

# West of England: Ambition and Opportunity

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# West of England

- Prosperous, high rates of economic activity, high rates of productivity growth, diverse knowledge-based economy, high skill levels, high quality of life, second most sustainable city in the country.
- Functionally highly integrated, virtually self-contained in terms of commuting flows linking homes and work, journey to learn, shopping trips, leisure
- High levels of commuting to work and school – 83 thousand travel in to Bristol to work on a daily basis, nearly 45 thousand travel out
- Administratively, divided into four unitary authorities, such that many of these flows cross administrative boundaries, many people live in one local authority and work, shop, learn or play in another
- Many factors contribute to the competitive success of cities but evidence points to the importance above all of 'agglomeration economies' (explained in a minute) and of skills

# Big-city benefits

- Agglomeration economies – the major benefits of doing business in a large, diverse, interconnected sub-regional economy
- Market size for goods and services; large & diverse labour markets; specialist suppliers of goods and services; opportunities for knowledge exchange, collaboration, innovation; specialist institutional supports; public infrastructure; urban transportation; cultural amenities attractive to skilled workers, investors.
- Sector-based cluster policies (after Michael Porter) popular but generally ineffectual – it is size, diversity, common factors like skilled labour that matter

# Barriers to growth

- Benefits of scale, agglomeration, offset by costs of congestion, the cost and availability of housing in places where people (including in-migrants) want to live , and the availability of employment land in places where businesses want to locate and invest – particularly when planning and nimbyism constrain supply
- Population set to grow by 190,000+ by 2026, households by 120-150,000, jobs by 117,000, around 100,000 new homes (depending on exactly which numbers you look at)
- How we manage this growth is critical to realising benefits, avoiding the potential costs, meeting targets on sustainability and carbon reduction
- The Partnership has been working hard to address this agenda, much has been achieved, the MAA is a milestone document – but serious concerns remain ...

# Growth management: homes, jobs, infrastructure

- Household growth has not gone away – onset and impacts delayed by recession and credit crunch
- Impact of recession on housing completions – and on any sense of urgency in ensuring supply of land and infrastructure – has stored up further trouble
- With supply severely constrained, all the ingredients are there for a major surge in house prices as the economy recovers – already on the up
- Remember as well that past growth, driven to a large extent by migration from elsewhere in the UK, relied on provision of employment sites plus attractive housing and places to live

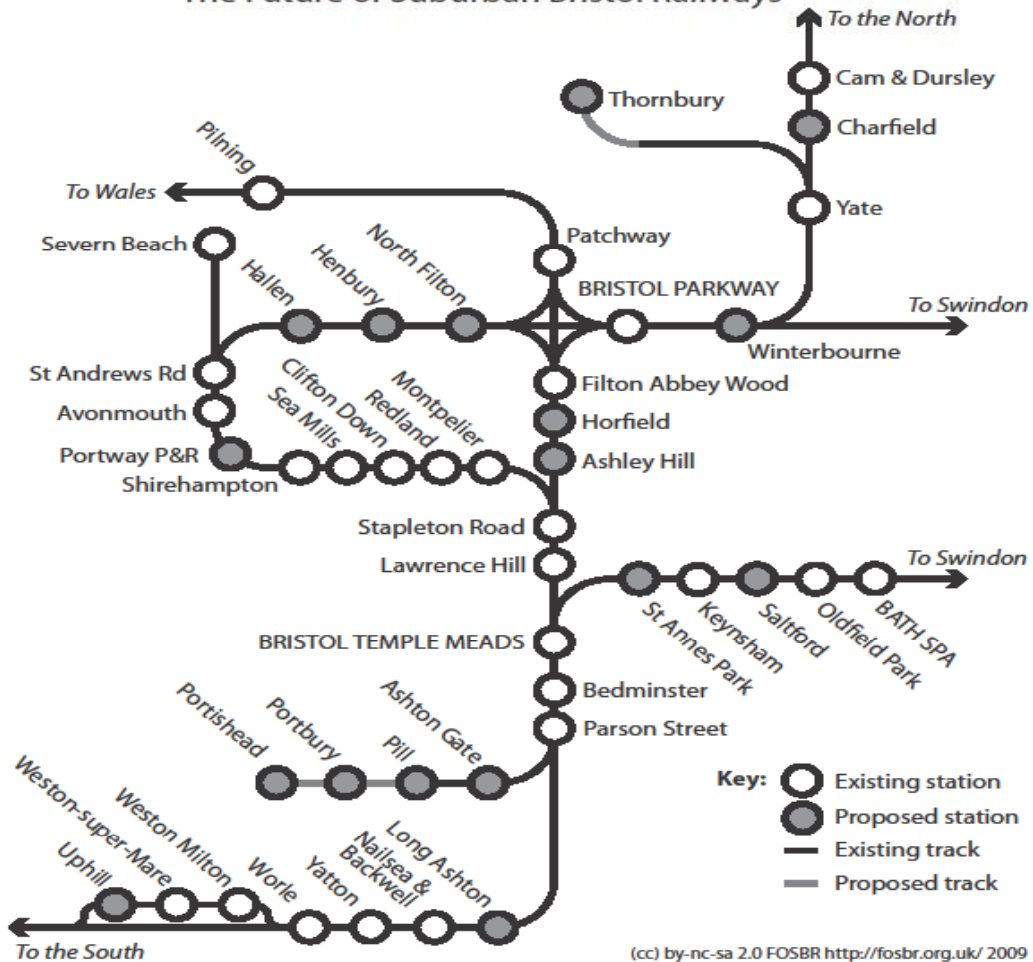
# The challenge?

