



## Grand Designs? A new approach to the built environment in England's cities

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### Executive Summary

A new approach to the built environment is needed in England's cities. Long-term economic restructuring has meant that populations have grown in some areas and declined in others. Between 1971 and 2009, nearly 20 percent of England's city-regions lost population. The falling demand for space in some parts of the country has important implications for the built environment policies adopted in these areas. With limited public funding, policy makers need to re-think their approach.

Falling demand for residential and commercial property has negative consequences for the built environments and people living in those areas affected. Most noticeably, it increases the amount of vacant or derelict land, offices, factories and houses. This impacts in turn on the quality of life of local residents and makes areas less attractive to businesses.

The approach to physical regeneration pursued by previous governments has been to try and rejuvenate low demand areas by clearing up dereliction and building more housing and commercial space in its place. Some of these projects have been successful. Unfortunately, however, many have not delivered the desired outcomes because they have often been trying to work against powerful tides of change that have been shifting people and economic activity away from these areas.

Our analysis of the evidence suggests that a new approach to the built environment should be based on five key principles:

- 1. Built environments need to adapt to changing economic circumstances and levels of population.** Urban areas facing industrial change and population decline need strategies that deal directly with the consequences this has for the built environment in some neighbourhoods, as well as making the most of realistic opportunities for growth in others.
- 2. Strategies should focus on delivering the best outcomes for people.** Increasing the supply of business space and housing in areas where there is limited demand for it is not necessarily the best way of improving outcomes for local people. Insights from countries where local authorities have more power and responsibilities – for example, the United States and Germany – suggest that 'smart-sizing' can improve outcomes in neighbourhoods experiencing decline.



“Government should set up a permanent ‘Transformation Fund’ that focuses solely on helping those areas struggling with industrial and population decline”

- 3. Decision makers should respond to the needs of different neighbourhoods.** A ‘one-size-fits-all’ approach to the built environment would ignore varying patterns of demand for space across a city-region. For example, Liverpool is losing population across its city-region, but still has potential for growth in some areas.
- 4. Community engagement and leadership is crucial when managing the impact of decline on built environments.** Evidence from both England and overseas suggests that top down solutions are not welcomed by local communities. Policy makers need to ensure that local authorities and neighbourhood leaders are given the responsibilities and resources needed to deliver change.
- 5. Places need to keep reviewing their economic circumstances. No city-region or neighbourhood is on a fixed path towards either growth or decline.** Facing industrial change and population decline now does not mean this will always be the case. Built environment strategies need to adapt to changing circumstances and levels of demand at different points in time.

Our evidence suggests that **local authorities and communities should:**

- **Take a leadership role in dealing proactively with the impact of economic change and population decline on the built environment.** Strategies that deal with urban blight in creative ways can deliver real benefits for the local community when delivered alongside strategies for skills, worklessness and business support.
- **Consider reconfiguring former residential and commercial sites to improve outcomes for local residents.** Increasing green spaces, enlarging residents’ houses and gardens or adapting buildings currently not in use to lower levels of demand can deliver benefits for residents and potentially enhance the attractiveness of the local area, as well as being more cost effective.
- **Develop city-region spatial development plans via Local Enterprise Partnerships.** Local decision makers need to identify neighbourhoods where there is growing demand for housing or commercial space as well as areas experiencing population loss and urban blight and implement approaches that reflect the needs of different neighbourhoods.
- **Engage effectively with the local community when developing and implementing ‘smart-sizing’ plans.** Policy makers should give as much power as possible to residents in deciding on plans, including testing out the neighbourhood planning approach proposed in the Localism Bill.

**National government should:**

- **Urgently identify new funding for Housing Market Renewal Pathfinder projects.** National government’s decision to pull all funding from these schemes imposes an unfair cost on the communities concerned. Part of the Regional Growth Fund, European Regional Development Fund and Homes & Communities Agency budgets should be re-profiled to fund an acceptable solution and each scheme should be reviewed with the local community to ensure it will deliver appropriate outcomes.
- **In the next spending round, set up a permanent ‘Transformation Fund’** that focuses solely on helping those areas struggling with industrial and population decline.



“Built environment policies remain a hotly contested area of debate”

## 1. Introduction

This is the final paper in our Agenda for Growth series, which has set out an evidence base and series of recommendations aimed at helping England’s cities adapt to economic and political change.

- In *Private Sector Cities*, we showed that there have been significant variations in private sector employment growth across England over the past decade and we argued that policy makers need to start helping cities adjust to long-term shifts in the pattern of economic growth across our economy.<sup>1</sup>
- In *Firm Intentions*, we called for a more evidence based approach towards business growth policy from all tiers of government and explained how we think Local Enterprise Partnerships and the Regional Growth Fund can be used to support economic growth.<sup>2</sup>

In this report, we show how long-term economic restructuring and population change has led to falling demand for space in some of England’s urban areas, and we explain how policy makers can deal more effectively with the negative consequences this has for built environments and local people in affected areas.<sup>3</sup> In focusing on the built environment, we recognise that built environment policies need to be integrated with appropriate employment, skills, health and other policies to deal with the challenges being confronted in areas experiencing decline. Future reports will discuss these topics in more detail.

Built environment policies – particularly in the form of physical regeneration projects – have been at the forefront of regional development efforts over the past 30 years, and they remain a hotly contested area of debate. The election of a new government and the large cuts in public spending that are now being introduced to reduce the deficit compel policy makers and city leaders to take stock of the strategies they have been adopting towards the built environment in England.

So far, national discussions have focused almost entirely on the reforms needed to enable economic growth and expansion, with the proposed New Homes Bonus seen as one of the principal mechanisms through which this can be achieved.<sup>4</sup> As we argued in *Private Sector Cities*, physically expanding high growth areas – such as Cambridge, Oxford, Reading and London – should be a key priority for the new Government, and we will be conducting a research project on this topic in 2011.

The debate on how policy makers should go about physically expanding buoyant cities is a hugely important one, but it does not address the equally important question of how they should deal with the impact of industrial change and population decline in particular neighbourhoods and cities. For example, while the New Homes Bonus is an important step towards providing incentives for housing growth, this kind of policy is less well suited to areas of the country that are experiencing population decline, and which therefore tend to have lower demand for housing and higher rates of property vacancy and dereliction.

1. Webber C & Swinney P (2010) *Private Sector Cities: a new geography of opportunity* London: Centre for Cities

2. Swinney P, Larkin K & Webber C (2010) *Firm Intentions: Cities, Private Sector Jobs and the Coalition* London: Centre for Cities

3. By ‘built environment’ we mean houses, offices, factories, roads, railways, stations and public spaces.

4. It is intended that the New Homes Bonus will ‘incentivise local authorities to increase housing supply by rewarding them with a New Homes Bonus, equal to the national average for the council tax band on each additional property and paid for the following six years as an unringfenced grant’. For more details see DCLG (2010) *New homes bonus: Consultation* London: DCLG



Recent announcements suggest that the Government recognises the need for a fresh approach. For example, the recent Local Growth White Paper hints at the need for a different approach to declining areas by criticising policies that have gone ‘against the grain of the market’.<sup>5</sup> Meanwhile, the Department for Communities and Local Government (DCLG) is also considering whether a new approach to underperforming areas may be needed, and has recently commissioned a series of reports on the subject.<sup>6</sup>

Any new strategy should draw on lessons from previous experience. Our analysis suggests that the public sector’s approach to the built environment in areas that have been experiencing industrial and population decline has tended to be overly optimistic about the potential for built environment investments to transform the economic fortunes of declining areas (see section three).

Through no fault of their own, many of these areas are caught in a cycle of long-term industrial decline brought about by trends like globalisation and technological change. These trends often make declining areas relatively less attractive to live or operate businesses in, and this makes them very difficult for the public sector to ‘turn around’ through its investments.<sup>7</sup> Understandably, public sector actors have attempted to turn around declining areas in the face of these powerful forces of change. Unfortunately, however, the result has often been that built environment strategies and investments have been poorly suited to prevailing economic circumstances and have not resulted in the desired outcomes.

A pragmatic ‘Agenda for Growth’ for the future should aim to help those areas of the country experiencing economic and population decline adapt to the specific types of challenges being faced. Rather than focusing on economic growth or increasing population regardless of local circumstances, the primary aim of built environment policies should be to deliver the best outcomes for local residents and businesses. This could mean, for example, transforming ex-industrial sites into green assets or reducing densities in declining residential neighbourhoods to increase the size of housing and garden space for individuals and families living in that area. This would benefit local people, make the area more attractive and possibly support future business and housing investment from the private sector.

As well as learning from previous experience in England, policy makers can also learn from innovative built environment strategies that have been introduced overseas. Some cities in the United States and Germany have been deploying ‘smart-sizing’ approaches to their built environments for years now, in order to deliver better outcomes for their residents. The scale of population decline experienced in many US and German cities is far greater than that seen in England’s cities, but there are still valuable lessons for England’s city leaders to learn from the approaches that have been adopted elsewhere in the world.

5. Department for Business, Innovation and Skills (2010) *Local Growth: realising every place’s potential* London: HM Government p.7

6. Overman H (2010 - unpublished) ‘Policies to help people in declining areas’; Tyler P (2010 - unpublished) *What should be the long-term strategy for patterns of decline and underperformance?*; Lawless P (2010 - unpublished) *Prospects and policies for underperforming areas: the neighbourhood dimension*.

7. Tyler P (2010) *What should be the long-term strategy for patterns of decline and underperformance?* London: DCLG

“The public sector’s approach to the built environment in areas that have been experiencing industrial and population decline has tended to be overly optimistic”



While city leaders should lead the way, there remains an important role for national government in helping places manage the process of change on their built environments. In the short-term, national government should draw funding from the Regional Growth Fund, European Regional Development Fund and Homes & Communities Agency budgets to finance an acceptable interim solution for Housing Market Renewal Pathfinder projects. This is so that the communities affected by these projects are not left in a worse position than when they started. In the medium-term, it should introduce a permanent ‘Transformation Fund’ to support change in areas struggling with the impact of industrial and population decline on their built environments.

## 2. Economic growth, population change and adaptation of the built environment

This section of the report explores the interrelationship between economic growth, population change and adaptation of the built environment in England’s cities. Our analysis shows that the populations of some places grow and others shrink as the pattern of economic growth and job creation evolves across the country over time. We argue that the resulting ‘population rebalancing’ should be recognised as a normal part of the adjustment process for the economy, and that the primary focus of built environment policies should be to manage the process of change.

