City centres and inner rings:
challenges for planners

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The Centre for Cities

- **What?** An independent urban research unit based at ippr. Sponsored by Lord Sainsbury

- **Why?** Taking a fresh look at how UK cities function, focusing on economic drivers

- **When?** Launched March 2005

- **Where?** We’re working in Liverpool, Manchester, Birmingham, Sunderland, Derby, Barnsley, Doncaster and Dundee …so far

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About this presentation

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- **Cities are doing better.** Population and job growth, new roles in a new economy. Future housing growth will be concentrated around UK cities
- **Key 'building sites':** city centres, inner ring neighbourhoods, Growth Areas
- **Delivering sustainable communities = delivering a good offer**, to residents and businesses
- **Have we got the tools to do it? Challenges** for decision-makers


The big picture

Why are cities doing better?

- **Demographic change.** Household growth as people start families later, live alone for longer

- **By 2026, we should see**

- **Fewer family households.** Just under half of households, down from 2/3 now
- **More single people, more older singles**. Nearly 75% of household growth: Over half aged 45+, nearly 25% 55-64
- **Household growth around cities, N and S**. 78% of the population live in / around England's 56 biggest cities (ODPM, 2006)

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Why are cities doing better? (2)

- **Industrial restructuring.** Cheap land and buildings, emergence of service sector
- **Economic prosperity.** Economic recovery, rising disposable incomes, rising house prices
  - English city-regions now have 2/3 of all jobs (SOECR, 2006)
- **Social and cultural change.** HE expansion, changing image of city living
- **Policy drivers.** Planning systems, economic development, housing and regeneration funding

City centres

- **Overview:** rapid population growth, huge public/private investment in economy, housing, infrastructure
- **Population:** young, single people who don't stay long. Mix of students, young professionals and low-income groups
- **Key issues:** over-supply of small flats, lack of services
- **The future:** 1) developing a better mixed-use offer 2) catering for older residents in edge-of-centre locations

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CONCERT SQUARE, LIVERPOOL - 1993

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CONCERT SQUARE, LIVERPOOL - 1995

Inner ring neighbourhoods

- **Overview:** 'doughnuts of deprivation' around city centres. Static / declining population

- **Population:** mixed: white working class, new minorities. Aiming for: young families, key workers, older people

- **Key issues:** housing renewal (especially demolition), funding social infrastructure, providing private services

- **The future:** 1) creating demand for 'edge of centre', 'inner suburban' living 2) building economic links to the city core

NEW ISLINGTON, MANCHESTER - 2000

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The big challenges

Challenges

- **Extending urban regeneration.** Inner ring areas are the next priority for cities – especially outside London

  What strategies should cities develop?

- **More market-based approaches.** Housing and planning systems will become more market-led

  How can cities and regions tap into new / future markets?

- **Tighter public spending.** SR2007 will mean slower spending growth for the next 3-5 years

  Where should the money go?

