



# Three policy priorities for the West of England

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## Introduction

The first metro mayor of the West of England is likely to face very different challenges to those in other city regions benefitting from devolution deals. The metro mayor will govern one of the strongest metro economies outside London, where residents are more likely to be in a job than the national average, and where those jobs are more productive than those across the country.

Bristol is the economic engine within the city region, and Centre for Cities research shows it is the only Core City that punches above its weight for productivity, employment and wages.<sup>1</sup> The metro mayor will also have powers over Bath and North East Somerset and South Gloucestershire, which make up much of the city region's labour pool and infrastructure, and are also home to a diverse range of businesses. But the area's strong economy comes with challenges that threaten its future prosperity, most significantly the lack of affordable housing and congested transport networks.

The role of the metro mayor will be to sustain this thriving economy by supporting the conditions for growth across the city region, and tackling its potential downsides. This briefing offers the metro mayor three priorities that address the biggest issues facing the West of England city region.

A **'quick win'** will help the mayor to set the tone for delivery right from the start. Signalling change quickly will show what the metro mayor is able to do for the city region and build trust. The best of these policies are high profile and valuable to residents.

**Strategic decisions** form the framework for delivering the metro mayor's vision over their term. As such, the metro mayor will have the power to take the decisions that will make the most of the new geography of governance. While the mayor will be keen to show progress towards their vision, strategic decisions will often take longer to show outcomes, and so careful evaluation is needed to allow for flexibility and to demonstrate the effects.

A **long term vision** for the city will be the key election platform – it is what the metro mayor is working towards while in office. This should be ambitious, but reflect the real needs and potential of the city. Some aspects of the vision will be achievable within the term in office, while others will build momentum or signal a change in direction. It is important to be clear and strike the balance of where each policy lies on this spectrum.

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<sup>1</sup> Centre for Cities, Cities Outlook (2017), London: Centre for Cities

## Policy priority 1: A quick win

### Get more houses built

- Signal your intent to build more homes by developing a more ambitious strategic plan for the city region
- Use the mandate and political capital of office to call for a strategic review of local green belts
- Look for ways to make development attractive for sceptical communities
- Widen the scope of the Bristol Land Commission to the city region

One of the West of England's greatest strengths is its economy, but this also brings challenges which must be managed. That is most evident in terms of housing, with house prices in the city region being 10.9 times more than average local income, compared with 9.8 nationally.<sup>2</sup> And this is of great concern to businesses and residents: Centre for Cities' polling of firms<sup>3</sup> and residents<sup>4</sup> found that both groups expected the metro mayor to prioritise investment in housing in their first term. The demand and cost of housing is increasing because of a lack of house building in the area, an issue which the metro mayor must address.

### Signal the intent to build more homes by developing a more ambitious strategic plan for the city region

To tackle the area's housing affordability crisis, the metro mayor needs to plan for new housing in the highest demand areas. In particular, they need to be ambitious in meeting the area's long term house building shortfall, as this will be essential to support future growth in the city and to stabilise housing costs. The current Joint Spatial Plan (which includes North Somerset) goes some way in doing this, but needs to be more ambitious. It sets out plans for 45,000 new homes, and recognises the need for an additional 38,000 homes on top of that target, to get close to the objectively assessed housing need. However the desperate shortfall in affordable housing shows that this will not be enough.

### Use the mandate and political capital of office to call for a strategic review of local green belts

To get the homes the West of England needs built, the metro mayor must take up the difficult but necessary task of strategically allocating more land for housing across the local authorities. This will involve political battles because any realistic plan for housing growth in the West of England must include a rational reassessment of the green belt.

As Centre for Cities research shows, without reassessing the green belt, the city region cannot meet its housing needs.<sup>5</sup> In Bristol itself, the green belt only makes up about 5 per cent of its land, but it is a much larger share in South Gloucestershire (46%) and Bath and North East Somerset (70%). This imbalance makes the political reality of taking tough decisions on the green belt more difficult for local authorities, but will be unavoidable for the mayor. Having been elected by residents across the city region, they must support local councillors in making the case for reassessing the green belt – looking in particular at the most accessible and poorest quality green belt – to local residents on behalf of the whole West of England community. The metro mayor, with the visibility and mandate that the position affords, will be in a strong position to make this case and drive change through.

2 Centre for Cities, *Cities Outlook* (2017), London: Centre for Cities

3 Clarke, E & Jeffrey, S, (2015): *Firm views*, London: Centre for Cities

4 Semple, B, (2016): *Metro mayor polling*, London: Centre for Cities

5 Clarke, E, Nohrová, N, & Thomas, E (2014): *Delivering change: building homes where we need them*, London: Centre for Cities

## Look for ways to make development attractive for sceptical communities

To justify a strategic release of green belt land to residents, the metro mayor will need to use a robust and evidenced approach to allocating land, and must also ensure that residents in these areas benefit from investment in infrastructure alongside the new homes. This could mean transferring publicly owned land to developers on the condition that they deliver more affordable homes.