### Box 1: Analysis of population change

Population statistics are a good indicator of the direction of change in an economy and the pressures being put on its built environment. Our analysis draws on long-term population change data and is accompanied by animations of the population change process in England and London between 1801 and 2009. These can be viewed at: [www.centreforcities.org/granddesigns](http://www.centreforcities.org/granddesigns)

Unless otherwise stated, when we refer to cities like Manchester, Birmingham and Liverpool we are referring to travel to work areas (TTWAs) – a measure of a city’s functional economic area – rather than individual local authorities or primary urban areas.

### History shows that population change responds to economic change: people move to access employment opportunities

Long-term population trends show clearly that the focus of population growth in England has shifted around the country over time. Figure 1 illustrates this point well by showing the percentage population growth experienced by different parts of the country during different stages of the past 200 years.

Research shows that the kinds of shifts in population growth illustrated in these maps are linked to changes in the pattern of economic growth across an economy, with people moving to find work in areas of the country where economic growth and job creation is strongest.<sup>8</sup> In England, these shifts in the pattern of economic growth have been linked to the well documented process

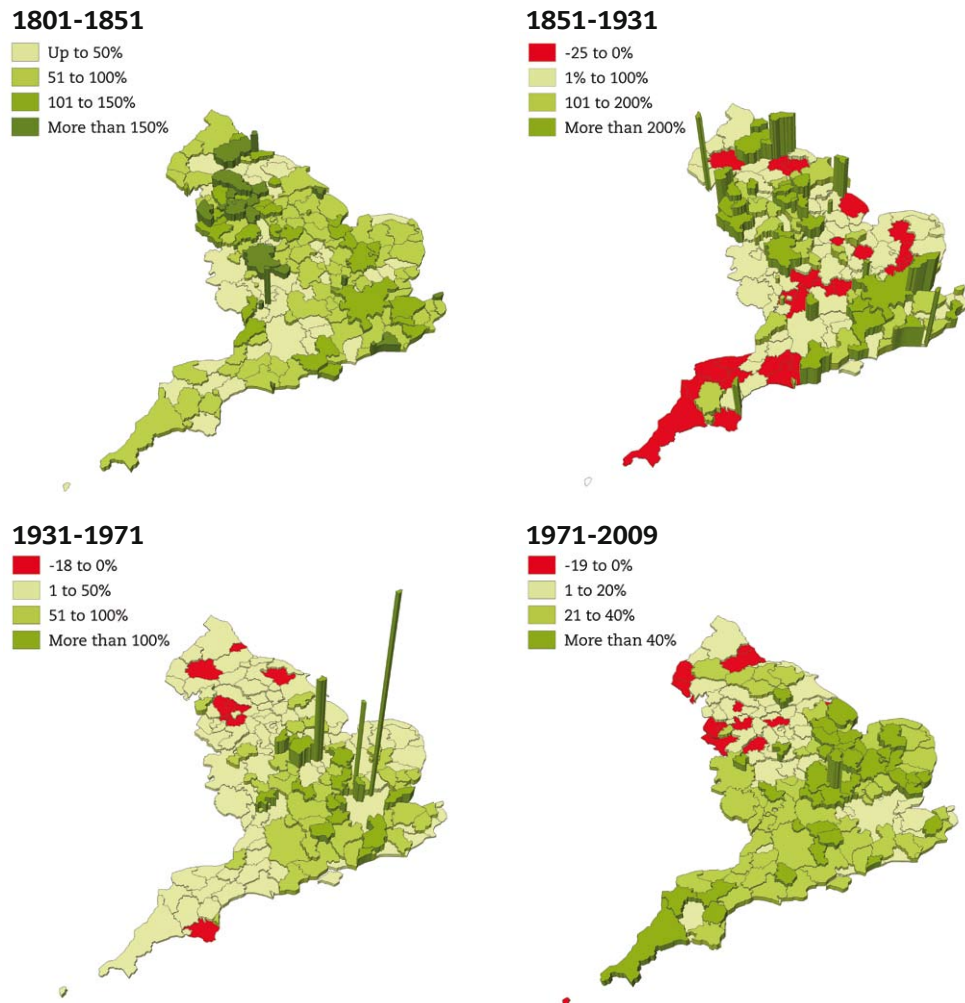
8. See for example: Rees P, Durham H & Kupiszewski M (1996) *Internal Migration and Regional Population Dynamics in Europe: United Kingdom Case Study* Leeds: University of Leeds; Rees P (1999) *Internal migration and regional population dynamics in Europe: a synthesis* Strasbourg: Council of Europe; Baines D (2003) *Migration in a mature economy: emigration and internal migration in England and Wales 1861-1900* Strasbourg: Council of Europe

“History shows that population change responds to economic change: people move to access employment opportunities”



of industrial restructuring from manufacturing to services, the increasing preference for transporting goods by road rather than by ship and the rebalancing of trade away from former British colonies towards the European Union.<sup>9</sup>

**Figure 1: Percentage population change in England, 1801 – 2009**



Source: 2010 Humphrey Southall/University of Portsmouth, 1971 Data. NOMIS, Mid-Year Population Estimates, 2009. Local Authorities recalculated as TTWAs.

### **When economic and population growth is occurring in an area, it normally leads to physical expansion**

When an area is experiencing rising levels of economic activity and a growing population it means that more houses, offices, factories, roads, railways and other types of infrastructure need to be built to accommodate the growth. Without this expansion of the built environment, economic growth either would not occur at all or it would be severely constrained.

England's economic history provides clear evidence of this. View our animation ([www.centreforcities.org/granddesigns](http://www.centreforcities.org/granddesigns)) and imagine the industrial revolution having taken root in places like Manchester, Birmingham and London without the massive expansion in housing and other infrastructure that went along with it.<sup>10</sup>

9. Crafts N (2005) *Market Potential in British Regions, 1871-1931*, *Regional Studies* 39 (9); Turok I & Mykhnenko V (2007) 'The trajectories of European cities', 1960-2005, *Cities*, 24 (3)  
10. Rodger R (1995) *Housing in urban Britain, 1780-1914* Cambridge: Cambridge University Press

“When economic and population growth is occurring in an area, it normally leads to physical expansion”



As Figure 2 shows, between 1801 and 1931, London's population grew by 676 percent, Birmingham's by 838 percent, Manchester's by 804 percent and Liverpool's by 933 percent. The histories of these great industrial cities would have been very different had it not been possible to expand housing and other types of infrastructure to meet demand.

**Figure 2: Travel to work areas experiencing greatest population growth, 1801-1931**

TTWA	Population change: absolute & percent (1801-1931)	Population compound annual growth rate (1801-1931)	Total population (1801)	Total population (1931)
London, Slough & Heathrow	7,689,864 / 676%	1.59%	1,137,607	8,827,471
Birmingham & Wolverhampton	1,920,019 / 838%	1.74%	229,159	2,149,178
Manchester	1,777,426 / 804%	1.71%	221,090	1,998,516
Liverpool	1,073,087 / 933%	1.81%	115,002	1,188,089
Tyneside	831,195 / 956%	1.83%	86,946	918,141
Sunderland & Durham	710,159 / 794%	1.70%	89,469	799,628
Sheffield & Rotherham	671,462 / 869%	1.76%	77,286	748,748
Leeds	551,698 / 584%	1.49%	94,421	646,119
Bristol	433,772 / 387%	1.22%	112,136	545,908
Nottingham	421,464 / 586%	1.49%	71,933	493,397

Source: 2010 Humphrey Southall/University of Portsmouth

**Shifting patterns of economic and population growth mean that some areas of the country are now more in need of physical expansion than others**

What do the statistics tell us about which areas have been experiencing population growth over the past 40 years? Between 1971 and 2009, 82 percent of England's city-regions added population. The areas that experienced the highest percentage growth include Milton Keynes (which grew by 253.6 percent), Peterborough (62.5 percent) and Cambridge (47.6 percent).<sup>11</sup>

Most of the population growth hotspots have been located in the South, but it is not a straightforward North/South divide. There are a number of areas in the North and Midlands that have been experiencing population growth over this period. For example, Telford & Bridgenorth (67.0 percent), Northampton & Daventry (58.8 percent) and York (28.5 percent) have all grown significantly.

London's population declined during the 1970s, but has rebounded strongly since the late 1980s. Overall, London's population grew by 5.7 percent over the period, adding about 521,000 people, which was by far the largest absolute growth of any city in England.<sup>12</sup> Figure 3 summarises population change for city-regions that have experienced the highest percentage population growth between 1971 and 2009.

As we argued in our *Private Sector Cities* report, the shifting geography of economic and population growth in England means that there is now more

11. 2010 Humphrey Southall/University of Portsmouth, 1971 Data. NOMIS, Mid-Year Population Estimates, 2009. Local Authorities recalculated as travel to work areas (TTWAs).  
12. Ibid.

“The histories of the great industrial cities would have been very different had they not been possible to expand to meet demand”



demand for housing, business space and other infrastructure in areas like Cambridge, Reading and Milton Keynes. For people from all over the country to access the jobs being created, there is a need to expand high growth areas – and to confront all the political challenges associated. That is why it is so important that policies like the New Homes Bonus are effective in creating incentives for local authorities in high growth areas to bring forward land for new housing.

