

# Place-based strategies could deliver £276bn

By Heather Jameson

A total of £276bn could be added to the UK economy with the introduction of place-based industrial strategies, research has claimed.

The increase represents approximately 10% from the UK's current £2.88trn economic output, for a country where the economy has flatlined since 2008-09.

But the Government has been warned that it will not meet its growth mission without councils.

According to a Local Government Association (LGA) commissioned report, *A Force for Growth*, councils are 'growth facilitators', and are in the position to shape planning, infrastructure and partnerships in their local areas.

With central government looking to devolved mayoral authorities to create growth, the report claimed the full potential of local authorities was missed.

Writing in the report, Cllr Tom Hunt, leader of Sheffield City Council and chair of the LGA's inclusive growth committee, said councils could deliver, working 'ever closer' with combined authorities.

He added: 'The message from the report is clear: councils are a force for growth.'

'National government cannot deliver on its ambition to deliver higher living standards in every part of UK without local councils. This report is a blueprint for achieving this ambition.'

The report, by the Growth and Reform Network, Metro-dynamics and the

Future Governance Forum, claimed that so far there had been 'limited focus' from central government on the role of councils in promoting growth.

It said councils could push growth, but would need further devolution, sustainable funding, strong political leaders and clear growth plans.

The majority of potential to grow the economy comes from cities. The report claims:

- Urban centres could account for £234bn increased growth, or 13% of their economies.
- Rural areas could add £42bn, or 11% to existing income.
- Coastal areas could add £42bn, up 11%.
- Non devolved areas could increase their economies by £77bn, equal to 12.6%. ■

## Recommendations

- Give councils sustainable funding and fiscal flexibility,
- Co-ordinate growth support across local, regional and national levels,
- Share professional experience across tiers,
- Co-design local growth plans with councils,
- Develop investment plans and pipelines of investable projects,
- Develop growth and investment plans in non devolved areas,
- Share best practice,
- Prioritise local growth,
- Provide support for councils in non-devolved areas,

## Raise incomes to revive high streets

Increasing local people's disposable incomes is the best way to support high streets, a report from think-tank the Centre for Cities has claimed.

And cutting the cost of housing – including reducing regulation and releasing green belt land – would also help boost the local high street economy.

The report, *Follow the Money*, looked at suburban high streets in London to find out why some fared better than others.

While most research looks at city centres, the report on suburban high streets in the capital concluded they performed well, with fewer empty shops, but some needed intervention to cut vacancy rates.

The Centre for Cities suggests policy-makers:

- Focus on boosting disposable income
- Reduce housing costs by delivering new homes
- Support growing the Labour market in the centre of London
- Help boost the visitor economy

The report also warned a shift to removing 'undesirable' retail from suburban high streets could lead to an increase in vacancy rates.



Kingston upon Thames: Suburban high streets performed well, with fewer empty shops

# Unpicking the new mayoral fund

The Budget may not have pulled any rabbits out of the hat for growth and regeneration, but there were details on how the Mayoral Revolving Growth Fund will work, says **David Blackman**

If Rachel Reeves doesn't survive the furore surrounding the way she presented the public finances ahead of the Budget, at least she will have given her adopted home city of Leeds a parting gift.

However, the confirmation that Leeds City Council, where the chancellor of the exchequer's constituency is located, will be able to retain all business rates growth within its city centre for 25 years above an agreed baseline was one of the few placed-based growth announcements in 26 November's annual fiscal statement.

Stephen Jones, director of Core Cities UK, says: 'There weren't any big rabbit out of the hat moments for city development.'

The most tangible sign of progress for local government efforts to promote growth and regeneration was the fresh details, published alongside the Budget, of how the proposed Mayoral Revolving Growth Fund (MRGF) will work.

The MRGF, a new £500m recyclable growth fund for mayors in the North and Midlands, was unveiled in the Treasury's summer Spending Review.

A consultation paper, issued by the Ministry of Housing, Communities and Local Government (MHCLG) on Budget day, states that the fund will provide 'patient, recyclable' capital to Mayoral Strategic Authorities (MSAs) to invest in commercial projects

The six established MSAs in Greater Manchester, Liverpool, the North East, South Yorkshire, the West Midlands and West Yorkshire, will be eligible to draw down sums from the MRGF.