Alternatively the community could realise some of the land value uplift in areas where planning consent changes. This would initially be administered through the limited tools available such as Section 106 and the Community Infrastructure Levy, but the metro mayor could also make the case to Whitehall for the West of England to be a pilot for a Development Land Charge model, to effectively capture land value rises from planning changes. The metro mayor will be in a unique position to make this case to Whitehall, given their mandate and decision-making responsibility over an area which desperately needs more homes and has a stronger economy than average.

## Widen the scope of the Bristol Land Commission to the city region

While supplying the land that is needed for homes will require releasing a small proportion of the most accessible and poorest quality green belt land, the metro mayor will need to consider other housing options too. To ensure that enough developable land is available in the city region, the metro mayor should enhance the Bristol Land Commission and make it a city region-wide initiative. This will help bring brownfield sites which are suitable for housing into use across the city region.

## Policy priority 2: A strategic aim

### Build the profile of the West of England economy

- Promote the businesses and amenities of the West of England across the UK
- Build international links to make it easier for firms to trade following Brexit
- Represent a range of industries where firms benefit from international links
- Build on the profile of West of England's globally recognised Universities
- Ensure that a higher national and international profile also translates into benefits for communities across the city region

The West of England is home to some of the most dynamic, innovative firms in the high-skilled industries which drive growth in jobs and productivity. However, despite having one of the strongest economies in the country, the West of England's success is not well known enough beyond the area. The metro mayor should work with businesses and the established institutions in the area, to make the most of this dynamic and innovative 'buzz' and raise the profile of the West of England.

### Promote the businesses and amenities of the West of England across the UK

Within the UK, the West of England does not yet have the profile that its economic success deserves, especially compared to their major city regions such as Greater Manchester. Bristol is the economic

engine within the city region and Centre for Cities research shows it is the only Core City that punches above its weight for productivity, employment and wages.<sup>6</sup> The city region benefits from excellent amenities and a thriving economy. There are large firms across the area, including Airbus in Filton, thriving tourism businesses in Bath, and professional services and digital firms in Bristol. The metro mayor needs to actively ‘sell’ the profile of these industries and the other firms that thrive in the West of England.

### **Build international links to make it easier for firms to trade following Brexit**

The mayor should establish links with cities internationally through joining existing networks of mayors and cities such as the C40 cities, or Global Parliament of Mayors. This enables the metro mayor to quickly benefit from sharing other mayors’ experience, knowledge and best practice. It also opens links for West of England firms with international markets and businesses.

Following the vote to leave the European Union, the metro mayor must help firms to be ambitious and practical in how they build and maintain their trade and exports. Firms in the West of England are particularly reliant on exports to EU markets, with Bristol the third most reliant city in the UK on trade with the EU.<sup>7</sup> Therefore the exporting success of firms in the city region will be heavily affected by the details of the trade deal struck by the Government with the EU. But beyond the parameters of these deals, there is much for the metro mayor to do to raise the profile of the city region’s businesses, and to prepare them for the likely uncertainty ahead. The mayor can help to build global relationships and raise the city region’s profile internationally by taking trade envoy trips and forging links with foreign city mayors. These relationships will help firms to open up potential markets and to sustain existing trading relationships.

### **Represent a range of industries where firms benefit from international links**

The metro mayor should use their new profile to represent the whole of the city region’s business base to international investors, firms and new markets. That will mean working with key business representatives such as the LEP, chambers of commerce and wider business community. In addition to membership organisations, forming strong relationships with large firms such as the mobile phone company EE, the BBC, and Airbus will help them realise commercial benefits, build credible and high profile business networks, and raise the profile of the mayoral office itself.

The metro mayor must ensure they represent all firms across the West of England – including smaller firms and niche industries – to help develop the identity of the city region internationally as a highly innovative and productive business community. For example, in addition to large aerospace firms, the West of England has thriving small businesses in the digital and creative firms, but currently these do not have the international profile they deserve. By working with these firms to build their scale and raise their combined profile as part of the West of England brand, the mayor can increase awareness of the area and help firms to benefit from its enhanced reputation.

### **Build on the profile of West of England’s globally recognised universities**

The metro mayor should also work with the city region’s universities to promote the ground-breaking research and innovative work they do. To do this he or she should form links with the West of England’s six universities, building on the international recognition and networks these institutions benefit from.

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<sup>6</sup> Centre for Cities, *Cities Outlook* (2017), London: Centre for Cities

<sup>7</sup> Centre for Cities, *Cities Outlook* (2017), London: Centre for Cities: Bristol ranked third out of 62 cities for share of exports going to the EU

In the early days of office, this will mean making high profile visits and being vocal in supporting the work the universities do with businesses, for example through the SETsquared partnership.<sup>8</sup> The metro mayor should also look to take university leaders or representatives of successful university projects on global trade missions, to showcase the innovative work that is done in the area and the benefits and opportunities of locating in the West of England.

The metro mayor must also develop the city region's identity within the UK and internationally. He or she should use their own voice and profile to bring together the city region's businesses – both large and small – as well as universities and research institutes to show that firms across the West of England can compete across the world.