**Figure 3: Travel to work areas experiencing highest percentage population growth, 1971-2009**

TTWA	Population change: absolute & percent (1971-2009)	Population compound annual growth rate (1971-2009)	Total population (1971)	Total population (2009)
Milton Keynes	169,800 / 253.6%	3.29%	66,900	236,700
Telford & Bridgnorth	65,100 / 67.0%	1.32%	97,200	162,300
Peterborough	65,800 / 62.5%	1.25%	105,300	171,200
Northampton & Daventry	139,900 / 58.8%	1.19%	238,000	377,900
Cambridge	112,700 / 47.6%	1.00%	236,900	349,600
Swindon	58,900 / 42.1%	0.91%	139,900	198,800
Reading	145,100 / 33.9%	0.75%	427,500	572,600
Norwich	94,100 / 32.6%	0.73%	288,800	382,900
Crawley	130,300 / 28.7%	0.65%	454,700	585,000
York	44,100 / 28.5%	0.64%	154,700	198,800

**Figure 4: Travel to work areas experiencing highest percentage population decline, 1971-2009**

TTWA	Population change: absolute & percent (1971-2009)	Population compound annual growth rate (1971-2009)	Total population (1971)	Total population (2009)
Liverpool	-225,700 / -18.8%	-0.53%	1,200,900	975,200
Tyneside	-92,600 / -10.1%	-0.27%	917,300	824,700
Manchester	-138,100 / -7.0%	-0.19%	1,962,700	1,824,600
Stoke	-17,100 / -3.6%	-0.09%	475,600	458,500
Burnley, Nelson & Colne	-6,000 / -3.3%	-0.09%	180,900	174,900
Wirral & Chester	-19,200 / -2.9%	-0.08%	654,300	635,100
Grimsby	-3,300 / -2.1%	-0.05%	160,400	157,100
Sheffield & Rotherham	-15,100 / -1.9%	-0.05%	815,900	800,800
Sunderland & Durham	-14,100 / -1.8%	-0.05%	802,200	788,100
Wigan & St Helens	-8,000 / -1.6%	-0.04%	491,600	483,600

Source: 2010 Humphrey Southall/University of Portsmouth, 1971 Data. NOMIS, Mid-Year Population Estimates, 2009. Local Authorities recalculated as travel to work areas (TTWAs).

Note: figures may not calculate across cells due to rounding.

**Some areas of the country have been experiencing population decline, and the evidence shows that demand for space tends to be lower in these areas**

Incentivising the expansion of cities or towns that are experiencing high levels of economic growth can help people to access the jobs being created. However, it is less clear that physical expansion will benefit areas that are

“There is a need to expand high growth areas – and to confront all the political challenges associated”



experiencing industrial decline, shrinking numbers of private sector jobs and population loss, because these areas tend to be characterised by lower demand for space and relatively higher rates of vacancy and dereliction.

Figure 4 lists the population change and the percentage decline in those city-regions that have experienced a net loss of population over the past 40 years. City-regions that have lost the most population over this period include Liverpool (-18.8 percent), Tyneside (-10.1 percent) and Manchester (-7.0 percent).<sup>13</sup> When places are experiencing these kinds of declines in population it often leads to lower demand for built environment assets – such as houses, offices and factories – and this in turn leads to higher rates of property vacancy and dereliction.<sup>14</sup>

“Declines in population and economic activity often lead to lower demand for built environment assets”

**Figure 5: Property demand indicators in top and bottom five city-regions on population growth**

TTWA	Population change: percent & total (1971-2009)	Mean house price (2008)	Vacant dwellings percent & total (2008)	Derelict land & buildings: Share of total & ha (2008)
<b>Top five TTWAs on population growth</b>				
Milton Keynes	+253.6% 169,800	£193,820	3.00% 2,990	0.00% 0ha
Telford & Bridgnorth	+67.0% 65,100	£157,359	2.60% 1,770	1.10% 320ha
Peterborough	+62.5% 65,900	£160,092	2.90% 2,190	2.61% 900ha
Northampton & Daventry	+58.8% 139,900	£216,799	3.10% 4,920	0.03% 40ha
Cambridge	+47.6% 112,700	£258,491	2.20% 3,030	0.01% 10ha
<b>Mean for top 20%</b>		<b>£208,761</b>	<b>2.63%</b>	<b>0.37%</b>
<b>Bottom five TTWAs on population growth</b>				
Burnley, Nelson & Colne	-3.3% -6,000	£107,907	6.80% 5,440	0.14% 40ha
Stoke	-3.6% -17,100	£141,501	4.60% 9,600	0.33% 290ha
Manchester	-7.0% -138,100	£161,411	4.80% 39,160	0.73% 580ha
Tyneside	-10.1% -92,600	£145,947	3.40% 12800	0.47% 190ha
Liverpool	-18.8% -225,700	£153,799	5.60% 25,060	0.65% 530ha
<b>Mean for bottom 20%</b>		<b>£141,459</b>	<b>4.21%</b>	<b>0.54%</b>

Source: 2010 Humphrey Southall/University of Portsmouth, 1971 Data. NOMIS, Mid-Year Population Estimates, 2009. Local Authorities recalculated as travel to work areas (TTWAs); House price data from DCLG: Table 585 Housing Market: mean house prices based on Land Registry data, by district, from 1996; ONS Neighbourhood Statistics, Land Use Statistics (Previously-Developed Land), 2008; ONS Neighbourhood Statistics, Vacant Dwellings, 2008

13. 2010 Humphrey Southall/University of Portsmouth, 1971 Data. NOMIS, Mid-Year Population Estimates, 2009. Local Authorities recalculated as travel to work areas (TTWAs).

14. See for example: Barker K (2004) Review of Housing Supply: Final Report - Recommendations London: HM Treasury; Cheshire P & Hilber C (2007) Office Space Supply Restrictions in Britain: The Political Economy of Market Revenge London: LSE; CBRE (2010) Market Comment: The 2010 Rating Revaluation London: CBRE (DCLG (2010) Household Projections, 2008 to 2033, England London: DCLG



“An adaptive approach to the built environment would suggest that investments should be made to accommodate the new kind of growth that is occurring”

Figure 5 presents data on a range of built environment indicators for the five city-regions that have seen their populations grow the most and the five that have seen their populations decline the most in percentage terms between 1971 and 2009.

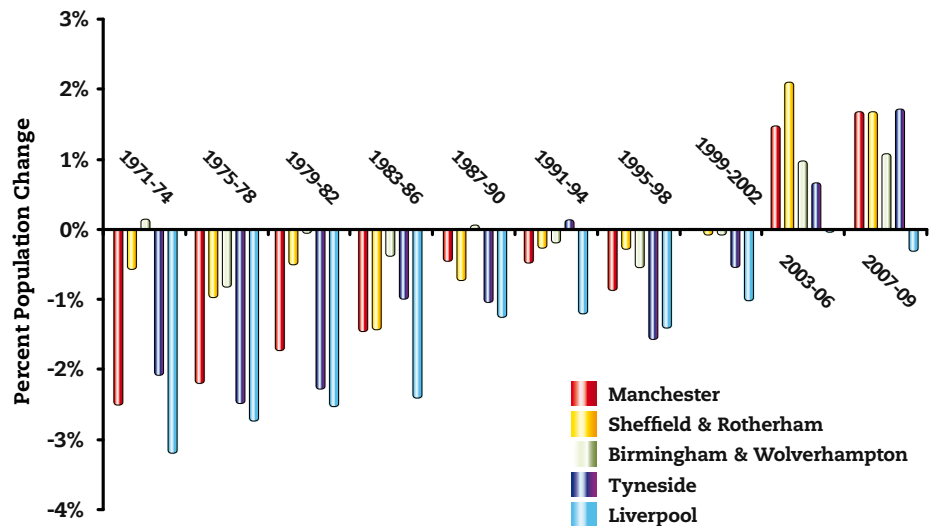
On average, areas that have lost population over this period have lower house prices, higher vacancy rates and a higher percentage of derelict land and buildings than those areas that have been increasing their populations – all of which indicates a lower demand for property in these areas.

It should be noted that there are some concerns over the reliability of property vacancy and dereliction data. Nevertheless, the averages suggest that there are significant differences in vacancy and dereliction rates between areas experiencing population growth and those experiencing population decline.

**Populations have started to increase again in some city-regions that have been experiencing population decline**

Though they are useful, figures on net change over the past 40 years can obscure more recent changes in population growth. Indeed, some of those city-regions which have experienced net declines between 1971 and 2009 have either stabilised or started to grow again more recently. Population changes in some of England’s Core Cities illustrate this point well. As Figure 6 shows, when the period 1971 to 2009 is segmented up into shorter time periods it is clear that the rate of decline has started to slow and that some Core Cities have started to grow again in recent years.

**Figure 6: Percentage population change in a selection of Core Cities during different stages of the period 1971 to 2008**



Source: NOMIS, Mid-Year Population Estimates, 1971-2009. Local Authorities recalculated as TTWAs.

This highlights the importance of built environment policies constantly adapting to wider economic and social changes. Simply because a city is struggling with industrial decline at one point in time does not mean that it always will be. City leaders need to adapt to the trends shaping the built environment of their cities during different phases of their development. Box 2 discusses what it means for built environment policies when a city-region’s fortunes turn around in this way.



### Box 2: Built environment policies in ‘turn around’ cities

When a city’s fortunes ‘turn around’, an adaptive approach to the built environment would suggest that investments should be made to accommodate the new kind of growth that is occurring. For example, if growth has returned to a city-region, but the type and pattern of housing or commercial property demands has shifted, then policy makers should be making every reasonable effort to accommodate this. As the Manchester Independent Economic Review (MIER) showed in 2009, one of the implications this adaptive approach has for Manchester is that local authorities should be significantly increasing housing supply in the south of the city-region.<sup>15</sup>

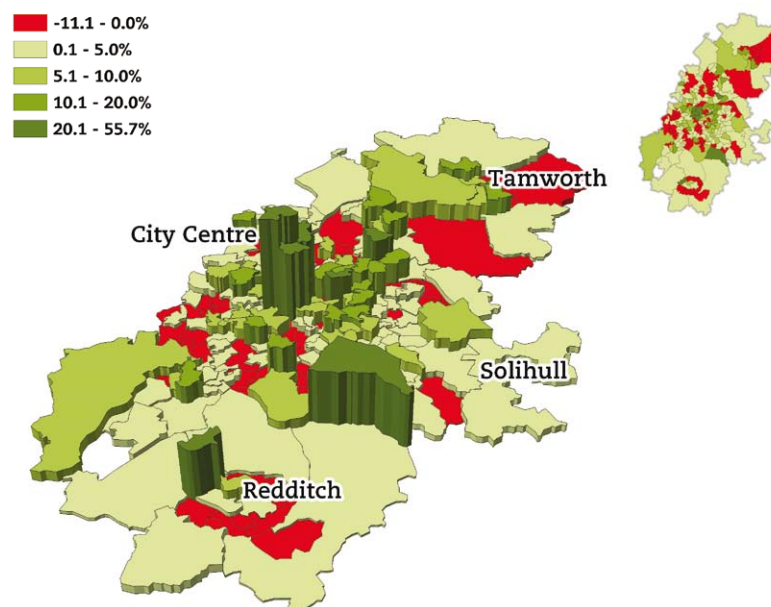
“It will rarely be appropriate to adopt a uniform built environment strategy across an entire city-region”

### Built environment policies need to understand varying demands for space within cities as well as across city-regions

Analysing data at a travel to work area level (as we have here) can hide significant variations in the demand for space across a functional economic area, such as Greater Manchester, where demand for space is higher in the South than it is in the North. Similar stories about varying levels of population growth and demand for space across individual city-regions can also be told about other areas.

