

# Creating the Opportunities for Towns to Flourish

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## Towns are important as the homes of millions of people in the UK: two in five of the population live in towns<sup>1</sup>.

At a national level, towns have been neglected. They have suffered either from a lack of investment or lack of attention from national and devolved governments for a long time. Recent research, commissioned by Local Trust, has identified the neighbourhoods left out of the benefits of the UK's economic growth as being not only areas of deprivation but also places where social infrastructure, community assets and funding are low<sup>2</sup>. The towns that saw their traditional economic bases disappear in the 1980s still persist as major locations of disadvantage. The abolition of the regional development agencies and the national regeneration agency (English Partnerships) in 2010 curtailed funding to English regions and blocked an important channel of communication into the Whitehall. This is now critical because of the absence of support for towns in policy and the cumulative decline in local authority budgets – local authorities in England will suffer cuts of 37% (over £1.3bn) to the Revenue Support Grant this year<sup>3</sup>. There is a sense that problems of either growth or decline have become endemic in towns, and this is central to how the UK feels, and votes: powerfully demonstrated by the result of the 2016 Referendum on membership of the EU where economically disadvantaged and fast growing towns voted to leave the EU.

Recently, Carnegie UK Trust has convened meetings with a range of organisations that work in and understand the potential of UK towns and neighbourhoods. Our learning from these meetings, research and practice, is that it's time to shift the power to local areas and neighbourhoods. We think this needs to be recognised in the Stronger Towns Fund prospectus, to nurture a positive and sustainable future for towns.

As we await the Spending Review and a new Prime Minister, we request you consider the below in discussions and decisions that affect towns, such as the Stronger Towns Fund.

### 1 Think about towns

During this decade, spatial policy and planning in the UK has focussed on metropolitan regions, with over 28 city deals agreed in England<sup>4</sup>. Although the rise in interest in policy and funding for cities across the UK is welcome, we fear these deals show a lack of interest in towns and places considered to be 'on the periphery'. The attention to cities has been driven by interest in 'agglomeration effects', where benefits occur from the spatial concentration of business and people. By definition, this cuts out smaller towns that lie away from the city power houses, but even the towns and disconnected areas that fall within the city regions are not well served by them. The deals, generally, don't have explicit strategies for the towns

1 Quantifying Kindness, Public Engagement and Place : a five jurisdiction study. (2018) Ipsos Mori on behalf of Carnegie UK Trust <https://www.carnegieuktrust.org.uk/publications/quantifying-kindness-public-engagement-and-place/>

2 *What does Being Left Behind Mean in Practice*, Margaret Bolton, Local Trust <http://localtrust.org.uk/library/blogs/what-does-being-%E2%80%9Cleft-behind%E2%80%9D-mean-in-practice>

3 NEF, March 2019 <https://neweconomics.org/2019/03/deprived-towns-fund-is-insignificant-compared-with-staggering-cuts>

4 Commons Briefing Paper, October 2018, *City Deals* <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN07158>

that lie within their regions and few of the deals' benefits have trickled down to towns<sup>5</sup>.

An unbalanced focus on cities is harmful to towns as it doesn't take into account the strength and needs of their communities and their economies.

As the Industrial Communities Alliance makes clear:

**“Smaller cities, towns and industrial communities are not just there to provide workers and consumers for the big metropolitan centres. They are important in their own right and politicians and policymakers ignore them at their peril<sup>6</sup>.”**

## 2 Understand the importance of place and develop a cross government vision for towns

There is no clear understanding of the importance of place nor a strategy for towns within the UK Government, with policies and funds spread across departments. This dissipates the real, local impact, as initiatives (even from within one department) don't necessarily join up or support each other.

A consequence and cause of sprinkling towns' issues between departments is there is no clear vision for towns. Alongside this, there is a lack of transparency about the funds available for the economic development of towns and regions across the UK.

To tackle this, we recommend developing a longer term strategy for towns, which would be held by a designated lead department. It's vital that this strategy and the people responsible for it both foster horizontal connections across government departments and vertical connections, listening to local voices. To aid this and signal a concern for towns, we recommend appointing a Minister for Towns.