The fund, according to the consultation paper, is designed to tackle 'persistent barriers' to growth in northern and midlands cities that result in productivity gaps between regions.

'Despite their significant potential, these regions have long underperformed economically, limiting local opportunity and constraining national productivity,' it says.

What the paper describes as 'otherwise commercially viable' development in many major cities is being held back by 'weak investor confidence, leading to inflated perceptions of risk and high financing costs'.

However, the paper says that gross development values are often insufficient to offset the full cost of bringing forward 'high quality' commercial schemes, like the Grade A offices and 'cutting-edge' labs that 'successful' city centres need.

And 'high' borrowing costs and expectations around yields mean even some of the 'most strategically significant' schemes risk being undeliverable, while developers are reluctant to build speculatively and lenders unwilling to finance without pre-lets in place.

The result is a 'self-reinforcing pattern' as capital flows to markets with the highest profit margins, which are mainly in London and the South East. Investment in commercial space within London and the South East has 'vastly outpaced' other cities in the UK, according to the paper. Between 2000 and 2020, investment by service sector industries grew by around 570% in London and around 360% across the South East. By contrast, investment in other cities has varied from a growth of 240% in Manchester to a decline of 13% across the North East.

MSAs receiving the MRGF will have autonomy over an allocation from the £500m fund of 'flexible, risk tolerant' capital to 'unlock' commercially-led development that would 'not otherwise happen'.

Recipient MSAs will receive a multi-year allocation of repayable capital over the spending review period, which they will be able to deploy the funding through the range of financial instruments.

**'It identifies the right issues. It's a welcome additional pot of money and tool for strategic authorities and hopefully will make a positive difference'**

Given the recyclable nature of the fund, any capital and returns should be reinvested by MSAs into future projects to create a 'long-term, revolving' source of capital for development. When deploying the funding, MSAs must aim to manage the portfolio to achieve a return of at least the gilt-rate, according to the MHCLG paper.

MSAs will be expected to ensure that MRGF funding does not crowd out finance from other public institutions, ensuring that the 'right financing is applied to the right projects'.

David Blackadder-Weinstein, midlands-based director of strategic communications at planning consultancy Turley, says commercial development is not 'especially viable' in the regional markets that he operates in.



Nottingham City Centre: The Mayoral Revolving Growth Fund for mayors in the North and Midlands is opening up huge opportunities in the regions

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Ion Fletcher, director of policy (finance) at the British Property Federation, says gross development values in regional cities are often insufficient to offset the full costs of bringing schemes forward. And he agrees with the paper's analysis that developers tend to be cautious about building without having a pre-let in place.

'The hope is that this (fund) is going to be used in the context of projects that otherwise wouldn't be able to source commercial debt funding. Hopefully the revolving growth fund will have either a higher risk tolerance or longer repayment terms that means borrowers who aren't able to source debt finance from the private sector are able to source it and therefore get development projects underway.'

'It identifies the right issues. It's a welcome additional pot of money and tool for strategic authorities and hopefully will make a positive difference.'

But while undoubtedly welcome, £500m across six conurbations is 'not a huge amount of money', as Jonathan Werran, chief executive of think-tank Localis, points out.

While not a huge amount, the trick will be how the fund is designed and implemented, says Jones: 'If it was just pure public grant, then it wouldn't go very far.'

However, if the fund can be used for the 'risky' first few million pounds worth of raising finance on major regeneration schemes, it could make a 'big difference', he says.

'It's not the biggest pot in the world,' which will not go 'massively far' once the £500m is spread

across six combined authorities, acknowledges Nigel Wilcock, executive director of the Institute of Economic Development.

Those running the fund within MSAs will have to choose carefully the projects that they should finance, he says:

'While the most fundable projects should always hope to attract commercial finance, he says: There's a narrow band of projects that can benefit.'

'What we're aiming for here are those projects that will make a return that satisfies the fund but are not sufficiently attractive for the main commercial funds to get involved with.'

The revolving nature of the fund is likely to be most useful in the context of property development projects that generate a revenue stream in the form of rent or an asset, says Jones: 'You need to be able to realise the asset, either via a stream of private rent payments or the ability to sell the equity down the line.'

The security offered by the fund will reduce the risk profile schemes' overall financing packages, he says.