For example, looking at middle layer super output area (MSOA)<sup>16</sup> data – which we use here as a proxy for neighbourhoods – shows that there have been significant variations in population growth across the Birmingham city-region between 2001 and 2009 (see Figure 7). Just over 32 percent of MSOAs in the Birmingham area experienced a decline in population over this period, with the largest fall being -11 percent. About 68 percent of neighbourhoods grew, and the biggest increase in population was 56 percent.

Figure 7: Population change in the Birmingham city-region, 2001-2009



Source: ONS, Middle Layer Super Output Area population estimates for England and Wales, mid-2001 to mid-2009 (experimental statistics), revised

15. Manchester Independent Economic Review (2009) Appendix 6 – Housing in Greater Manchester MIER: Manchester  
 16. MSOAs have a minimum population of 5,000 and an overall mean of 7,200.



These statistics underline the fact that it will rarely be appropriate to adopt a uniform built environment strategy across an entire city-region. Instead, policy makers are much more likely to have to vary their approach according to the needs of different areas or neighbourhoods within a city-region, enabling growth where it is occurring and managing change where it is not.<sup>17</sup>

Looking at travel to work area data also hides a well known trend for people, especially those with higher incomes, to move from inner-city locations to the suburbs. One example is the Hull city-region, which includes both Kingston-upon-Hull City Council (which has tight administrative boundaries) and the large East Riding of Yorkshire Council area. While the population of Kingston-upon-Hull itself has declined significantly in recent decades (-7.7 percent between 1971 and 2009), at least some of this decline can be explained by people choosing to move into surrounding areas in the East Riding.

Similar patterns of suburbanisation can be seen elsewhere, particularly in London (see animation at [www.centreforcities.org/granddesigns](http://www.centreforcities.org/granddesigns)). This process of suburbanisation reflects a shift in people's preferences about the way they want to live. It has significant implications for built environment policies, particularly housing and transport, which need to be integrated into development plans.

### 3. What can we learn from the approach taken over the last decade to the built environment in low demand or declining areas?

Faced with declines in population (and economic activity) in some areas, successive governments have attempted to use built environment strategies and investments to deal with the impact on the built environment and reinvigorate the economies of declining areas.

In this section of the report we look in more detail at the impact of the housing and physical regeneration policies introduced in low demand or declining areas under the previous government. We draw on evidence from a range of sources including evaluations of programme spending by the National Audit Office (NAO)<sup>18</sup> and Price WaterhouseCoopers (PwC).<sup>19</sup>

The physical regeneration efforts of the past decade or so have had a variety of objectives including: land remediation (clearing up derelict sites); bringing land back into use (meaning bringing mostly vacant or derelict land back into use as offices, business parks, leisure facilities and/or housing); improving the quality of the built environment and physical infrastructure; and boosting the image of an area by constructing and/or improving tourist facilities. The overarching objective of these interventions has been to boost economic and job growth in lower demand areas.<sup>20</sup>

17. For a review on the evolution of housing market demand and renewal efforts across Liverpool over the course of the 20th century see Nevin B (2010) 'Housing Market Renewal in Liverpool: Locating the gentrification debate in History, Context and Evidence' *Housing Studies* 25 (5)

18. National Audit Office (2010) *Regenerating the English Regions: Regional Development Agency support to physical regeneration projects* London: Stationery Office

19. Price WaterhouseCoopers (2009) *Impact of RDA Spending – National Report – Volume 1 – Main Report* London: BERR

20. National Audit Office (2010) *Regenerating the English Regions: Regional Development Agency support to physical regeneration projects* London: Stationery Office

“Evidence suggests that the public sector’s efforts to reinvigorate declining areas through investments in the built environment have achieved mixed results”



“While many projects have transformed places, they have not had a transformative impact on economic outcomes for people”

Although there have been some very positive achievements, the evidence suggests that the public sector’s efforts to reinvigorate declining areas through investments in the built environment have achieved mixed results. We argue here that the public sector’s expectations about the potential impact of its physical regeneration schemes suffer from a ‘pervasive optimism bias’<sup>21</sup> that needs to be taken into greater consideration in formulating future strategies and investments for the built environment in lower demand areas.

### **The public sector’s regeneration investments have achieved some notable successes in recent years**

Physical regeneration investments were a major part of Labour’s attempt to reduce regional (and sub-regional) disparities in economic performance and it invested many billions of pounds in the built environments of underperforming areas. A 2010 report by the NAO on the impact of Regional Development Agency (RDA) spending on physical regeneration estimated that the eight RDAs outside London have spent over £5 billion on physical regeneration projects since they were established in 1999.<sup>22</sup> Other public bodies have also spent substantial sums. For example, the Homes & Communities Agency expects to spend approximately £1 billion on ‘property and regeneration’ between 2008/09 and 2010/11 alone.<sup>23</sup>

This kind of public sector investment has played an important part in helping to physically regenerate the city centres of places like Manchester, Liverpool, Birmingham and Newcastle, though the long property investment boom also played a hugely significant role.<sup>24</sup> Physical regeneration spending also benefited areas more commonly associated with low levels of demand and falling populations, including former coalfield areas, though some of these programmes have come in for criticism and not all targets have been met.

Judging the overall benefits of regeneration investments has proved very difficult. The NAO concluded that, on average, every £1 spent by the RDAs on physical regeneration showed benefits of £3.30.<sup>25</sup> However, as with any evaluation, establishing cause and effect remains challenging; it is difficult to identify what happened because of the RDAs and what might have happened regardless.<sup>26</sup>

### **While many projects have improved places, they have not had a transformative impact on economic outcomes for people**

While physical regeneration programmes have undoubtedly delivered some important successes, they have not transformed economic outcomes for the people living in underperforming areas. At the most general level, as we showed in our *Private Sector Cities* report, the whole range of RDA investments and policies introduced over the past decade – including physical regeneration, business growth and skills policies – were not successful in meeting the Public

21. National Audit Office (2010) *Regenerating the English Regions: Regional Development Agency support to physical regeneration projects* London: Stationery Office p.7

22. Ibid.

23. HCA (2010) *Corporate Plan 2009/10—2010/11* London: HCA

24. Parkinson M et al (2009) *The Credit Crunch and Regeneration: impact and implications* London: DCLG

25. National Audit Office (2010) *Regenerating the English Regions: Regional Development Agency support to physical regeneration projects* London: Stationery Office

26. LSE (2010) *Urban Renewal and Regional Growth: Muddled Objectives and Mixed Progress* London: LSE - ‘the approach adopted (asking project managers or recipients) was close to the bottom of the ranking in terms of rigour’.



“The failure to reduce regional disparities in economic performance also reflects a more deep rooted lack of realism”

Service Agreement objective of narrowing differences in regional economic growth rates.

### **Physical regeneration projects have suffered from a ‘pervasive optimism bias’**

The failure to reduce regional disparities in economic performance also reflects a more deep rooted lack of realism from the public sector about how much it can influence patterns of economic growth across the country.

As the Department for Business, Innovation and Skills (BIS) recently argued, it was ‘unrealistic and unsustainable’<sup>27</sup> for Labour to have expected that RDAs might be able to even out differences in economic performance because their investments were trying to counteract ‘powerful market forces’ that have often been working in the opposite direction.<sup>28</sup>

The combination of political pressures at the local level, together with growth targets and incentives created by the previous government, has meant that decision makers across all tiers of the public sector have focused predominantly on encouraging growth in their strategies and investments for the built environment. In doing so, however, they have displayed – to borrow a phrase from the NAO’s assessment of RDA physical regeneration programmes – a ‘pervasive optimism bias’<sup>29</sup> in formulating their plans.

The previous government was aware of this problem. It published research which showed that, of the 48 percent of regeneration projects generating jobs below their appraisal estimates, the average underperforming project produced 40 percent fewer jobs than anticipated at the planning stage.<sup>30</sup> That nearly half of projects generated jobs below their appraisal estimates should be expected with a ‘normal distribution’ of performance, but the average underperformance figure seems high. This probably explains why DCLG issued guidance on how to control for optimism bias in planning regeneration projects. Despite government’s acknowledgement of the problem, however, the incentives to focus on growth in all areas and circumstances remained.

### **Housing policies artificially increased the supply of housing in low demand areas**

In the realm of housing, there has been a mismatch between the places where prices show highest demand for housing and where it has actually been supplied. This is true at the national level, as we showed in our *Arrested Development* report,<sup>31</sup> but it is also clear when we look at house prices and net housing additions across individual travel to work areas. For example, when we look at the Manchester city-regional area it is noticeable that less than 25 percent of the net additional dwellings added between 2004 and 2008 were built in the three local authorities with the highest average house prices over this period (Trafford, Stockport and Bury).

27. Department for Business Innovation and Skills (2010) *Understanding Local Growth* London: BIS p. 32

28. *Ibid.*

30. National Audit Office (2010) *Regenerating the English Regions: Regional Development Agency support to physical regeneration projects* London: Stationery Office

31. DCLG (2007) *Adjusting for Optimism Bias in Regeneration Projects and Programmes: general guidance note* London: DCLG

32. Aldred T (2010) *Arrested Development: are we building houses in the right places?* London: Centre for Cities



By contrast, 30 percent of the dwellings added between 2004 and 2008 were built in the local authorities with the lowest demand for housing based on house prices (Oldham, Tameside and Salford). Nearly 50 percent of net new dwellings were built in the Manchester City Council area, despite it too having a lower average house price than the city-regional average.<sup>32</sup>

The emphasis on building houses in lower priced, lower demand areas is likely to have been for a range of reasons. First, property prices were lower, making the cost of development less, particularly as public subsidies were often available for developers. Second, areas with lower house prices and higher levels of deprivation are often less likely to object to developments than areas with higher house prices. Third, building houses was regarded as a way for places to attract new residents or new businesses and hence change their economic fortunes.

