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CENTRE FOR CITIES AT IPPR 10 YEARS ON – WHERE'S THE URBAN RENAISSANCE NOW?

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MAX NATHAN, SENIOR RESEARCHER

WHAT IS 'URBAN RENAISSANCE'?

Thanks for having me. To start, I thought it would be useful to try and define 'urban renaissance' – we've been talking about it a lot today, but no-one's really pinned down what it is. This matters. A proper definition will help us understand the UK's achievements over the past decade, and identify challenges for the next ten years.

So what is urban renaissance? I think we can pick out four elements:

- Economic, social, demographic and cultural *drivers of change*
- *Policy enablers* – like planning and regeneration funding
- *Private sector actions* – industrial change, and growing urban markets
- All of this leading to *real change in urban places* – particularly big cities.

1997-2007 – WHAT'S CHANGED?

Given that framework, how far have we come in the past decade?

The story of UK city performance since 1997 has been one of steady progress – on economic, social and demographic measures. The *State of the English Cities Report* makes this pretty clear. The 56 biggest English cities now have over half the population and around two thirds of all employment.

That's the good news. The picture starts to change when we take a closer look.

- London is in a period of massive population and employment growth – but huge inequalities remain.
- Big cities are in recovery mode, particularly Leeds and Manchester. But serious structural challenges remain. The Core Cities are still dealing with their industrial legacy – particularly employment change and worklessness.
- Small Southern cities are doing really well – especially cities in the Western crescent around London, who've benefited from the capital's growth.
- Smaller Northern cities are a mixed bunch. There are some weak performers. And many need to identify and plan for new roles, new purposes.

What about the key sites of urban renaissance?

- City centres are basically a success story – with massive public and private investment, and substantial new communities in cities like Liverpool. But the largely young, single residents don't stay long. Is that a problem?
- City edge neighbourhoods – the 'inner rings' – are the next big regeneration challenge. They haven't seen the benefits of city centre renewal. Housing Market Renewal is part of the story, but the need for city edge regeneration goes much broader than this.
- Growth Areas are major new 'building sites' for housing growth and urbanisation – which weren't even on the table in 1997.

So urban policy has gone through some major changes over the past decade. 1997-era policy was exemplified by the Urban Task Force and the 1999 Urban White Paper. It was all about changing behaviour, and moving people into cities – especially city centres.

Today's policy mix – the Sustainable Communities Plan, PPS3 and PPS6 – is much more market-based, but also more nuanced. The focus is on creating good places to live – in city centres, but also in other urban places like towns and suburbs.

Generally I think this is a good thing – our research shows that not everyone wants to live in city centres. But the Government needs to be clearer about the type of roles it wants different urban places to play. Ministers like city centre living because it is a symbol of success. But policy needs to better reflect that it is a niche market, and not for everyone. PPS3, with its emphasis on family housing, has started to do this.

More broadly, market-based policies make the job of regenerators harder. Increasingly, planners and city leaders will need to create and shape markets for urban living – in the Growth Areas, and in inner ring areas.

WHAT NEXT? FIVE CHALLENGES FOR DECISION-MAKERS

To finish, I want to pick out five challenges that city leaders are likely to face over the next ten years.

First, changes in macroeconomic conditions. Cities have ridden the wave of economic growth since 1993. But the current business cycle is likely to come to an end in 2008/9. Urban renaissance is about to face its first real test – a slowdown in the economy, or even a recession. Will our cities be strong enough?

Second, and linked to this, what are the future sources of economic growth in cities outside the Greater South East? City leaders need to identify to what extent they've benefited from national growth and London's growth – and what their sources of indigenous growth are.

Third, British cities are becoming more open and more diverse. Globalisation presents a series of challenges. Offshoring of back office retail and service activity is a worry. The economic impacts of immigration and diversity are much less clear. Diversity should offer a range of economic benefits – plugging skills gaps, increasing the range of goods and services. Or could migrants out-compete existing residents for entry-level jobs?

Fourth, there will be less public money for city leaders. The next spending round is going to be tight, and the Government will be making choices about where the money should go. Some places may lose out.

Finally, there are a number of issues for those delivering urban regeneration – especially those involved in place-making. Not everyone wants to live in mixed communities, and affordability is a key issue – even in Housing Market Renewal areas. Many planners have not yet shifted to the new, strategic role the Government wants them to play. There are short term and long term funding gaps for sustainable communities. PGS is less the issue than co-ordinating and aligning mainstream departmental budgets. CLG has to persuade others to play ball. Finally, we need to devolve policy and financial powers towards city leaders. They need more autonomy to take urban renaissance forward.