The MRGF could contribute to the 'capital stack' of the different types of finance that go into developments, meaning less need for private finance that will be easier to source, says Fletcher: 'You might be able to get better terms because you don't need so much or because some of the risk has been taken out by this growth fund.'

'Hopefully the overall effect will be to reduce development risk, to de-risk projects and make them more likely to happen.'

Werran says: 'It's bit of the financial funding architecture, which a combined authority can dip into safely and securely to help get a project over line and crowd in the rest of the private investment that's needed, whether it's buying a piece of land or property or doing something to get a project started.'

And the ability of the MRGF to take a haircut on financing costs is 'particularly useful' now when the private sector can't take such risk, he adds.

Jones sees scope for combined authorities setting up JVs with the Homes England agency and big pension funds, like that announced by Manchester mayor Andy Burnham recently.

However, combined authorities and their constituent councils will require in-house capacity to make effective use of the new fund.

The length of time to identify good schemes and assemble the land required to deliver them is often underestimated but local and combined authorities are best placed to play this role, Jones says: 'It's quite difficult for a commercial fund manager, typically in London, to be completely sighted on every project in the UK.'

The core city authorities will tend to be best placed in terms of having that kind of capacity and the experience of such deals, says Jones' predecessor Chris Murray: 'They tend to have those investor relationships and they are working very closely with combined authorities so that's a very, very important link.'

But those authorities will require access to revenue to

help play that role, he says: 'We know from experience that to deploy capital smartly, you've got to have capacity and that means revenue.'

Jones says it will be key to learn from initiatives, like the Chrysalis and Evergreen revolving funds in Liverpool and Manchester, which were a pre-Brexit offshoot of the EU's regional development fund.

The MRGF will give authorities in areas where such revolving schemes haven't yet operated a chance to learn how they can work, he adds.

There will inevitably be hiccups says Wilcock: 'There'll be some schemes that, because they always do, will default unfortunately: that's just life.'

However, a 'good chunk if not the majority' of the £500m will be recouped for deployment in other projects, he says: 'If this works well, then it's the kind of thing that the central government might be persuaded to put more money into over time.'

Jones agrees: 'If they work over time, then the money could increase.'

Blackadder-Weinstein expresses frustration that more combined authorities, like that headed by East Midlands mayor Clare Ward, have not been offered the opportunity to dip into the MRGF.

Jones agrees the decision to only allow the six older combined authorities to access the fund feels 'over cautious'.

Overall though the fund is 'great' news, he says: 'Now let's get on with it.' ■

# Who is responsible for regeneration?

The regeneration landscape is ill-defined and fragmented, says **Jack Shaw**. Is there a need to clarify the role of local authorities in delivering projects?

**W**e are in the midst of a restructuring of the institutions responsible for regeneration, and the role of local authorities is becoming increasingly unclear. The Government has, implicitly at least, acknowledged that many local authorities are ill-equipped to lead regeneration. Yet it does not seem entirely convinced that strategic authorities are the right institutions either.

At the centre of the Government's plan to renew Britain sit three approaches: first, backing priority industries through its industrial strategy; second, streamlining planning to accelerate housebuilding and infrastructure – from transport to data centres; and third, a 'devolution revolution' empowering strategic authorities.

In practice, however, regeneration is increasingly being pursued through what I have described elsewhere as 'zonification', in which regeneration is assigned not primarily to local or even strategic authorities, but to a patchwork of special-purpose vehicles: AI Growth Zones, Industrial Strategy Zones, Mayoral Development Corporations, and Enterprise Zones.

In one sense, this represents a clear recentralisation of regeneration. Although these zones operate locally, they are designed, designated and often managed from Whitehall. Take the emerging AI Growth Zones (AIGZ). The Government has, to date, announced four of them.

The AIGZ in Oxfordshire, for example, will be hosted by the UK Atomic Energy Authority and supported by the AI Energy Council and the AI Growth Zone Delivery Unit – national institutions and civil servants. They are essentially 'islands', operating outside the formal responsibility of either local or strategic authorities. The establishment of so-called PuFins – Public Finance Institutions – also reflect a similar trend.

It is not yet clear how the £16bn National Housing Bank works with strategic and local authorities, and they have already called for stronger alignment with the £28bn National Wealth Fund, which at least works with them through its Regional Project Accelerator.