**Figure 8: Property demand and houses added in Manchester TTWA**

Area	Average house price (2004-2008)	Net house additions (2004-2008)	House additions (% of total)
Oldham	£116,016	1,433	3.9%
Tameside	£122,908	3,076	8.4%
Salford	£129,735	6,762	18.4%
Manchester	£136,958	17,275	47.0%
Bury	£139,133	2,637	7.2%
Stockport	£180,641	2,661	7.2%
Trafford	£229,961	2,910	7.9%
Manchester TTWA	£150,764	36,754	100%

Source: Net Housing Addition data from DCLG, Table 122 Net additional dwellings to the stock by local authority 2004/05 - 2008-09. House price data from DCLG: Table 585 Housing Market: mean house prices based on Land Registry data, by district, from 1996.

If there is demand for new housing in relatively low demand areas then there is no reason for the public sector to prevent this. Overall, however, the evidence suggests that the public sector should adopt a more flexible approach to housing which responds to changing patterns of demand across different parts of the country and across individual city-regions. When this means that a city or neighbourhood is experiencing a net decline in its population, the first stage is to respond to local residents' needs and deal directly with the impact of that decline on the built environment, rather than attempt to counteract long-standing economic and demographic trends by zoning or subsidising new housing.

A recent report for DCLG, which examined 'policies to help people in declining places', explained some of the options for this kind of approach:

*'In declining places housing market "renewal" may be best served by policies that reduce rather than increase household density and that emphasise piecemeal development. Policies that could be explored include offering long-term vacant properties to neighbours [and] selective demolition of properties to create public spaces or private gardens.'*<sup>33</sup>

32. Net Housing Addition data from DCLG, Table 122 Net additional dwellings to the stock by local authority 2004/05 - 2008-09. House price data from DCLG: Table 585 Housing Market: mean house prices based on Land Registry data, by district, from 1996.

33. Overman H (2010 - unpublished) Policies to help people in declining places

**“The evidence suggests that the public sector should adopt a more flexible approach to housing across different parts of the country”**



“Some projects are successful, but there is still a need to rein in the public sector’s pervasive optimism bias”

## **Similar problems have occurred in relation to the public sector’s commercial property investments**

The limitations of the public sector’s approach to physical regeneration are also clear in its approach to commercial property development in lower demand areas. There are numerous examples of local authorities zoning commercial property where there is relatively little demand for it. For example, one recent report argued that the zoning of land for commercial property in outer London boroughs – such as Bexley, Redbridge and Havering – runs counter to the demand for office space in many of these locations, with the result that sites have simply gone unused.<sup>34</sup>

Similar problems have also appeared elsewhere. For example, parts of the Upper Don Valley area in Sheffield have been zoned for commercial use despite the fact that commercial property prices in the area suggest that there is limited demand for this.<sup>35</sup>

There are also numerous examples of public sector actors subsidising the construction of commercial property, then struggling to let it to the private sector and so renting the space to public sector organisations. Although in some instances this may have resulted in cost-savings for the public sector through more efficient use of space, it is not a sustainable way of generating economic growth in an underperforming area. This is because it represents a double subsidy: first, of the initial investment and second for its on-going use. Two examples of these situations are set out in Box 3 overleaf.

Of course, there are examples of speculative regeneration projects from the public sector bringing significant benefits to low demand areas. One recent example of a successful physical regeneration project is One Priory Square in Hastings. This is a high quality office development that cost about £25 million to build, was funded entirely by the public sector and has recently been purchased by Saga for use as a call centre, bringing about 800 jobs to the local economy.

This is good news for Hastings. Nevertheless, the public sector’s overall record of achievement with these kinds of investments is not impressive and the cost per job created is often very high. Some projects are successful, but there is still a need to rein in the public sector’s ‘pervasive optimism bias’, particularly given that public spending on physical regeneration projects is now being cut so significantly.

As with its approach to housing in low demand areas, the public sector would benefit from adopting a more flexible and pragmatic approach to the use of sites that have been earmarked for commercial use in low demand areas. Alternatives could include enabling the development of smaller, more flexible commercial space that is more appropriate to the needs of the local economy, greening over ex-industrial sites or encouraging the construction of housing on edge of town sites if the demand for suburbanisation is such that this is warranted.

34. Ramidus Consulting & Matrix Partnership (2010) *Towards the New Sustainable Suburb: rethinking employment provision in the outer London boroughs* London: Ramidus Consulting and Matrix Partnership

35. Larkin K & Swinney P (forthcoming) *Sheffield Partner City report* London: Centre for Cities



### **Box 3: Commercial property projects subsidised by the public sector**

- **Barnsley's Gateway Plaza**

Completed in 2009, this development provides 96,000 sq ft of office space, 188 apartments and a range of retail facilities. The scheme was led by a local developer, Quest Property and received support from both Yorkshire Forward and the European Regional Development Fund (ERDF). The total development cost was estimated at £70 million, with the EU Objective 1 grants totalling £5.2 million.<sup>36</sup>

It was announced in September 2010 that Barnsley Council had purchased the site from the developer and would be occupying 78,000 sq ft of its office space.<sup>37</sup>

- **Middlehaven, Teesside**

Located near Middlesbrough Football Club's Riverside Stadium this is a major regeneration project involving 1,400 new homes and 1.3 million sq ft of commercial, retail and leisure space. The total cost is expected to be approximately £300 million. The Homes & Communities Agency (HCA) contributed £15 million for site remediation between 2000 and 2003. Between 2004 and 2008, a total of £13.7 million of funding came from Middlesbrough Council, the HCA, One NorthEast and the ERDF to pay for work.<sup>38</sup> The HCA expects to have contributed a total of £39 million by the time the project is completed.

Of the office space on the site Hudson Quay 1 was completed in 2005 and is now home to the Crown Prosecution Service and an engineering company called Hertel. Hudson Quay 2 was completed in summer 2010 and has been fully pre-let to Middlesbrough Primary Care Trust.<sup>39</sup>

“Efforts to deal directly with the impact of decline in some areas have been undermined by mission creep”

### **The contraction in public spending provides an imperative to change our approach**

Even if local decision makers would like to continue existing approaches to physical regeneration spending in their area, the public spending cuts currently being introduced to manage the deficit mean that there is now very little public money for the kind of regeneration investments we have seen over the past decade or so.

For example, with a total budget of £1.4 billion to be spent between 2011/12 and 2013/14 (about £466 million per year), the Regional Growth Fund will not be enough to compensate for the decline in regional development spending in England. In comparison, the total budget for RDAs was £2.2 billion in 2009/10 alone. In 2010/11, it is £1.4 billion and in 2011/12 (the final year of their existence) it is expected to be about £840 million. Given these kinds of public spending constraints it will be imperative for policy makers to consider alternative approaches to built environment policies across England, especially if the new approaches can help generate better outcomes for local people at lower cost to the taxpayer.

36. PropertyWeek.com 'Landmark embarks on quest for Barnsley's Gateway Plaza' 16 February 2007

37. Public Property UK.com 'Barnsley Council buys Gateway Plaza' 2 September 2010; Regen.net 'Project review: Gateway Plaza, Barnsley' 14 June 2010

38. Middlesbrough Council website, Regeneration Programmes Funding Team

39. HCA (2010) Case Study: Middlehaven, Teesside - Reviving Middlesbrough Dock



### **Efforts to deal directly with the impact of decline in some areas have been undermined by mission creep**

Not every regeneration initiative of the past decade aimed to stimulate growth. There were examples of ‘managing change’ style policies under Labour, with the Housing Market Renewal Pathfinder (HMRP) projects the most prominent among these. The original aim of HMRP projects was to intervene in areas of ‘housing market failure’ by demolishing as well as improving existing stock.<sup>40</sup> Projects have operated in nine, mostly urban, areas in the North and Midlands from April 2002 up to the present, with a cumulative budget of about £3.85 billion, of which £2.2 billion has come from public funds.<sup>41</sup> A further £220 million of public money was allocated for HMRP areas for this financial year. After this year however, all funding will be stopped.

HMRP schemes have been heavily criticised by some commentators, many of whom have argued that they have imposed solutions on local communities and simply aimed to gentrify run down areas rather than regenerate them.<sup>42</sup> Other experts have argued that the projects have not delivered what they were supposed to. In particular, they have pointed out that the net impact of the schemes will be to increase housing supply in run down neighbourhoods when one of the primary objectives of the programme was to reduce it.

It is certainly true that HMRP schemes intend to increase the net supply of housing in their areas – in total projects plan to demolish 34,459 houses and build 45,511 new homes in the areas they cover<sup>43</sup> – but it does not mean that the original thinking behind introducing HMRP projects was unsound. Instead, it reflects ‘mission creep’ during the implementation phase of the projects. Completely discarding a model that provides a realistic route forward for some declining neighbourhoods because of problems during implementation would be the wrong move. A more appropriate response would be to learn the necessary lessons and make improvements to delivery processes.

### **The Coalition needs to reach an acceptable compromise on funding for HMRP and should use HMRP projects as test cases for neighbourhood planning and big society activism**

HMRP projects have been in the news recently because of the Government’s decision to discontinue funding for the programme. Pulling all funding for these projects would be deeply unfair because it would leave the people still living in the neighbourhoods affected in a much worse position than when they started. Public finances are clearly very tight, but the Government should ensure that Regional Growth Fund, European Regional Development Fund and Homes & Communities Agency budgets are used to finance an acceptable solution for the affected communities.

This does not necessarily mean that all projects should be completed to their existing plans. Instead, a condition of further funding for HMRP projects should be that plans are comprehensively reviewed to ensure that they are realistic and economically sustainable. The Government should also use the opportunity presented by HMRP projects to hand more decision making control over to individual communities and test out approaches to community planning.

40. DCLG (2007) *National Evaluation of the HMR Pathfinder Programme - Baseline Report* London: DCLG

41. Audit Commission (2009) *Housing market renewal: Programme review* London: Stationery Office

42. *Pathfinder was slum clearances without the socialism*, *The Guardian*, 19 November 2010

43. DCLG (2010) *National evaluation of housing market renewal pathfinders 2005-2007* London: DCLG

“The Coalition needs to reach an acceptable compromise on funding for HMRP”



## 4. New principles to guide built environment policy in low demand areas

The analysis presented in sections two and three suggest that a new set of principles should be adopted to guide built environment policies in areas experiencing economic and population decline.

### **Principle 1: Built environments need to adapt to changing economic circumstances and levels of population**

Against a backdrop of low demand in some city-regions and / or neighbourhoods, policy makers should question why the public sector has been targeting an increase in the supply of housing and commercial property in these areas – especially given that the available evidence suggests that these interventions have not had a transformative impact on the economic outcomes achieved by people living in these areas.