- Vital that housing, employment, infrastructure (health, education, transport) planning is integrated, coordinated – scale, timing, location – acknowledging integrated nature of sub-region
- Employment land supply could increasingly constrain growth – surveys of agents and businesses show limited supply of the right type of land where business wants to locate
- Review planning policies and provide for employment land and premises where business wants to locate – integrated with provision of housing, transport and other amenities
- Needs new funding mechanisms to close the infrastructure gap – Accelerated Development Zones, Regional Infrastructure Funds
- Need commitment on Inwards Investment – agents in the past reported ‘Underwhelming welcome to potential inward investment’ compared to other UK cities – better now but need positive profile

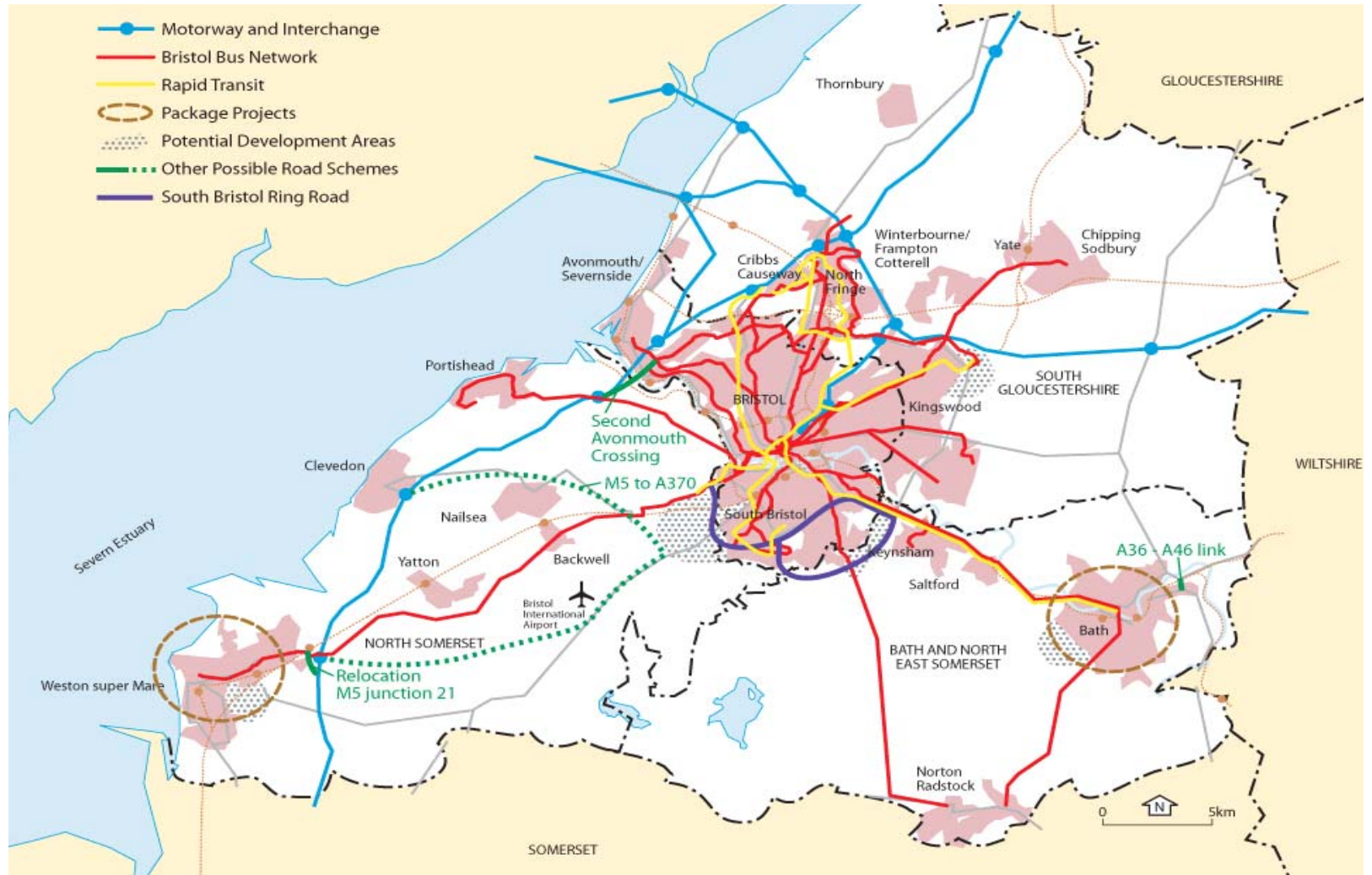
# Transport

- Costs of congestion the other potential downside, offsetting positive benefits of scale and urbanisation
- Efficient and effective public transportation vital to functioning of the city-region – to support the level of movement and interaction which underpins economic success, and to secure targets on sustainability
- Bristol significantly behind most (all?) core cities in provision of integrated, effective public transport and mechanisms for provision
- Lots of good ideas out there and some now being worked on – been there for a long time

# The Future of Suburban Bristol Railways



# Greater Bristol Transport Strategy



# Priority schemes in MAA (RFA)

- North Fringe to Hengrove Package, and its components
  - Rapid Transit Hengrove to North Fringe
  - Stoke Gifford Link
  - M32 Park & Ride
  - Rapid Transit North Fringe to Emerson's Green
- South Bristol Link Phases 1 and 2
- Callington Road Link/Bath Road Improvements
- Greater Bristol Metro Rail Project
- M5 junction 21 Bypass
- Portishead Rail Corridor
- Rapid Transit Emerson's Green to City Centre Phase 2  