The preference for these institutions partially reflects Whitehall's lack of confidence in local government. That scepticism is not entirely unfounded. Many local authorities face acute financial pressures, operate across relatively small economic geographies, and – due to their proximity to communities – find making decisions about large-scale regeneration schemes highly politicised.

There are important exceptions, of course. Southwark LBC's instrumental role in the regeneration of Elephant and Castle is a case in point. Once it is complete, it will have delivered 14,000 homes, new commercial space, a cinema and eateries.

The implicit recentralisation of regeneration also sees responsibility move upward from local to strategic authorities. Under new measures to support building in the capital, the Mayor of London has been empowered to 'call in' local planning decisions on schemes over 50 units (down from the previous threshold of 150).

Given that London authorities are statistically the least likely to grant planning permission, the rationale for intervention may be particularly strong in London. But the effect is clear: fewer planning decisions will now sit in the hands of local authorities.

Yet the Government's appetite for special purpose vehicles suggests they are not fully convinced by strategic authorities either. In some cases, they are viewed as institutionally



The new London College of Communication building in Elephant & Castle, due to open in 2026, will sit at the heart of the area's regeneration

immature. The creation of the Cambridge Growth Company last year under the Conservatives can be read partly as a response to poor governance within the Cambridgeshire and Peterborough combined authority. And many of them are still new, with capability and capacity constraints.

That said, the Government continues to expand the number of Mayoral Development Corporations (MDCs). New MDCs in Gateshead and Newcastle, and in Birmingham, are welcome developments. Yet they are attractive to Whitehall precisely because they can transfer responsibility from local to strategic authorities, with development not requiring local consent. Establishing MDCs still requires approval from the Secretary of State.

## The risk, if this moment is not seized, is that regeneration happens not because of the system that we design, but despite it

There is, to be clear, a role for all of these initiatives in boosting the growth-enhancing potential of UK plc. Zones, development corporations and PuFins can bring focus, speed and investment. But taken together, they also point towards a model of regeneration that is increasingly centralised, fragmented and sometimes detached from broader local and regional economic strategies.

I do not oppose this restructuring *per se*. But it is happening organically and in an *ad hoc* fashion. At a time when investors value clarity and certainty, as strategic authorities are being established across England and their responsibilities are being codified, and as a new review into the statutory services of

local authorities has been launched, there is a strong case for clearly defining who is responsible for regeneration, in what circumstances, and how authorities – local and strategic – intersect with the proliferation of special purpose vehicles.

There is also a case that zonification risks undermining the role that strategic authorities are playing in regeneration. The Adult Education Budget is already devolved to them, and they share responsibility for Local Skills and Improvement Plans with employer representative bodies (often Chambers of Commerce). They are also drawing-up spatial development strategies. Their growing remit suggests they are gradually becoming the primary scale for economic strategy and skills policy – functions closely linked to regeneration – even if the role of green-lighting development remains institutionally fragmented.

If strategic authorities should play a greater role in regeneration, there is a gap in how we think about major developments that fall below national significance but above local capacity. We have a framework for Nationally Significant Infrastructure Projects, but a category of Regionally Significant Infrastructure Projects should be considered. I recently spoke with sporting institutions who described how their assets – stadia and training grounds – often span multiple local authority boundaries.

They described how planning permissions across more than one local authority and relatively small amounts of transport investment could be instrumental in unlocking hundreds of millions in private finance from them. A Mayor with an Integrated Settlement or City Region Sustainable Transport Settlement could fulfil that role. These are decisions which could have an outsized impact on the regional economy and it is easy to see why they sit uncomfortably within a local planning framework.

The Mayor of London, for instance, has been forced by realpolitik to call in major schemes such as Wimbledon's expansion, which includes 38 new tennis courts and an 8,000-seat stadium. It was approved. The Mayor also rejected the 21,000 capacity Madison Square Garden Sphere in Stratford owing to the impact it would have on residential development, but it is noteworthy that it was initially approved by the London Legacy Development Corporation, thereby reinforcing the fragmentation of regeneration.

At the same time, alongside the ambivalence the Government has in local authorities to boost growth, they also are navigating a wide range of public service pressures, which is why the new review into statutory services is timely. That review offers an opportunity to ask a fundamental question: what is the purpose of local government in the 21st century? And should that include a more circumscribed role in regeneration?