### **Ensure that a higher national and international profile also translates into benefits for communities across the city region**

The new metro mayor should consider how they can use – and show they are using – the city region's economic growth and its higher national and international profile to address issues such as poverty and low educational attainment in some communities across the areas. For example, only 13 per cent of school students in Bristol at GCSE level who receive free school meals go on to higher education – significantly lower than in other cities such as London (42 per cent) and Birmingham (30 per cent).<sup>9</sup> The metro mayor should make the most of the city region's economic strengths to try and tackle these problems, so that more people can share the benefits of its growth.

## **Policy priority 3: A longer term vision**

### **Investing in transport to make the city region more accessible**

- Take ownership of the Joint Transport Strategy findings
- Ensure transport helps to make a coherent city region for all residents
- Review the strategic decisions on rail extensions bringing together decision makers in City Hall.
- Champion the West of England's cycling and walking culture

The challenges of managing growth are also visible in the area's increasingly congested transport network: residents in the West of England have long called for road and rail improvements throughout the city region, latterly through organisations such as MetroWest. Failing to address the congested road and rail network around the city region will stifle growth and restrict residents' access to jobs and services. As with housing, Centre for Cities' polling found that both businesses and residents see this as a crucial focus for the new administration. The metro mayor must use his or her new strategic and regulatory powers as well as their budget to invest in transport improvements.

<sup>8</sup> The SETsquared Partnership is the enterprise collaboration between the universities of Bath, Bristol, Exeter, Southampton and Surrey. It supports high tech start-up companies and entrepreneurs, it also enables academics to maximise the commercial impact of their research.

<sup>9</sup> Department for Education (2016): <https://www.gov.uk/government/statistics/widening-participation-in-higher-education-2016>

## Take ownership of the Joint Transport Strategy findings

The metro mayor will be the first to benefit from making transport decisions across local authority boundaries that better reflect the way people live and work in the city region. After years of under-investment and mixed messaging on improvements from electrification, trams and new train lines, the West of England needs a clear long-term strategic transport plan. Persistent contenders for rail line investments include the Henbury loop line and the extension to Portishead. However, until now, attempts to make these investments have been frustrated.

The metro mayor will be held responsible by voters for these decisions regardless of the timings or previous work from the Joint Transport strategy. Therefore ensuring that these decisions are evidence based and strategically inline with the mayor's vision for the city region will be key. If the mayor disagrees or has other priorities, it will be important to win these political battles, using the mandate and profile of the office to lead a changed strategy.

## Ensure transport helps to make a coherent city region for all residents

The new strategic powers the metro mayor has been given means that they represent the whole city region and their vision must be about improving residents and workers' access to jobs and opportunities whether they live in Bath, North East Somerset, Bristol or South Gloucestershire. To achieve this, the mayor should use their new strategic transport planning powers to invest in the transport priorities set out by the joint strategic planning group. Alongside the powers they have been handed, a political consideration for the mayor will be how best to work with North Somerset, from which 22 per cent of residents in work commute to Bristol. Taking an inclusive approach to engaging, involving and making decisions that impact and help North Somerset will be crucial, even though the area is not within the formal city region. In a similar way, the Mayor of London Sadiq Khan has worked closely on shared goals with leaders in places such as Hertfordshire and Kent on issues like transport, even though he has no formal responsibility for these areas.

Whilst train lines and road investments will be an important part of the city region transport plan, it will not address the transport needs of all residents, and for isolated or lower demand areas there is a pressing need to improve the bus system. This should be the short to medium term goal in the transport strategy, linking communities with the range of jobs on offer across the city region.

The metro mayor's powers to regulate and improve the bus system are hugely significant. Buses are disproportionately important to job seekers and those in low paid work, and making it easier for these residents to travel and find work should be a central concern for the metro mayor. They should also consider using new powers to bring in smart ticketing across the city region and, most importantly, coordinating and expanding the bus system to make it an easier, better and more attractive experience for residents.

## Review the strategic decisions on rail extensions bringing together decision makers in City Hall

To ensure that the city region benefits most from the investments they make, the metro mayor will need to bring together relevant planners, developers and engineers to ensure different priorities are coordinated at a wider geography. This will help ensure these decisions add up to more than the sum of their parts, for example by working with planners on new rail lines that open up development sites for more homes in high demand areas. Making these decisions across different local authorities and boundaries will result in more 'joined up' investment strategies.

## Champion the West of England's cycling and walking culture

Finally, the West of England and especially Bristol has long championed cycling as a means to travel across the area and city. The metro mayor should build on this by looking for inexpensive ways to make cycling easier in the city. This could mean cycle lanes on key strategic routes, or simply championing the health and financial benefits of commuting by bicycle. Many commuters will continue to travel by car, or by train but reducing these numbers by getting more people on their bikes or walking to work will help reduce pressures on key services at key times.

A better-functioning and integrated transport system will enable both workers and goods to move around the city region more efficiently and can improve people's access to jobs. But the metro mayor must also use their powers and budget over transport infrastructure to unlock further benefits. Strategically planning for transport alongside jobs growth and housing at a wider scale, will lead to better decisions for residents and businesses. By investing in alternative transport modes the mayor can also make options other than a car more attractive to residents.

## Contact

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