

# **CITIES: THE STATE OF PLAY**

**Professor Michael Parkinson CBE  
European Institute for Urban Affairs**

- **Thanks**
- **Pleasure Core cities colleagues**
- **Here Professor but really punter**
- **Proud Liverpool achievements**
- **Place bears witness progress so many core cities**
- **Important remember difficult days**

## **Only 2 questions in life**

- 1. How did we get here**
- 2. Where are we going next**

## **Three questions cities:**

- 1. Where have we been?**
- 2. Where are we now?**
- 3. Where are we going?**

# **Reflections based on**

- 1. Competitive Euro Cities – Core cities 5 years ago**
- 2. State of Cities CLG 2 years ago  
Greg Thorpe**
- 3. Credit crunch John Healy, 1 year ago  
Roger Wilshaw**
- 4. Up date Northern Way now Andrew Lewis**

# Headline

- **Past and future different countries**
- **Great ten years –some people places**
- **Built buoyant economy, public spend**
- **Not in future**
- **Capitalism poorly probably will recover**
- **But Old development model broken – high land prices, developers infra, demand resi, easy credit**
- **Looking new financial models - no luck**
- **Diff roles cities?**

- **Not sure - new wheezes or peddling bike**
- **Don't know what lies over the cliff**
- **Private sector recession ending?**
- **Public sector recession beginning**
- **Difficult days**
- **Nothing new under sun**
- **Keep the faith**

# **1. WHAT STATE ENGLISH CITIES?**

**Remember before Lehmans**

- **Cities performing better**
- **crucial economic success**
- **London global star but rest matter**
- **Policy going right direction**
- **Sustain & expand renaissance**
- **Learn successful cities abroad**
- **Trust cities**
- **Let go**

# **Picking Up, Catching Up, Staying Up?**

**Picking up yes**

**catching up no**

**staying up?? Relevant today**

- **Population**
- **Jobs**
- **Liveability**
- **Cohesion**
- **Competitiveness**

# Balance sheet cohesion

- **All cities improved**
- **Cities south and east done better**
- **Best at start improved most**
- **Progress across country**
- **More needs doing close gap**

# Economic performance

- **Many performing well**
- **Great differences – income, productivity, exports, skills, innovation, high value, accessibility, risk capital**
- **South & east, better north & west**
- **Not catching up or staying up**
- **Lagging best in Europe**

# **Economic & social success**

- **All cities low income**
- **Poverty greater economy below average**
- **More jobs less poverty**
- **Competitiveness compatible cohesion**

# Messages to Government

- **Cities matter – support them**
- **Competitiveness, cohesion, liveability matter**
- **But focus on competitiveness**
- **All places matter**
- **But start big city regions**

- **Think and act long-term**
- **Fewer, strategic interventions**
- **Greater spatial clarity**
- **Trust local government more**
- **More contractual working**
- **More departments to value cities**
- **More departmental collaboration**

## **Encourage**

- **Place making**
- **Local leadership**
- **City regions**
- **Delivery vehicles**
- **New financial instruments**

**Would not change a word**

**Were moving that direction**

# **THEN THE CRUNCH**

## **(2) WHAT'S HAPPENING NOW?**

# Headline Messages

- **Not Pollyanna or Eyeore**
- **In difficult times – difficult places, projects, people are most vulnerable**
- **Principles good in good times – better in bad times**
- **Has happened – prepare for future**

- **Dangerous times**
- **Financial – squeeze, crunch, freeze, global meltdown?**
- **Economy – downturn, recession, depression?**
- **Not end world**
- **Greed will overcome fear**
- **2011 at very best – worse to come**
- **Pressures more intense**
- **Principles more important**

- **Liquidity crisis – infecting economic confidence & performance**
- **Lenders won't lend, borrowers can't borrow, builders can't build, buyers can't buy**
- **Speed destabilised everybody**
- **Real economy – hoping best, fearing worst**
- **End users crucial development**