Local authorities may still retain responsibilities over certain skills and employment programmes, but these, too, may need clearer alignment with the strategic scale at which labour markets operate.

The risk, if this moment is not seized, is that regeneration happens not because of the system that we design, but despite it: one that is simultaneously centralised, fragmented, and ill-defined – where regeneration is delivered neither with full local consent nor through coherent regional strategy, but through a growing maze of special purpose vehicles, public finance institutions, strategic authorities (with varying competencies) and local authorities with primary responsibility for public service delivery. ■

*Jack Shaw is director of Groundwork Research and Fellow at the University of Manchester*



## A question of viability

**Mike Palin highlights the contrast between the sluggishness and often lack of focus of national policy with the speed and coherence that devolution presents – and urges the Government to take note of the latter if it is to achieve its housing delivery aims**

**D**elivery of new housing remains front and centre of the Government's plan for growth. Yet housing (and regeneration) delivery is currently facing growing challenges.

Inflationary costs, the impact of regulation and demand which cannot be met at an affordable and profitable price means much development across the country has stopped.

Despite the motto of 'Build, baby, build' and ambition of 1.5m homes in the Parliament, dwellings delivered in the first years of this Government will be notably lower than that under the last administration.

Even the British Property Federation – not traditionally an organisation to rock the boat – has described the current context as a national viability crisis.

So, what is going on? There has been an over-simplified assumption that the setting of targets through the planning system can drive new delivery and it is already falling short. And although there have been some big funding numbers announced, those monies do not come on-stream until next year and are not aligned to what many projects need.

The real issue is viability; the cost of development is greater than the value generated.

Hence, the private sector holds back – both from delivering schemes which would deliver them a financial loss, but also from scheme development because any cost incurred becomes immediately sunk. Private capital is there and is ready to flow but just doesn't have viable schemes to flow into, and we have a policy environment proving too slow to respond.

The idea that planning reform and monies that must be paid back will tackle this challenge is naive. What's needed is a leveraging of that private capital through new funding approaches that unlock projects now – not when planning reform kicks-in.

On 28 November, the Greater Manchester Combined Authority approved a £1bn Good Growth Fund to bring forward new housing and employment projects throughout the City Region.

What is most interesting is that Greater Manchester will fund a series of schemes on a 'patient equity' basis. In short, fund schemes at present market consideration but to presume that at least some of the money will be repaid when the regeneration effect occurs. It's innovative, it is common sense and it gets the market moving quickly in circumstances where viability is an issue – and it is exactly what national policy is failing to do.

## It's the contrast of being a minister or a mayor...one taking action and getting things done, and one sifting through a red box.

It is also politically intelligent. The places being supported – the likes of Oldham – are exactly where progress is required.

So here we have the contrast. National policy and institutions, trapped by an inability to do things differently, blind to local reality and simply too slow to respond to what a market needs, contrasted against devolution – seeing the issue, developing an innovative response, being politically relevant and moving quickly to get things done. It's the contrast of being a minister or a mayor...one taking action and getting things done, and one sifting through a red box.

If Government is serious about delivery moving within this Parliament, it needs to be taking note. ■

*Mike Palin is an independent consultant, former council chief executive and former director of Homes England*

# Never underestimate the power of placemaking

There is plenty of money available for regeneration and economic growth, says **Jackie Sadek**. Just don't let reorganisation derail planning and placemaking

I have just returned from Expo Real in Munich. It was 40,000 of your closest friends all frantically engaged in trying to place finance into land and property deals. And I bear witness that there genuinely is a 'wall of money' trying to invest in the UK.

I was there on behalf of the UK Innovation Corridor – a partnership of 18 local authorities, together with the Greater London Authority and the Cambridge and Peterborough Combined Authority, seven universities and hundreds of life science companies. We are in the very first stages of developing an investment prospectus and, even though we weren't really ready, we found that we were getting business cards pressed into our hands from the Big Money Guys.

What is the draw? The draw is that we can demonstrate a shared mission across a significant area. And the lesson is simple: never underestimate the power of strategic planning in delivering long-term, resilient growth.