Given its emphasis on not going ‘against the grain of markets’ it would seem that the new Government is also sceptical about the benefits generated by these kinds of interventions. However, its rhetoric on ‘rebalancing’<sup>44</sup> highlights its recognition of the need to do something to support struggling areas. Evidence that the benefits of commercial property and housing subsidies in low demand areas are disputable suggests that national government support needs to be of a different kind for areas struggling with economic change and population decline (see section five for more details on what this should look like).

### **Principle 2: Strategies should focus on delivering the best outcomes for people**

Many will argue that, despite the apparent shortcomings of government efforts to reconfigure the distribution of economic activity across England, there remains an overwhelming rationale to continue making the same types of investments in low demand areas because this is the best way of improving the outcomes achieved by people living in these areas. The importance of delivering better outcomes for disadvantaged people is indisputable, but there is a question mark over whether existing approaches to built environment policies in low demand areas are the best way of achieving this.

As the US academic, Ed Glaeser, has previously argued, ‘the starting point for any serious urban policy is to recognise that the government’s objective should be to enrich and empower the lives of people, no matter where they live’.<sup>45</sup> If focusing on improving outcomes for people is the goal, then policy makers should be questioning whether subsidising the construction of built environment assets – such as more housing and commercial space – in areas where there is little demand for them is actually the best way of doing this. How much does it help disadvantaged local people to have unused grade A office space in their neighbourhood?

44. Speech delivered by David Cameron, 28 May 2010, *Transforming the British economy: Coalition strategy for economic growth*  
45. Glaeser E (2008) ‘The mill towns around our neck’, *Prospect*, 28 September 2008

“Strategies should focus on delivering the best outcomes for people”



“Places need to keep reviewing their economic circumstances”

Policy makers at all levels can agree on the need to clear up dereliction and address blight, and the evidence shows that these kinds of interventions are valued highly by local people.<sup>46</sup> But the key question is what should decision makers do with these sites once they have been cleaned up? Should they seek to expand activity on them or deploy the sites for different types of uses?

Research suggests people attach a high value to having more floor space for their housing, bigger gardens and more green spaces in their neighbourhoods.<sup>47</sup> It is possible, therefore, that decision makers can do a better job of delivering on people’s needs by enabling these kinds of changes to the built environment in low demand areas, rather than continually pushing for an increase in housing and commercial space even when market signals suggest there is little demand for it.

**Principle 3: Decision makers should respond to the needs of different neighbourhoods**

Our analysis shows that population growth and the demand for space can vary significantly within individual city-regions as well as between them. In Birmingham, for example, population growth between 2001 and 2009 ranged from 56 percent growth in one neighbourhood to -11 percent in another. Property prices also vary significantly across city-regions, as we showed with our Manchester example (see Box 2). In order to take account of these differences in patterns of growth and the demand for space, policy-makers need to adopt spatial development plans that cover entire city-regions, but reflect the needs of different neighbourhoods.

**Principle 4: Community engagement and leadership is crucial when managing the impact of decline on built environments**

Experiences in England and overseas (see section five) suggest that top down solutions are not welcomed by local communities. Policy-makers need to ensure that local authorities and neighbourhood leaders are given the responsibilities and resources needed to deliver change. As discussed below, giving local communities more decision making and financial control over how to deal with the challenges being faced in their areas fits both with the neighbourhood planning approach outlined in the Localism Bill and with wider aspirations to stimulate ‘big society’ activism.

**Principle 5: Places need to keep reviewing their economic circumstances**

Recent changes in the direction of population change in some of England’s Core Cities underline the fact that no city-region or neighbourhood is on a fixed path towards either growth or decline. It is important for built environment strategies and investments to help places adapt to changing economic circumstances and levels of demand at different points in time.

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46. See for example: DCLG (2007) *Regenerating the English Coalfields – interim evaluation of the coalfield regeneration programmes* London: DCLG; DCLG (2010) *The New Deal for Communities Experience: A final assessment* London: DCLG

47. See for example: Takano T, Nakamura K & Watanabe M (2002) ‘Urban residential environments and senior citizens’ longevity in megacity areas: the importance of walkable green spaces’, *Journal of Epidemiology and Community Health*, 56; GLA Economics (2003) *Valuing Greenness: Green Space, house prices and Londoner’s priorities* London: GLA Economics; Senior M, Webster C & Blank N (2004) ‘Residential preferences versus sustainable cities: Quantitative and qualitative evidence from a survey of relocating owner-occupiers’ *Town Planning Review* 75 (3); Dunse N, White M & Dehring C (2007) *Urban parks, open space and residential property values* London: RICS



## 5. Towards a new approach for local government: learning international lessons

If a new approach is needed to the built environment in urban areas experiencing long-term economic and population decline, then what can we learn from overseas about what this new approach should look like? England is far from the only country in the world to have seen the populations of some of its cities shrink over recent decades. Between 1950 and 2000, approximately 370 cities around the world with a population of more than 100,000 experienced population declines of more than 10 percent.<sup>48</sup>

However, academics and policy makers elsewhere in the world have been quicker to come up with new ways of dealing with the challenge of population decline – perhaps because of the greater powers and responsibilities given to local areas.<sup>49</sup> In the United States and Germany in particular, some city leaders have been confronting population and economic decline by introducing policies that deal directly with its consequences for the built environment.

We have selected three case studies from the US (Youngstown in Ohio, Flint in Michigan and Philadelphia in Pennsylvania) and one from Germany (Leipzig, which is in the former East Germany). All four provide important insights for policy makers facing population decline in England's cities. And all four back up the principles we have set out above.

For example, Youngstown has rejected its physical infrastructure as oversized and outdated, and has built 'smart decline' into its recovery plan. Flint has used innovative financing of a land bank to remove or rehabilitate abandoned properties. Rather than rebuilding vacant lots, Philadelphia has enhanced neighbourhood appeal by turning pockets of abandonment into green assets. And Leipzig's experience also highlights alternative approaches to the management of declining housing markets, while also underlining an important role for central Government in working with shrinking cities to enable change.

Perhaps most importantly, the case studies underline the importance of local leadership and strong community engagement in managing the process of change in cities and neighbourhoods that are experiencing decline. Interestingly, from an English point of view, strong community involvement highlights the possibility of testing out community approaches to planning and redevelopment.

As with all international case studies, it is important to keep in mind different contexts: cities in Germany and the United States have tended to face much more extreme population declines than England's urban areas. But while experiences have been different, the approaches used in the US and Germany provide a useful source of ideas about how city leaders in England might go about managing the process of change on their built environments in a way that focuses on improving outcomes for local businesses and residents.

48. Banzhaf E, Kindler A & Haase D (2006) *Monitoring and modelling indicators of urban shrinkage – the city of Leipzig, Germany* Bonn: Center for Remote Sensing of Land Surfaces

49. For example see Pallagst K et al (2009) *The Future of Shrinking Cities: problems, patterns and strategies of urban transformation in a global context* Berkeley: University of California; *Progress in Planning* 72 (2009) 195-250

“The case studies underline the importance of local leadership and strong community engagement in managing the process of change in cities”



### Case study 1: Youngstown's 'smart decline'

#### **Challenge: desertion of the city centre and large numbers of vacant properties**

In the 1950s, Youngstown was Ohio's seventh largest city and had a population approaching 170,000. During the 1970s, mass redundancies in the city's steel industry led to population shrinkage. By 2000, Youngstown's population had fallen to 82,000, leaving the city with large numbers of vacant buildings and an underused city centre.<sup>50</sup>

#### **Solution: the 'smart decline' collaborative spatial plan**

In 2005, Youngstown adopted a 'smart decline comprehensive plan' that had been developed with the university and local businesses. The plan has 'rezoned' the city to focus recovery efforts on the more viable areas, particularly the city centre. Elsewhere, the city is introducing a programme of selective demolition in residential areas that have an oversupply of housing. The vision behind the plan is that the city can become stronger by managing its population shrinkage.

A key step for Youngstown was to understand whether 'smart decline' would be positive for residents, not just for city planners. The development corporation, under the leadership of the prospective mayor, tested their ideas in focus groups and mass community hearings.

#### **Measurable impact: gaining public support**

Youngstown's strategy has been successful in engaging with the problems for existing residents and gaining public support. The mayor was elected on his agenda to shrink the city.<sup>51</sup> As a further aspect of working with the public, implementation is being delayed in some areas. Streets have to be fully depopulated before the city can remove infrastructure such as roads. Although the city has presented the few remaining residents with incentives to move, they are not going to force relocations, so timescales for shrinkage have lengthened.

**Lessons for England's cities:** Though Youngstown's population loss over the past 50 years has been more extreme than any decline experienced by an English city over this period, the approach adopted does provide some useful insights for England's policy makers. In particular, it shows that a strategy of managing change in built environment policy can win public support if articulated in the right way and if public engagement efforts are strong and sustained.

#### **Find out more about the approach being adopted in Youngstown:**

- City of Youngstown website [www.cityofyoungstownoh.com](http://www.cityofyoungstownoh.com)
- 'Shrinking right: How Youngstown, Ohio, is miles ahead of Detroit' <http://www.modeldmedia.com/features/ytown05022010.aspx>
- *Shrinking Cities in the United States of America: Three Cases, Three Planning Stories* [http://metrostudies.berkeley.edu/pubs/proceedings/Shrinking/11Pallagst\\_PA\\_final.pdf](http://metrostudies.berkeley.edu/pubs/proceedings/Shrinking/11Pallagst_PA_final.pdf)

50. Nagy K (2009) *Rust Belt Renewal: Three Approaches*, Wesleyan University  
51. Swope C 'Smart decline' BMTS article digest, November 2006

“Managing  
change in built  
environment  
policy can win  
public support if  
articulated in the  
right way”



## Case study 2: Managing abandoned property in Flint, Michigan

### **Challenge: lack of tools and resources to address widespread abandonment issues**

Flint was a city of 193,000 people in 1970, but this had fallen to 120,000 by the year 2000. In 2000, vacant housing comprised about 12 percent of total stock. Many of these properties were under fragmented ownership, there was no strong incentive to address negative impacts at the neighbourhood level and there was little money available to finance regeneration or adaptation policies.<sup>52</sup>

### **Solution: enabling a public land bank, financed with cross-subsidy across the wider economic region**

Legislation to enable the accumulation of a public land bank allowed the County of Genesee (the government authority responsible for Flint) to acquire empty properties at low prices and fund their demolition or rehabilitation. Legislation also reduced the time that needed to elapse before the government could claim empty property, from six years to two years.