(Temple Meads to Emerson's Green)

# But ...

- Implementation glacially slow: Temple Meads to Emersons Green .. 'Current timescales suggest construction work would not start until 2018/19'.
- Persistent doubt on level of commitment: *'Transport Plan hits the buffers. Neighbouring authorities 'no' after political spat'*, Evening Post 13/11/09 – and 2004 and ..
- And will have to come back to demand management and congestion charging
- And recognise that individual road-users will always vote against charging for what they consider a free good – despite the economic and environmental costs of congestion, pollution, global warming, fossil fuel depletion they freely impose on each other and on businesses

# Skills, competitiveness and the knowledge-based economy

- Skills go a long way to explain competitiveness, economic performance of the WoE - Higher level skills, NVQ3, NVQ4+
- Key to building high growth, knowledge-based economy
- Colleges, four local universities churning out highly qualified individuals, around 80,000 University students in WoE – need to retain them
- Ensure dialogue between employers and the four local universities – businesses as active partners
- Attention to skills base of resident workforce – CPD, part-time study. 25,000 part-time HE students in WoE

# The challenge?

- Past growth has been built on in-migration of a mobile, more highly skilled and qualified labour force – need to ensure WoE remains attractive and affordable if that is to continue (resume)
- Be realistic about where the more highly skilled & professional workforce wants to live – including potential in-migrants – and provide for this, respond to demand
- Too much emphasis on urban apartments, lack of provision of attractive (high density and sustainable) family housing – meaning urban extensions
- Need to attract in, retain, support the growth of, employers who employ more highly skilled knowledge-workers – including public and quasi-public sector decentralisation