So, a plea to you all in *The MJ World*: while you grapple with your local government reform (LGR) issues, please

do not lose sight of the impact on planning services. Never underestimate how important a strong place-making service is, not only to support a range of council priorities but critically, to delivering the right conditions in each place for delivering long-term economic growth.

Whether you are a big city or a small rural area, we need proactive councils that use every tool in the box to support

'good' growth (clean, green and inclusive) which in turn improves the overall quality of life for its residents.

LGR gives us a great opportunity to get back to the paradigm of long-term strategic planning (a bit like the old Regional Spatial Strategies pre-2010) to provide a platform for inward investment. Whatever constraints you face with trying to rationalise the big-ticket stuff, adult social care

and the like, I urge you please never lose sight of this.

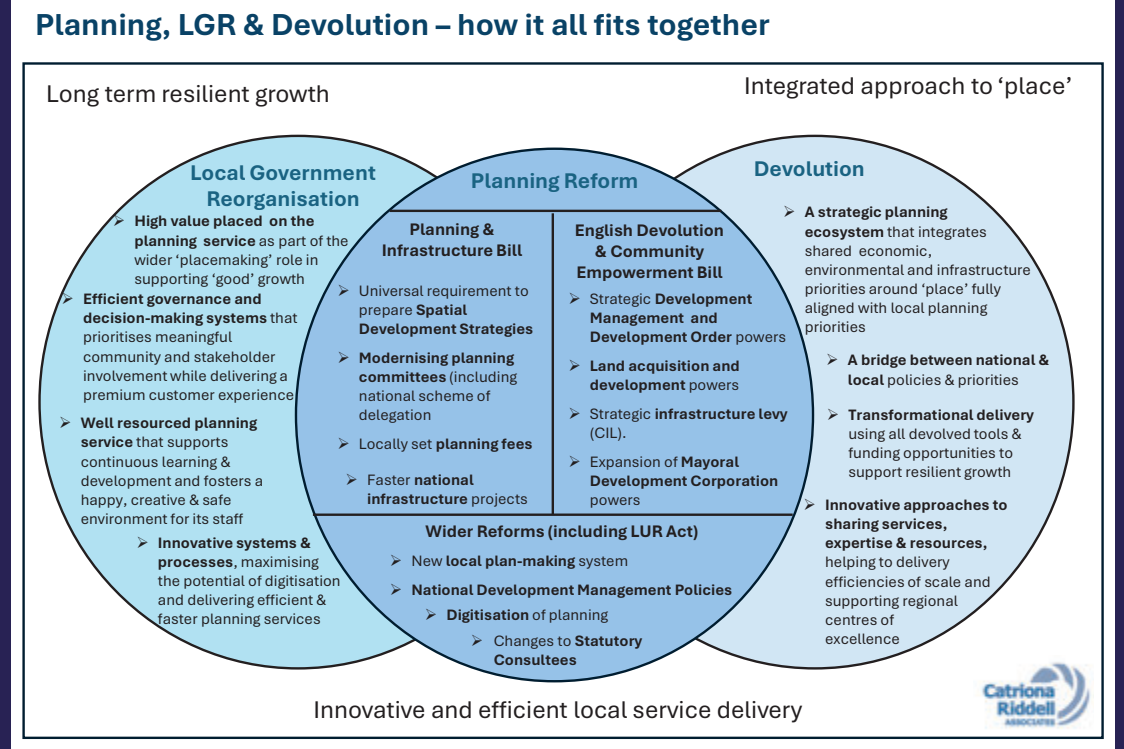
This is a golden opportunity to forge an entirely different culture within your new council; one which embraces positive planning, placemaking and attracting investment, with an appreciation that this needs to cut across many different services and functions.

There will be hooks to hang this on, as the new planning system is introduced. Be innovative. Grab the opportunities to do things differently, with larger teams, shared resources, and an enhanced role for digitalisation and data pooling. All of which would allow us to be more effective, more efficient and – crucially – far more accessible and comprehensible to the potential inward investor.

This is critical. Planning is too important to be left in a 'regulatory' box. Our economy depends on support for place-based growth built upon the platform of the strategic planning ecosystem.