From 2002 to 2005 the Land Bank demolished 434 dwellings, at an expense of about \$8,000 per house. The follow up to demolition involved neighbourhood residents in repurposing the land, primarily by extending neighbours' gardens (the 'sidelot' program). Properties have also been rehabilitated for sale or rent, but due to the weakness of markets in Flint, this has applied to only about 20 percent of the Land Bank's properties.<sup>53</sup> Most interestingly, of the land bank's expenses for demolition of 434 dwellings from beginning of 2002 to the end of 2005 (\$3.4 million), \$1.5 million was covered by brownfields tax increment finance (TIF) revenue, \$1.15 million by rent and sales income, and \$740,000 from tax penalty fees. Grant funding from the Environmental Protection Agency amounted to only \$187,000. This suggests that there are ways of funding adaptation style policies that are not completely dependent on the public sector.

### **Measurable impact: property value improvements**

A 2006 University of Michigan evaluation<sup>54</sup> estimated that demolitions delivered an average value increase of 10 percent for nearby houses. The net value of the demolitions<sup>55</sup> in terms of Flint's property market was estimated at \$109 million from 2002 to 2005.

**Lessons for England's cities:** Managing change in declining areas requires a range of different tools, including land banks to piece together fragmented property ownership (which do not necessarily need significant central government grants), innovative financing mechanisms, and some central government funding to support local leaders managing the change process.

### **Find out more about the approach being adopted in Flint:**

- *Land Banks as Revitalization Tools: The example of Genesee County and the City of Flint, Michigan* [www.geneseeinstitute.org/downloads/Revitalization\\_Tools.pdf](http://www.geneseeinstitute.org/downloads/Revitalization_Tools.pdf)
- *An Effort to Save Flint, Mich., by Shrinking It* <http://www.nytimes.com/2009/04/22/business/22flint.html>

52. Bassett EM, Schweitzer J & Panken S (2006) *Understanding Housing Abandonment and Owner Decision Making in Flint, Michigan*, Lincoln Institute of Land Policy Working Paper

53. Griswold NG & Norris PE (2007) *The Impacts of Tax-Foreclosed Properties and Land Bank Programs on Residential Housing Values in Flint, Michigan*, Michigan State University

54. *Ibid.*

55. Minus the cost of demolition, although excluding maintenance costs in vacant lots.

“In those neighbourhoods that have declined an adaptive approach that involves greening over land is showing signs of working well”



“Cities with weak property markets and declining populations depend on national government resources to manage the change process”

### Case study 3: Philadelphia’s Green Infrastructure Program

#### **Challenge: flight to the suburbs**

Philadelphia’s population declined consistently in the latter half of the 20<sup>th</sup> century, from more than 2 million people in the 1950s to 1.4 million in 1999.<sup>56</sup> The result of population and industrial losses was an increase in vacant property and land. Population loss was driven by job losses in the manufacturing industry, as well as a greater appetite for suburban living. Philadelphia’s neighbourhoods remained quite dense in their design, and the existing open spaces were often poor quality.

#### **Solution: greening in place of abandonment**

As part of its ‘Neighbourhood Transformation Initiative’,<sup>57</sup> Philadelphia is developing ‘green infrastructure’ by greening and maintaining vacant lots after the demolition of abandoned properties, and by planting trees along busy streets.

Each greening project has attracted small streams of investment in addition to core funding. Local community groups are hired to clean, prepare landscape and maintain the sites. The project also partners with workforce training organisations to provide the homeless and ex-offenders with the opportunity to gain skills and employment in the maintenance of greened land.

#### **Measurable impact: increasing property values in shrinking neighbourhoods**

Housing sales data in Philadelphia’s New Kensington neighbourhood suggests that (after accounting for other influences on price), greening vacant lots had increased values by as much as 30 percent.<sup>58</sup> A city wide study found that green infrastructure had a particularly noticeable impact on prices where the intervention improved a previously neglected vacant lot, or shielded houses from traffic on busy streets.

**Lessons for England’s cities:** As in Manchester and Birmingham, not every part of Philadelphia is suffering from population loss. However, in those neighbourhoods that have declined, an adaptive approach that involves greening over land is showing signs of working well. Indeed, in poor quality, low-demand environments, creation of green infrastructure can be a value-adding strategy. Policy makers in England’s major cities could be more open to this kind of strategy.

#### **Find out more about the approach being adopted in Philadelphia**

- Wachter SM, Gillen KC & Brown CR (2008) *Green Investment Strategies* [www.community-wealth.org/\\_pdfs/news/recent-articles/04-08/article-wachter-et-al.pdf](http://www.community-wealth.org/_pdfs/news/recent-articles/04-08/article-wachter-et-al.pdf)

56. United States Census, Population Estimates, County level

57. The Neighborhood Transformation Initiative involves a \$295 million commitment of city funds to tackle the problems of decline.

58. Wachter SM, Gillen KC & Brown CR (2008) *Green Investment Strategies* [www.community-wealth.org](http://www.community-wealth.org)



## Case study 4: Leipzig

### **Challenge: over-supply of housing**

Leipzig is a city of around half a million people, which is similar in population to English 'core' cities such as Liverpool and Leeds. It sits in the former East Germany, 150km south west of Berlin. The city's population fell by about 100,000 people between 1989 to 1996, leaving it with a major oversupply of housing.

Leipzig's housing surplus was made worse by the fact that 30,000 housing units were already unoccupied in 1989.<sup>59</sup> After the re-unification of Germany, vacancies spread, reaching a peak of 62,500 units, or 20 percent of existing stock, in 2000.<sup>60</sup>

### **Solution: grant and subsidy supports for shrinkage**

From 1997 to 2003, Leipzig secured around €35 million from central government for selective renewal and demolition from a mixture of local, regional, federal and EU sources. The programmes introduced did encourage change, but not at a level that could reduce the housing surplus, particularly as new construction was still being supported.<sup>61</sup>

From 2002 Germany's national government started taking population shrinkage in its cities more seriously and allocated a larger pot of funding to deal with the problem head on. A €3 billion demolition programme called Stadtumbau Ost (Urban Restructuring East) was set up to demolish and refurbish housing.<sup>62</sup>

### **Impact**

Between 2001 and 2009, Leipzig demolished over 9,000 housing units, mostly in peripheral housing estates. The Leipzig region is now seeing population decline in the suburban municipalities, and some modest population growth in the central area of the city. By 2005, the vacancy rate had improved to 14 percent of all housing units, compared to 20 percent in 2000.<sup>63</sup> Although Leipzig's overall population is likely to decline further in future, the city is now better able to respond to what is undoubtedly still a challenging situation.

**Lessons for England:** Cities with weak property markets and declining populations depend on national government resources to manage the change process. In Leipzig's case, the city led the way in proposing change, but national programmes were slow to enable it. The lesson for England is that city level decision makers should identify needs, but national government should enable plans by allocating funding, or supporting cities to raise that funding, so that they can be implemented.

### **Find out more about the approach being adopted in Leipzig**

- For more information on Urban Restructuring East see Germany's Federal Institute for Research on Building, Urban Affairs and Spatial Development website: [www.bbsr.bund.de/cln\\_016/nn\\_279424/BBSR/EN/Home/](http://www.bbsr.bund.de/cln_016/nn_279424/BBSR/EN/Home/)

59. Mainly in old Victorian to Edwardian era stock, which had been neglected and lacked modern facilities, with 9 percent deemed uninhabitable.

60. Plöger J (2007) *Leipzig city report, Weak Market Cities Programme* London: LSE

61. Bontje M (2004) 'Facing the challenge of shrinking cities in East Germany: the case of Leipzig', *Geojournal*, vol.

61, pp. 13-21; Power A, Plöger J & Winkler A (2010) *Phoenix Cities: The fall and rise of great industrial cities*, London: Joseph Rowntree Foundation

62. *Ibid.*

63. *Ibid.*

“Strong community engagement is crucial when developing and implementing ‘smart-sizing’ plans”



“The Government should establish a permanent ‘Transformation Fund’ fund to help local areas deal with the impact of industrial and population decline”

- Facing the challenge of shrinking cities in East Germany: the case of Leipzig *Geojournal* 61: 13-21
- Leipzig city report from Phoenix Cities project <http://sticerd.lse.ac.uk/dps/case/cr/CASereport42.pdf>

### **Lessons for England’s cities on managing the impact of population decline on their built environments**

- **‘Smart-sizing’ policies can deliver benefits for local residents and be effective strategies for city leaders to adopt when faced with population decline.** While the scale of population decline faced by US and German cities has been larger than that experienced in England’s cities, even smaller scale population loss creates built environment problems that need to be dealt with proactively.
- **Increasing ‘green assets’ such as parks or additional garden space for individual residents should be seen as important options** when considering how local decision makers can deal with the impact of population decline on built environments and improve outcomes for local people (for example, increased green space can improve mental health).<sup>64</sup>
- **Strong community engagement is crucial when developing and implementing ‘smart-sizing’ plans.** Policy makers should give as much power as possible to community groups in deciding on plans.
- **National government should be providing funding to enable change.** Community groups and local authorities do not have the resources to deliver change on the scale required so national government has an important role to play providing the necessary resources.

## **6. A new approach for national government**

The Coalition has indicated that one of its major priorities is to give local authorities and residents more decision making responsibility across a range of policy areas, including planning and economic development. ‘Localism’ and the creation of the ‘big society’ are still in their early stages, however, and given the existing centralisation of spending and decision making power in England, national government still has an important role in sub-national economic development.

The Centre for Cities has consistently argued for more devolution of power from Whitehall to local authorities and we welcome the steps being taken by the Coalition towards this. Cities should be taking a lead in managing their own economies. But we think it would be a mistake for national government to completely withdraw from sub-national economic development.

Indeed, as highlighted above with the case of Germany, national government can play a critical role in helping places deal with the impact of population decline on their built environments. We use this section of the report to call for the creation of a permanent, centrally funded ‘Transformation Fund’ that provides resources to support places going through a period of decline.

