

**Association for Public Policy Analysis and Management (APPAM) Conference  
3 - 5 November 2005, Washington DC**

**Urban Transformations in a Global Context**

- Thanks for inviting me to speak today. It's great to be back in DC. I was here from 2001-04, as First Secretary for Economic Affairs at the British Embassy. During that time, I covered US fiscal and monetary policy for the UK Government – and also focused on the specifics of US urban policy.
- Before all that, I was a senior policy adviser at UK Treasury 1994-2001. I now run a new urban think tank in London – the Centre for Cities.
- I've been asked to speak about the different US and UK approaches to metro growth and development. Here in the US, you take a laissez faire approach, with little or no direction from state or federal government. In the UK, central government takes a much more proactive approach to urban planning. First, though, a few words on British cities generally.

Cities are back

- Cities are back in the UK. Back on the policy agenda. And back on the ground. Twenty years ago, cities were the problem. Now they're part of the solution. Over the last decade, output and employment in our biggest cities have increased.
- And after consistent declines, city populations are now starting to rise again – largely due to inward migration from abroad, but also due to the return of city-centre living. The Centre for Cities is publishing a report on that in January.
- But it's not all good news. Our big cities are still underperforming relative to our EU counterparts. Many of our smaller, old industrial cities and towns are still struggling to find a new role. And we still have persistent pockets of urban deprivation and worklessness.
- And a word of caution. Our cities' progress over the last decade has been made during a very benign period of macro stability and steady growth. The UK economy has enjoyed around 50 quarters of positive growth. How resilient will our cities be in more difficult times? That's the big question.
- Meanwhile, our political leaders now take cities seriously. Unlike in the US, we have strong national leadership on cities. Prime Minister Blair, Chancellor Brown and Deputy Prime Minister John Prescott – they have cities at the top of their agendas. It's a powerful combination, right at the top of government.

## UK/US differences

- The UK's cities share many of the same problems and challenges as the US. But not to the same extent, and not on the same scale.
- For example, the UK does not suffer from the same degree of sprawl as the US. We're a small island, and we have less land. So we can't afford to sprawl like you do. Our more centralised political system also prevents sprawl, by keeping a firm grip on development through central planning targets. More on that in a moment.
- On the flipside, our cities have less power than yours. The UK is one of the most centralised political systems around. Most of our funding decisions are made in London. Local revenues are dwarfed by national mainstream funds. Our city leaders are less entrepreneurial, and still rely too much on central government intervention. And apart from London, we don't have any elected mayors in our big cities.
- The Centre for Cities is pushing for more financial and political devolution to our cities. But we have a long way to go.
- So what are the UK's key policies on metro development?

## UK planning

- The UK's national planning system is critical. We have national planning targets for density. New housing development must be 40 units per hectare. And 60% of all new development must be on brownfield land. These are minimum standards. The brownfield target has actually been exceeded, with 70% of new housing developed on brownfield since 1997.
- We have a series of central *Planning Policy Guidance and Statements*. These set out things like – brownfield development first, protection of greenbelt.
- PPG3 promotes high-density, mixed-use brownfield housing development – and limits sprawl on greenfield. PPS6 now promotes town centre commercial development – rather than out of town, “big box” retail.
- We follow a sequential test approach, which is heavily biased against out of town development. Retailers and developers first have to prove that an “in town” project is not viable, before they can go for “edge of town” or “out of town”. Out of town is the last resort.

## *Call in powers*

- The Secretary of State (John Prescott) can take the final decision on any development project – no matter how big or small. This is critical to guiding development. It also limits cities' autonomy in their own development decisions. Imagine Dick Cheney or the HUD Secretary acting like this!

## *Section 106 Agreements*

- Before they get consent, developers in the UK have to negotiate planning obligations with city authorities. This means the developer often ends up paying for things like social housing and infrastructure improvements.

## Impact

- So the UK planning system is heavily prescriptive. It is not market-led. Is this a good thing, or not? Many would argue that it has constrained growth and stifled competition. But others would say it has been essential in preserving vital greenfield land and ensuring re-use of old inner cities.
- Planning is just one of many differences between US and UK urban policy. But there are some common challenges too – mainly around economic growth and governance. At the Centre for Cities, we are working closely with Brookings and others to identify those areas where we can exchange best practice.
- Thanks again for inviting me.

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