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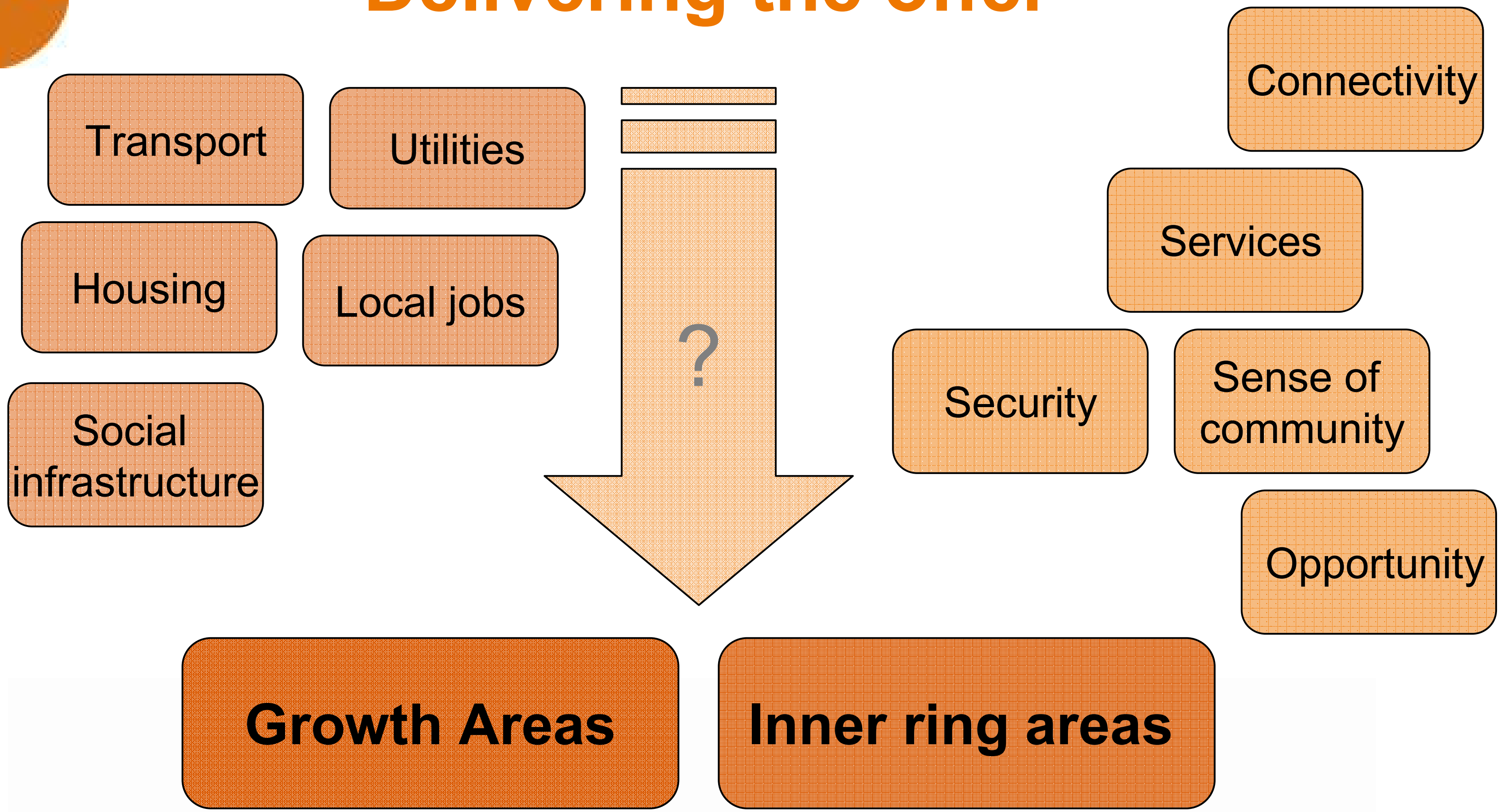
Delivering the offer



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Can we deliver it?

- **Delivering real neighbourhood mix** – how to manage community tensions? What can we expect from residents?
- **Finance and funding** – SR funding tools won't plug all the gaps. How to align mainstream funding, cycles, formulae?
- **Planning rules and incentives** – impact of PPS3? What will Barker recommend? Can we reform VAT?
- **Politics and institutions** – More powers for local authorities, delivery vehicles? Is there long term political commitment to sustainable communities?

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Planning tools: what have we got?

PPS3

- **More market-based.** Organised around sub-regional housing markets, forward land supply
- **More flexible.** Local brownfield targets, density ranges. Wide range of possible housing growth rates
- **More joined-up?** Planners can factor in infrastructure / environment / regeneration issues
- **Impact on city centres** may be minimal – high growth
- **Impact on inner ring areas** may be considerable

PPS3: questions

- **Priorities.** What weight is given to regeneration / environmental / market factors? Can we invest for future population growth in market renewal areas?
- **Flexibility.** Will the system be able to cope with high-growth city centres, next to low-growth inner rings?
- **Capacity.** Who gathers the evidence for RSSs and LDFs?
- **Mixed communities.** Mixed messages. Developers may be able to buy their way out of building affordable housing. Is this helpful?

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Barker Review of Planning

- **Huge remit, early days.** Looking at the whole of the planning system in England
- **Economic focus.** How does planning affect the five drivers of productivity?
- **Market bias?** May recommend shifting balance of containment / sprawl. But denser cities help raise productivity too
- **Creates uncertainty**. Planning system is up for grabs, for the second time in five years. More clarity in June, when interim report is published

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VAT

- **VAT differentials hurt regeneration.** They make housing market renewal harder, need to be addressed
- **Generate wasteful behaviour.** Developers have to work around the rules, raising project costs
- **May create market failure.** Undersupply of renovated properties, limited choice. But many prospective HMR residents value 'quality' old housing / innovative design
- **Best option for reform** - reduced rate on new build and conversions, time-limited and targeted to renewal areas

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It's the economy …

- **Lockout in local labour markets.** Will new housing mean greater competition for jobs?

  How can we ensure locals stay employable, stay attached to the labour market?

- **Northern cities' economic base.** Long term drivers of growth are still weak. ABIs haven't had much effect.

  Can cities survive a downturn, or tighter public spending?


Questions?
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