## 3 Shift power to local areas

The development of towns has been hampered by a lack of a coherent vision but also by a lack of local control. The recent English devolution deals acknowledge that revenue and spending powers in the UK are highly centralised. This means towns and neighbourhoods in the UK have access to relatively few levers of change. For example, individual towns in the UK are unable to take decisions relating to local taxation, regulation or investment. People in towns need a greater say over such mechanisms as part of ongoing debates about decentralisation, and in terms of defining spending priorities, for example for structural funds like the Shared Prosperity Fund. It's been mentioned that Local Enterprise Partnerships (LEPs) might be the 'right' bodies for Shared Prosperity funding to flow through. If this happens they will need substantial reform to enable them to reach communities.

We believe it is important to develop the capacity of local neighbourhoods and towns to make decisions, including on spending priorities. The Big Local programme, which has directly funded and empowered 150 deprived communities to make spending decisions (£1 million each), is an example of where this is already happening. As [Locality says](#):

“When communities work together they can have a powerful and inspirational impact. But we are not making it easy for communities, and there are many more cases where this extraordinary potential lies latent, untapped, or simply ignored”.

The role of local authorities is vital in this shift of power, both in terms of being an enabler for stronger local communities and in terms of providing services that communities want and need. Yet local authorities themselves struggle to keep important services local; develop sustainable transport and infrastructure; and provide appropriate training and employability support.

5 Robert Tinker, October 2018, *Designing the Shared Prosperity Fund*. JRF: [file:///C:/Users/Pippa/Downloads/sharedprosperityfinalreport\\_0.pdf](file:///C:/Users/Pippa/Downloads/sharedprosperityfinalreport_0.pdf)

6 Industrial Communities Alliance: Places with Purpose. The future of industrial cities, towns and communities. <https://www.industrialcommunitiesalliance.org.uk/publications>

## 4 Sustainable communities require sustainable and appropriate funding

For communities to be involved in taking spending decisions, we need greater transparency around funding, and a commitment to longer-term funding. EU funding is allocated on a seven year basis, which gives areas some funding certainty and time to make a difference. We argue that these advantages should be maintained in the replacement Shared Prosperity Fund. So far, we know little about the Shared Prosperity Fund, not even the amount that will be in it, how it will be financed and its relation to existing funding for English towns and regions. What we know is that structural funding should be allocated through a prism of local and a 'sticking plaster' approach to funding is less beneficial than longer term, strategic investment. It takes time and flexibility to nurture local leaders, ideas and to achieve community involvement in decision-making. We recommend funding be allocated to local areas under frameworks that span seven to ten years.

Encouragingly, the new Stronger Towns Fund is a seven year fund (distributing £1bn to areas in England, plus an additional £600 million open for bids), but it's an example of lack of clarity around funding. It's not clear how it relates to the Shared Prosperity Fund or other regional funds. The cumulative impact on the bottom line investment in local areas, given the cuts in central government to local authorities since 2010, is hidden.

## 5 What matters is wellbeing

Policies such as the local industrial strategy, city regions, and the formation of LEAs to drive productivity all are premised on a desire to achieve economic growth.

Yet, governments and regions increasingly recognise that promoting growth alone is not enough for nurturing social wellbeing and sustainable development<sup>7</sup>. To do that we need places with amenities, that facilitate connectedness, encourage collaboration and allow people to take control of their lives: all of which improves community wellbeing.

A particular shortfall of the growth paradigm is inequalities in the UK are increasing despite productivity increases. People in UK towns experience these inequalities, in terms of access to opportunity, good work, and distribution of resources and services.

To support the wellbeing of communities, we need to change the economic conversation from productivity to inclusive economics. The UK Government's commitment to the delivery of the Sustainable Development Goals provides an opportunity to do this. The review of the Green Book (2018), now stresses the requirement to appraise and evaluate policy and projects with a sharp focus on what matters most to our lives.<sup>8</sup> To achieve community wellbeing we need to consider economic, environmental, social and democratic factors and to develop local measurements that reflect the importance of all these<sup>9</sup>.

Towns will thrive if we focus on developing community wellbeing, where neighbourhoods can live well together, now, and in the future.

- 7 For example the 2009 Report by the Commission on the Measurement of Economic Performance and Social Progress, published in paperback in 2010 as *Mismeasuring Our Lives: Why GDP doesn't add up*, and OECD's work on wellbeing frameworks for governments, cities and regions – see mor in *Sharpening Our Focus: Guidance for Cities and Regions*.
- 8 For more details see What Works Wellbeing <https://whatworkswellbeing.org/blog/treasury-green-book-and-wellbeing-the-analysis/>
- 9 Carnegie UK Trust, 2018, Wellbeing What's in a Word <https://www.carnegieuktrust.org.uk/publications/wellbeing-whats-in-a-word/>