The role that the planning system can play in delivering the right type of growth in the right place is huge. If you get it right with your own LGR process, it will be a gamechanger for your location. If enough of us get it right, it will be a gamechanger for the country. ■

*Jackie Sadek is independent chair of the UK Innovation Corridor and author (with Peter Bill) of Broken Homes, Faults, Factoids and Fixes for the Housing Crisis*



## Tenacity, not tenure: keeping a long-term project on track

Delivering a new train station in Chelmsford has been a decades-long project. **Nick Eveleigh** reflects on the long-term nature of delivering what really matters to local communities



Chelmsford's new railway station took three decades to deliver. Its story is a reminder that real transformation in local government happens on a timescale most of us will never personally see.

When the first passengers stepped onto the platform at Beaulieu Park Station in November, they saw a gleaming new transport hub for one of the fastest-growing areas of the South East. What they didn't see are the 30 years of plans, setbacks, negotiations and sheer persistence that made it possible.

Beaulieu Park is Chelmsford's new and second station – the first on the Great Eastern mainline in more than 180 years. It sits at the heart of a 10,000-home development and serves a new garden community. For the people who live and work there, it will be transformational, reducing car dependency, cutting congestion and unlocking growth.

For those of us who've worked on it, it has also been a masterclass in patience.



I've been involved for 15 years. Some of my colleagues have been on the case since the 90s. I grew up in Chelmsford and remember hearing talk of a 'north

station' when the Beaulieu development was still just a concept. At times, few of us believed it would actually happen.

The journey was worth it, but was



fraught with delays, twists and turns. Here's what I learned along the way.

### Be alert to strategic timing

At points, Beaulieu Park Station looked finished. The Local Plan that first featured it was withdrawn in 2003. Funding fell through. Land negotiations dragged on. Then in 2019, Chelmsford City Council and Essex CC secured a Housing Infrastructure bid from Homes England – the piece that finally made it viable.

If we'd given up five years earlier, or if we and our partners hadn't secured the initial rounds of funding that got the project to that point, we'd have missed that window entirely.

The trick is to stay ready: keep the

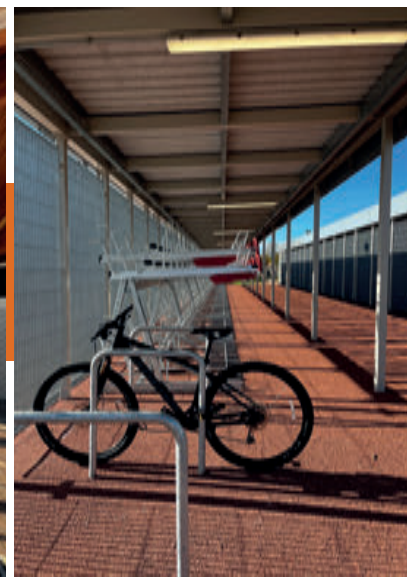


evidence updated, maintain relationships and be prepared to move quickly when opportunity reappears. And if someone else is better placed than you to get things over the line, be prepared to collaborate and work together for the best outcome.

### Not everything worth doing fits into a political cycle

Local government is always changing. Staff move on, administrations change, Whitehall priorities shift. The temptation is to focus on things that we'll see delivered during our tenure.

But infrastructure, regeneration and place-making move at a slower pace. If you only back projects that will mature swiftly, you'll never deliver the ones



that truly matter. Early on, I'll admit I was sceptical about the station. It looked like a nice concept, but I initially saw it as a developer-led project rather than a civic priority. However, I soon realised how important it was for our city, and having a clear vision gave me and others in the Chelmsford team the drive to keep pushing through challenges.

The job of a chief executive isn't always to drive the next new thing. Sometimes it's to keep an important opportunity alive long enough for the timing to be right. Institutional memory is one of the most undervalued assets in local government.

### Retention is important

A project like this involves councils,

developers, rail bodies, Homes England, and a revolving cast of leaders. In more than 30 years, most of those partners have changed personnel several times, but there were some core people who stayed with us throughout, particularly in our planning and economic development team.

The reason the station exists today is partly because those people kept a steady eye on the horizon. Organisations with good staff retention have an advantage when it comes to long-term goals.

Cross-party agreement was crucial too. Everyone recognised the value of the station, and this kept the project moving through changes in administration. Senior officers can do a lot to foster that by keeping communication open, focusing on outcomes, and providing constancy.