# Who Most Affected?

- **Better some places & projects**
- **But serious all over**
- **Flight quality – projects, partners, places**
- **Residential very difficult – especially city centre apartment, buy to let, volume house builders**
- **Other retail, offices, industrial less bad – so far!**

# Projects Most Affected

- **If started probably finish, if not may not**
- **Mixed use led by residential**
- **Residential less prosperous places**
- **Developer financially stretched**
- **Area over supplied**

# Places Affected

- **Nowhere immune – not homogenous**
- **Marginal places, projects, people worse**
- **Sooner, deeper, longer**
- **London & SE development better protected – so far**
- **But service jobs vulnerable future did not happen**
- **Old fashioned recession**

# Places Affected

- **North and midlands tougher**
- **Big cities – better protected where more robust economy**
- **One horse towns – most vulnerable**
- **Public employment short term good longer term bad**
- **Hidden social consequences growing**
- **To him that hath**

# Future Risks

- **Pipeline critical**
- **Loss momentum, confidence, investment, capacity, skills**
- **Projects mothballed or abandoned**
- **Pressure reduce quality**
- **Reduce renegotiate Section 106**
- **Mixed communities or segregation?**
- **Upturn critical**

# Any Silver Linings?

- **Draw breath, stop pernicious trends**
- **Place making not house building**
- **Public sector get land cheaper**
- **Long term partnerships**
- **Build future infrastructure**

# So What Policy?

- **Public projects & money crucial**
- **Front load programmes**
- **Align public programmes/resources**
- **More flexible planning**
- **More financial innovation**
- **Avoid community disillusion**
- **Prioritise**

# So What Policy?

- **Must maintain momentum**
- **Greed overcome fear**
- **Do not blink – leadership**
- **Government commit to regeneration, reassure private sector**
- **Not cherry pick places and projects**
- **Not build slums of tomorrow**

# So What Policy?

- **Quality not junk**
- **Leadership, partnership matter more**
- **Retain capacity**
- **Derisk, Masterplan, infrastructure**
- **Risk, investment, leveraging or grants**

# What Next Public Sector?

- **HCA – last, best hope?**
- **Single conversation and local investment agreements key**
- **Critical partner & resources**
- **Developer, investor & banker not just grant**
- **More support, money and freedom needed?**

# What Next System?

- **Will come back – eventually**
- **But will be different**
- **Business model fractured?**
- **New models finance – TIF?**
- **New models housing – changing tenure mix & institutional investment**
- **New models economy – from consumption to green production?**

# Need

- **Wider mix investors regeneration**
- **More private sector friendly planning**
- **New Fiscal Tools**
- **TIFs cautious optimism not everywhere every project or bad times**
- **More local resources**
- **More freedoms**

# **3. WHERE ARE WE GOING?**

# Since then?

- **How bad – worse than most remember but not as bad 80s**
- **Hard but not disastrous**
- **North mixed – most badly hit, traditional recession**
- **Beginning end private sector recession developers toe in water**
- **Public sector crisis beginning**
- **Real fears for north**

# Policy Thrust

- **Place making abandoned pursuit numbers**
- **HCA not Cheap Home Agency**
- **Institutions will change whoever runs**
- **Less money need more clarity**
- **Not baby bath water selective**
- **Done that too often**

# What Worked Past?

- **80s UDCs, EZs hated but worked had powers and money**
- **90s City Challenge best principles but lost on way**
- **00s URCs models easy places good times**
- **Not difficult places bad times**
- **LAs do not rule OK risk loss partnership**

# What Next?

- **Cons not clear beyond money & localism**
- **Will not address big issues**
- **Infrastructure planning provision**
- **City region still right place**
- **Integrated econ, soc, physical**

# Europe

- **Nations still investing cities**
- **Still working wider level**
- **Still pursuing competitiveness**

# So What UK Cities

- **Cities still matter**
- **Risks fall further behind**
- **Bravery, leadership needed**
- **Had pain, gains to come**
- **Moral commitment or self interest**
- **Cuts, savings, investment**
- **Quality**
- **Place making**
- **Keep the faith**