# But also ...

- Very aware of persistent concentrations of worklessness, multiple deprivation in particular wards
- Mainstream initiatives and infrastructure to address worklessness constantly reinvented year after year with little evidence of long term improvement – not for want of trying ...
- What works? Early action for unemployed. Holistic. Long-term. Training and support linked to interview or job guarantees – but too expensive to mainstream? And too late ...
- Life chances, future trajectories - along with attitudes towards learning and education which are crucial determinants - set very early in life. Pre-school, early years and attitudes in the home are crucial to later outcomes – clearly a long-term strategy
- Educational disparities reinforce inequalities – and these are reinforced by the fragmentation of the WoE into four unitaries with the social and educational polarisation that we see as a result

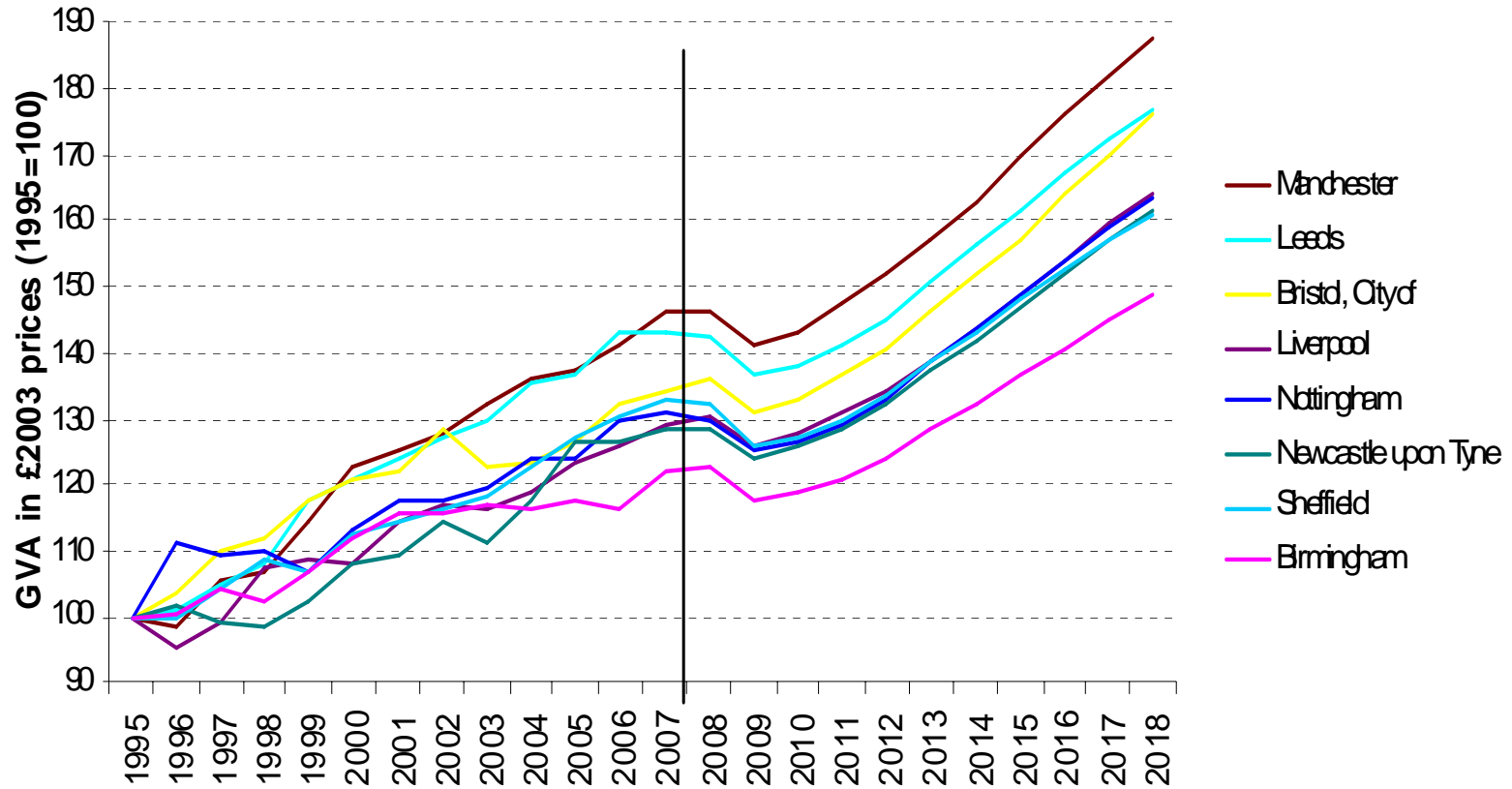
# Is growth the answer – what about climate change, sustainability, wellbeing?