64. Tyler P (2010 - unpublished) *What should be the long-term strategy for patterns of decline and underperformance?*



## **Why national government should continue spending money on the built environment in cities or neighbourhoods adapting to economic change**

Why should national government continue to intervene in areas adapting to industrial and population decline? First, most would agree that there is a strong social justice argument in favour of providing support to declining areas simply on the basis of fairness and the need to ensure that the people living in declining areas are supported through the transition process. While those with skills can take advantage of job opportunities elsewhere, it is more challenging for those with lower levels of skills, or other barriers to enter the labour market, to move, making place still an important prism for intervention. This makes it important for national government to intervene, not only because this allows redistribution of funds from more successful areas to less successful ones but also because many struggling areas will be particularly badly affected by coming public spending cuts.<sup>65</sup>

Second, the presence of vacant and derelict land in declining areas imposes significant costs on the residents and businesses that continue to live and operate in the neighbourhoods affected by urban blight. In the same way that government takes action to deal with what economists call ‘negative externalities’ such as environmental pollution and traffic congestion through taxes and regulations, there is a strong case for policy makers to take action on the ‘negative externalities’ of dereliction and urban blight.

### **Create a permanent ‘Transformation Fund’ to support change in declining areas**

The Government should establish a permanent ‘Transformation Fund’ to help local areas deal with the impact of industrial and population decline on their built environments. Given that the Spending Review has only recently been announced it would obviously be unrealistic to introduce such a fund immediately. However, the introduction of a Transformation Fund should be a key medium-term objective of the Coalition and it should therefore consider introducing such a fund at the start of the next Spending Review period in 2015/16.

Introducing a fund of this kind would represent a departure from previous approaches to regeneration which have been characterised by growth orientated, time limited, initiative based funding pots. But if managing change is the objective, then policy makers need to accept that there will be ongoing costs associated with dealing with the impact that industrial and population decline has on different parts of the country over time. A pot for which cities could bid for funding would follow the model set by the Regional Growth Fund.

### **How much will a Transformation Fund cost?**

The major cost encountered by cities struggling with industrial and population decline is dealing with the remnants of industrial infrastructure and vacant and poor quality housing. A good way of thinking about the ‘costs’ faced by these places is the amount of money that would be required to demolish a house or vacant property and return it to a ‘natural state’. This would remove the negative side effects, or externality, imposed on an area’s residents.<sup>66</sup>

65. Centre for Cities (forthcoming) *Cities Outlook 2011* London: Centre for Cities

66. This isn’t to suggest that this is the intervention that would be required in every case, but that it provides a measure of what it would cost to deal with and remove the urban blight faced by struggling cities.

“The presence of vacant or derelict land in declining areas imposes significant costs on residents and businesses”



“The Transformation Fund could follow the example of the Regional Growth Fund, requiring areas to ‘bid in’ to access resources”

Thinking about housing specifically, we have calculated that if the Government wanted to reduce the level of vacancies in the 10 city-regions with the highest vacancy rates, to the city-region median, it would require the demolition of almost 55,000 homes and would cost up to £2.2 billion (see Figure 9). Of course, this £2.2 billion figure underestimates the true cost of adaptation because it ignores the cost of dealing with unused industrial infrastructure and assumes no on-going costs of demolition and adaptation – both of which would increase the cost of this kind of policy. Still, the £2.2 billion figure at least provides an indication of the scale of funding that would be required to finance change.

**Figure 9: Cost of dealing with urban housing blight**

	TTWAs with top 10 vacancy rates	TTWAs above median vacancy rate
Average % of vacant homes	5.0	4.1
Number of ‘excess’ vacant homes	54,610	70,923
Cost of demolition of ‘excess’ vacant housing	£500m	£600m
Cost of site acquisition of ‘excess’ vacant housing	£1,800m	£2,300m
Total cost of dealing with urban housing blight	£2,200m	£2,900m
Cost of demolition (2010 prices)	£8,500	-
Cost of acquisition (2010 prices)	£32,200	-

Source: Vacancy data from ONS Neighbourhood Statistics, Vacant Dwellings, 2008; Acquisition data based on DCLG (2009) Value for money issues and the evaluation of the housing market renewal pathfinder programme London: DCLG

### How would a Transformation Fund work in practice?

There are two main options for how the fund could allocate resources.

- **Distribute money to areas based on need.** National government could assess the need to deal with urban dereliction in an area and then allocate a sufficient amount of money to deal with the issues faced. This would meet the objective of making the delivery of regeneration more like a mainstream public service.
- **Use a competitive bidding process.** Alternatively the Transformation Fund could follow the example of the Regional Growth Fund, requiring areas to ‘bid in’ to access resources. This would encourage innovative approaches to be taken and thus increase efficiency. However, it would also be a centralising approach, in contrast to the government’s goal of localism.

We recommend that a mixed approach be taken. This would ensure that funds are available for areas where the impact of decline on the built environment has been particularly acute, but also ensure that innovative ideas are funded via a competitive process. This would introduce elements of mainstream service provision as well as retaining competitive incentives.

Finally, it would be preferable if the Transformation Fund was able to leverage European funding, to ensure that substantial resources were available to meet its aims. This money would be highly appropriate given its focus on disadvantaged areas. Opportunities for further development, where these are realistic, should be pursued by cities themselves using alternative funding.



## 7. Grand Designs? A new approach to the built environment in England's cities

This paper argues that policy makers at the local and national levels need to adopt a new approach to the management of the built environment in areas of the country experiencing population and industrial decline. Established strategies that push for growth in every area and all circumstances are often unrealistic as they attempt to work against the grain of the economy, as well as wider trends such as population change and industrial decline. Building too much housing and business space in urban areas where there is an oversupply can have a negative effect on residents.

Our analysis of the evidence suggests that a new approach to the built environment should be based on five key principles:

- 1. Built environments need to adapt to changing economic circumstances and levels of population.** Urban areas facing industrial change and population decline need strategies that deal directly with the consequences this has for the built environments in some neighbourhoods as well as making the most of realistic opportunities for growth in others.
- 2. Strategies should focus on delivering the best outcomes for people.** Increasing the supply of business space and housing in areas where there is limited demand for it is not necessarily the best way of improving outcomes for local people. Insights from countries where local authorities have more power and responsibilities – for example, the United States and Germany – suggest that ‘smart-sizing’ can improve outcomes in neighbourhoods experiencing decline.
- 3. Decision makers should respond to the needs of different neighbourhoods.** A ‘one-size-fits-all’ approach to the built environment would ignore varying patterns of demand for space across a city-region. For example, Liverpool is losing population across its city-region, but still has potential for growth in some areas.
- 4. Community engagement and leadership is crucial when managing the impact of decline on built environments.** Evidence from both England and overseas suggests that top down solutions are not welcomed by local communities. Policy makers need to ensure that local authorities and neighbourhood leaders are given the responsibilities and resources needed to deliver change.
- 5. Places need to keep reviewing their economic circumstances. No city-region or neighbourhood is on a fixed path towards either growth or decline.** Facing industrial change and population decline now does not mean this will always be the case. Built environment strategies need to adapt to changing circumstances and levels of demand at different points in time.

Our evidence suggests that **local authorities and communities should:**

- **Take a leadership role in dealing proactively with the impact of economic change and population decline on the built environment.** Strategies that deal with urban blight in creative ways can deliver real benefits for the local community when delivered alongside strategies for skills, worklessness and business support.

“Policy makers should give as much power as possible to community groups in deciding on plans”



“Built environments need to adapt to changing economic circumstances and levels of population”

- **Consider reconfiguring former residential and commercial sites to improve outcomes for local residents.** Increasing green spaces, enlarging residents’ houses or gardens or adapting buildings currently not in use to lower levels of demand can deliver benefits for residents and potentially enhance the attractiveness of the local area, as well as being more cost effective.
- **Develop city-region spatial development plans via Local Enterprise Partnerships.** Local decision makers need to identify neighbourhoods where there is growing demand for housing or commercial space as well as areas experiencing population loss and urban blight and implement approaches that reflect the needs of different neighbourhoods.
- **Engage effectively with the local community when developing and implementing ‘smart-sizing’ plans.** Policy makers should give as much power as possible to residents in deciding on plans, including testing out the neighbourhood planning approach proposed in the Localism Bill.

**National government should:**

- **Urgently identify new funding for Housing Market Renewal Pathfinder projects.** National government’s decision to pull all funding from these schemes imposes an unfair cost on the communities concerned. Part of the Regional Growth Fund, European Regional Development Fund and Homes & Communities Agency budgets should be re-profiled to fund an acceptable solution and each scheme should be reviewed with the local community to ensure it will deliver appropriate outcomes.
- **In the next spending round, set up a permanent ‘Transformation Fund’** that focuses solely on helping those areas struggling with industrial and population decline.



## Acknowledgements

The authors are grateful to colleagues at the Centre for Cities for invaluable feedback and support on this paper over the course of its development.

We are also indebted to a wide range of researchers and policy experts who helped to develop the thinking for this report and commented on earlier versions of it. Particular thanks are due to Stephen Ashworth.

Special thanks are also due to Alasdair Rae of the University of Sheffield for developing the maps and animations used in the paper, and to Humphrey Southall of the University of Portsmouth for supplying population data.

Any errors or omissions are the responsibility of the authors.

## Agenda for Growth

The Centre for Cities' *Agenda for Growth* research programme sets out a radical new approach to economic growth in England's cities. Our aim is to provide high quality analysis and advice that helps cities and national government think about how they can work together to raise economic growth and generate more private sector jobs.

This is the final report in the Agenda for Growth 2010 series. The three reports analyse the challenges of economic growth in England's cities and set out what we see as the key components of a more realistic, evidence-based approach.

**Private Sector Cities:** Our first paper analysed variations in private sector jobs growth across England and provided a new typology of change in England's cities. It showed that there has been a major shift in the potential for private sector jobs growth across the country and argued that policy makers at the local and national levels need to respond by adjusting their strategies for different types of cities.

**Firm Intentions:** Our second paper explained some key lessons on the nature of private sector growth in England and explored the policies that can be used to support private sector jobs growth as the public sector begins to contract. In particular, we looked at how Local Enterprise Partnerships and the Regional Growth Fund can be used to help stimulate jobs growth in cities across the country.

**Grand Designs?** This third paper sets out a new strategy for physical regeneration in cities and neighbourhoods that have been experiencing long term economic and population decline. We explain why the objectives of built environment policies in cities that have been struggling with persistent decline need to change and set out the content of a new strategy.

If you would like to find out more about our 2011 research programme, please contact Andrew Carter on 020 7803 4318 / [a.carter@centreforcities.org](mailto:a.carter@centreforcities.org)



December 2010

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