### Think in decades

As the first train leaves the new station, most of the people who fought for it over the decades have moved on. And that's fine. Leadership isn't about seeing the finish line yourself, but about making sure the next person can find it.

Protect the long view. Your residents won't remember who happened to be in post when a big project finally opened, but they'll live with the benefits for generations. That's the point of local government, and it's what makes the job so satisfying despite the challenges. ■

*Nick Eveleigh is chief executive of Chelmsford City Council*

# In defence of growth

Plymouth is home to the Royal Navy's Devonport base and dockyard and at the heart of the Government's plans to enhance Britain's nuclear submarine programme. Council's chief executive, Tracey Lee, tells **Paul Marinko** how the authority has played a pivotal role in ensuring regeneration touches every corner of the city.

**G**lobal uncertainty has pushed defence rapidly up the agenda for the Government and it promises to be one of the few guaranteed routes to growth and place-based prosperity.

It would be easy to assume then that a city such as Plymouth, famed for its historic links to the Royal Navy and home to the largest naval base in Western Europe, should be able to bathe in the certainty of a successful future.

Yet, despite the Government's eager green lighting of defence-inspired growth and regeneration, ensuring the right type of growth emerges requires work.

'The call and the requirements for the navy and the dockyard were the biggest opportunity we had, but also the biggest threat,' explains Plymouth City Council's chief executive, Tracey Lee.

'And the threat was that unless we worked in a really cohesive way the dockyard would inevitably suck every skilled worker out of every other business in the city.'

Lee says the council recognised the only way to address this was to work with its partners across the city, in the shape of the Ministry of Defence (MOD), private companies in the defence industry and education providers to look at the scale of opportunities as well as challenges.

'Our challenge is one of skills and labour, not jobs,' she adds. 'The jobs are here and jobs are coming.'

'The big issue was making sure that the workforce – the people in the city – could be upskilled. And that people in surrounding areas could access those jobs.'

'If we didn't solve this problem in a holistic way there would be a risk at the top in terms of wage levels.'

'It would mean that some of our private sector businesses wouldn't be able to compete on wage levels.'

The council has been determined to avoid returning to the city's post-war past, where just about everybody worked in the dockyard or in an ancillary business.

'We've worked really hard over the last 15 years to diversify the economy.'

With a thriving cultural sector and as a hub for marine autonomy – a sector that is central to energy as well as defence, it has been the council's responsibility to ensure growth is stable and sustainable.

'The MOD recognises this,' Lee points out. 'They use

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**'We work out who is going to be the best to lead in a space and bring the best of the talent across the city and region into that space'**

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the word harmony, that what they need to do needs to be in harmony with the city.

'People need to be able to move around and therefore clustering businesses together, making sure that we have got those other businesses, is really important. They need to know that not only do they have a job down here, but they have a whole career.'

The council has combined this with ensuring regeneration plans give proper consideration for the type of places people want to live in, complete with entertainment and cultural offerings that will not necessarily be uppermost in other partners' minds.

'That's what councils do,' says Lee. 'It's in our DNA.'

A key ingredient to success has been the council successfully making place shaping a primary

consideration for all partners.

As well as acting as a convenor and leader of place the council has also played a central role in lobbying for the necessary inward investment from government. And it has paid off.

Plymouth is now set to see 10,000 new homes in the city centre thanks to a short-listed New Town proposal, a 'skills escalator' programme to address the skills gap while ensuring local people can benefit from the 25,000 new jobs needed in the next 10 years and a new metro system to revolutionise the regional transport system.

While all partners in 'Team Plymouth's' regeneration project have been essential to its success, it's the council's ability to balance and judge the opportunities and challenges that is likely to prove decisive.

'We bring partners together,' explains Lee. 'We don't always have to be right in the front.'

'We work out who is going to be the best to lead in a space and bring the best of the talent across the city and region into that space.'

While Plymouth's historic links with the navy have made the opportunities more achievable, Lee is clear that other regions can also benefit from the UK's desire to strengthen its defences.

The key thing for councils is to harness their knowledge of their area and to clearly understand their unique selling point (USP), she says.

'Always start with what it is that is the essence of your place.'

Councils, Lee concludes, need to understand their skills base, their workforce and their businesses so they understand what their places already have and how that can be built upon. ■