- Acknowledge benefits of growth, prosperity – recession a timely reminder of what lack of growth looks like
- Be aware of goals of well-being and extent to which they connect or fail to connect with the growth agenda
- New Economics Foundation shows how self-reported ‘wellbeing’ has not risen with rising levels of output measured by GDP
- But to paraphrase Nobel Prize-winning economist Paul Krugman, ‘Growth isn’t everything ... but in the long run it is almost everything’
- City-regions like WoE are where most people live and work and what happens here is crucial to the move to a low carbon, sustainable future
- Road transportation, domestic energy consumption major sources of CO<sub>2</sub>

# Recession

- Output back to 2008 levels by 2012
- Continuing rise in unemployment to 2011/12—  
employment not fully recovered for a decade

# Recovery in output (Work Foundation, 2009)





# Impacts ...

- Credit squeeze, plus ten years of public expenditure constraint
- Loss of manual, admin, unskilled jobs
- Even harder to address worklessness
- Accelerated shift to knowledge-intensive activities
- Opportunity to focus on environmental and sustainable technology sector
- But the economy will recover – history suggests to something like the trajectory of earlier years
- And very little can be done at a sub-regional level to impact on the course of recovery
- Timescales for strategic planning are (or should be) well beyond those of the ups and downs of the economy at large, 25-30 years, several more recessions and booms over that period of time

# Sub-regional governance

- Much evidence that good governance and good leadership is linked to outcomes in terms of economic performance, social and cultural amenities, quality of place
- Superior performance of city-regions in mainland Europe has been attributed in some accounts to more effective governance at city-region scale than in the UK generally – tax regimes also more favourable
- Functional economic regions with administrative boundaries coinciding with or somewhat broader than the economic region perform more effectively than those with multiple jurisdictions
- Economically, WoE highly integrated and coherent, large flows across administrative boundaries
- Many of the issues discussed require high level of collaboration, unity of purpose if they are to be realised effectively – Partnership has been doing a lot but are we there yet?

# Challenges of fragmentation?

- There are inevitably ‘transaction costs’ at the very least arising from the need for discussion, collaboration, information sharing, securing agreement and decisions across the four authorities
- The costs and benefits of major decisions - on infrastructure or development for example - do not necessarily impact proportionately on the residents and voters of different administrative units – those in the outer authorities benefit from the jobs, schools, shops, leisure facilities provided by the City of Bristol, and clog up the roads getting there!
- And there are inevitably political differences and different responses on the part of elected members to the perceived wishes of their local electorate
- Kate Barker in her review of the planning system noted that virtually everyone is opposed to any sort of development adjacent to where they live and that local politicians rely on the votes of those from particular localities for re-election.
- Nimbyism is thus a structural fact of life in the UK planning system – not the fault of narrow-minded politicians or blinkered local authorities.

# But can we do it better?

- Demonstrate the wider benefits of being part of the West of England, the opportunities this provides and the benefits of vision, strategy, investment at city-region scale
- Benchmark WoE against other core cities?
- More effective ways of evaluating wider benefits of projects and programmes from a city-region-wide perspective – transport, planning, housing, employment, regeneration?
- Treasury ‘Green Book’ style appraisals, city-wide expert teams or commissions, identification of wider costs and benefits of undertaking – or not undertaking – particular initiatives.
- Wider in sense of different populations and interest groups in different locations and possibly even different generations
- Market failure justifies intervention – so does ‘governance failure’

# Looking to the future

- Build high-skill, knowledge-based economy
- Maximise big-city benefits, urban agglomeration
- Efficient and effective transport provision
- Ensure provision of housing, employment land is responsive to demand
- Need long term vision, 30-40 years, not just a list of projects
- Need governance structures fit for purpose, that fit the scale and scope of the West of England as a fully functioning city-region

# But ...

- Face ten years of public expenditure constraint?
- Abolition of RSS and housing requirements, and increasing political reluctance to back significant new housing development particularly on greenfield sites
- ‘real possibility of a decade of urban decline’ if economic context worsens (Work Foundation for Core Cities)
- WoE buoyed by a decade and a half of prosperity, reversed economic decline, drove urban renaissance
- Very real danger that WoE has failed to address the fundamentals needed for future resilience – on planning, housing, transport, inwards investment, employment land supply, even skills – next few years critical