes. There is demand for some 278,000 new homes in community land trusts.³⁷ Their great economic advantage is in knowing early on who is going to buy the homes, and in having a long-term management organisation. In Orchard Park, Cambridge, the Marmalade Lane cohousing scheme has won many awards and is spawning imitators. Whilst the homes of the future may look familiar, their tenure, finance, and delivery mechanisms are likely to be very different.

Private investment could come through 30-50 year bonds for providing local infrastructure and rented homes, as in North West Cambridge. They would create balanced sustainable urban neighbourhoods, secured against land values. Contractual agreements would give housebuilders large and small confidence to focus on meeting demand rather than engaging in land speculation. They would also help to fill the skills gaps by creating alliances between local colleges and prospective employers. Of course, the mindset of the Treasury would have to switch from antispending to pro-investment. But a change at the top would signal a national commitment to reset and replace stagnation with good growth and sustainable prosperity for all.

Achieving the necessary switch depends upon the next government tackling inequalities in wealth that polarise British society, not only between the regions but also between the young and the old. To win popular (and permanent) acceptance, overdue property tax reforms are needed to mobilise investment that frees up people, not the car. Congestion charges and supplementary business rates have already worked in London. A system of land charges for designated growth areas would encourage councils to respond to local priorities and apply here what works elsewhere in Europe.³⁸

Conclusion: switching direction

Unlocking investment is vital. The UK has been constrained by an over-centralised state. To unleash the potential of our towns and cities, the Treasury must act as a motor, not a brake; as an enabler rather than a regulator. The expertise of the National Infrastructure Commission, Homes England and other experts could be combined in a new English growth commission, working through local offices wherever an ambitious growth strategy has been agreed. A Harvard University research group, led by Ed Balls, Economic Secretary to the Treasury (2006-2007), recommends that:

'a Prime Minister-chaired Regional Growth Delivery Unit should be established, managed jointly by the Cabinet office and HM Treasury. The Unit will be responsible for holding Whitehall to account over delivery of the National Growth and Productivity Strategy, issuing statutory progress reports at each fiscal event.³⁹ Rebuilding the British economy calls for coalitions at a much larger spatial level, where strategic planning is crucial. Inspiration can come from cities like Rotterdam, Copenhagen or Leipzig that enjoyed a renaissance after periods of decline, and from places in the UK that transformed themselves in the past.⁴⁰

Effort is needed to explain why change is needed and how it will benefit local people. Lessons can be shared through a simple ABC:

- Ambition to create better places and override vested interests;
- B. **Brokerage,** where leaders forge 'quality deals' in which most people benefit and nobody loses, and
- C. **Continuity** over several decades, allowing enough time to stabilise systems, change travel habits, transform run-down areas, and for infrastructure investments to pay off.

Principles for Smarter Urbanism

- Select places with the capacity for change. The best areas for growth or regeneration need to be identified in spatial plans at a sub-regional level using **digital intelligence** and community engagement to inform priorities.
- **Development frameworks** should specify realistic objectives and desired outputs with the phasing of plans for the short, medium and longer terms.
- **Special purpose vehicles** should assemble complex sites and align development with infrastructure plans and share the uplift in land values with the existing community.
- Design codes should set standards for key sites and thus allow a wider range of builders to get involved in creating balanced and better looking neighbourhoods.
- Land assembly of neglected land and property should reflect the current planning status of each plot plus a bonus based on the ultimate value, in order to disincentivise 'free riders' and holding land to ransom.

• Dr Nicholas Falk founded URBED (Urban and Economic Development) in 1976 and is now Executive Director of the URBED Trust, which is sharing experience and promoting innovation in place making. Dr Richard Simmons is a Visiting Professor in the Bartlett School of Planning, UCL and was the last Chief Executive of CABE (Commission for Architecture and the Built Environment) following a long career in urban policy and regeneration. Both combine practical and academic experience as economists, urbanists and planners. All views expressed are personal.

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