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## PLACE-SHAPING: WHAT DO WE WANT LOCAL GOVERNMENT TO DO?

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**3.1** Local government has an important part to play in the effective management and delivery of a range of public services. I think that we would achieve better results and greater satisfaction in public services if local government had a greater level of flexibility over local choices and priorities than at present. However, I also think there is a wider role for local government as the voice of a whole community and as an agent of place.

**3.2** In my Interim Report I described a wider, strategic, role for local government as ‘place-shaping’, including the following components:

- building and shaping local identity;
- representing the community, including in discussions and debates with organisations and parts of government at local, regional and national level;
- regulating harmful and disruptive behaviours;
- maintaining the cohesiveness of the community and supporting debate within it, ensuring smaller voices are heard;
- helping to resolve disagreements, such as over how to prioritise resources between services and areas, or where new housing and development should be located;
- working to make the local economy more successful, to support the creation of new businesses and jobs in the area, including through making the area attractive to new investment and skilled workers, and helping to manage economic change;
- understanding local needs and preferences and making sure that the right services are provided to local people through a variety of arrangements including collective purchasing, commissioning from suppliers in the public, private and voluntary sectors, contracts or partnerships and direct delivery; and
- working with other bodies to respond to complex challenges such as natural disasters and other emergencies.

**3.3** This definition encompasses a very wide range of responsibilities and functions. In fact, it covers just about everything local government does, including its service responsibilities. That is intentional. Fundamentally, I see place-shaping as a way of describing my view that the ultimate purpose of local government should not be solely to manage a collection of public services that take place within an area, but rather to take responsibility for the well-being of an area and the people who live there, and to promote their interests and their future. Place-shaping should both reflect the distinctive identity and aspirations of the people and area, and function as a means of safeguarding and promoting their well-being and prosperity.

**3.4** This does not mean I advocate that local services and their improvement should become a lower priority than in recent years. Rather I think that wider local outcomes will be improved by a broader view of the locality’s interests now and in the future, with local government’s role in delivering and influencing services providing many of the tools necessary for place-shaping to happen.

**3.5** Local authorities already have statutory duties to undertake community leadership and partnership working in order to influence other local agencies such as the police and health. Corporate assessments within the Comprehensive Performance Assessment judge councils on their performance in these capacities. However, I think there is scope for further recognition of this role, as part of the discussion about devolution and how best to maximise the benefits that good local government can offer.

**3.6** Place-shaping will mean different things in different places, at different times and at different spatial scales. I am clear that it is relevant to all councils, from large unitaries and counties to parish and town councils. There is no one level at which it is best conducted, and the examples included in this chapter illustrate place-shaping at different levels and tiers of local government, though the roles and responsibilities will differ between tiers. The principle of subsidiarity is relevant here, with certain activities being more appropriately located at different spatial levels. However, effective local government, and place-shaping, can be about recognising when it is necessary to build coalitions or seek support outside an authority's own boundaries to achieve certain outcomes.

**3.7** Place-shaping is something that I think many local authorities aspire to for those areas and communities they serve, but which not all achieve. However, I believe there is an appetite across the country for local people to be able to shape the future of their own communities, and that this desire motivates many of those who seek to become local councillors.

**3.8** Place-shaping can perhaps best be illustrated through an example of one particularly successful attempt to reshape a place in recent years, the regeneration of Gateshead.

#### **Box 3.1: Place-shaping in Gateshead**

In the early 1990s, Gateshead faced a deep economic crisis. Unemployment caused by the closure of the traditional local industries – docks and mines in particular – had left an area with a strong local identity and a close-knit community, but little sense of expectation for the future.

Building on firm foundations in community arts projects and the existing stadium, the council chose to use culture as a springboard for the creation of a new international identity and the foundation for the broader economic regeneration of the area. The leader of the council, Cllr Mick Henry has said that “We wanted to show that culture would not just enhance the quality of life and people’s self-esteem, but their economic opportunities as well.”

The council led the regeneration of the area through arts, culture and leisure, working in close partnership with neighbouring Newcastle City Council. The council created a strong vision around the use of culture, engaged with citizens over its development, built on existing initiatives and encouraged others to support it. Cllr Henry emphasises the importance of leadership and building support: “It’s not enough to have a vision. You have to stick with it, see it through, communicate it over and over again.”<sup>37</sup>

<sup>37</sup> IDeA, *Nurturing community regeneration* at <http://www.idea-knowledge.gov.uk/idk/aio/84287>

The first major symbol of the change that was to take place was the erection of Anthony Gormley's sculpture, the Angel of the North, in the mid-1990s. A controversial move at the time, the statue helped prove that the council was serious about its intentions, and helped secure funding from the Arts Council for the transformation of the derelict Baltic Flour Mills on the banks of the Tyne into a world class modern art gallery (now known as the Baltic Centre for Contemporary Arts). Other large scale projects followed: the Sterling Prize-winning Gateshead Millennium Bridge which links Gateshead with Newcastle, and the Sage Gateshead Music Centre which opened at the end of 2004, providing a top quality music venue, winner of 9 national awards, most recently a 2006 Civic Trust award.

Gateshead council believes that these large-scale and high-profile cultural investments were possible only because of the trust built up between citizens, partners and the council over many years of solid delivery in basic services. The council took a decision to change and improve prior to leading the cultural regeneration of Gateshead, and this meant getting services right, restructuring the council, and improving public engagement. Gateshead council used its service performance as a platform for its leadership in activities which promote public value in a broader sense – reviving public spaces and buildings, and using architecture to both signal and bring about change.

The council did not use any sort of 'special purpose vehicle' (e.g. Urban Regeneration Company or Urban Development Company), but used the existing capacity of council employees - strategists, architects, lawyers, planners, financial advisors, working collaboratively and with key partners, for example the Arts Council, local music trusts, local people and the private sector. The council also undertook a facilitative role, using its stable leadership and vision as a platform from which others could contribute their own investments – the private, voluntary and cultural sectors.

Gateshead recognises there is still some way to go in terms of building long-term economic stability and development. However, there are already signs of significant change. Unemployment has fallen, Newcastle-Gateshead has been brought to an international stage through its short-listing for European Capital of Culture 2008, and new stages of the process are unfolding with a high tech business park planned which could accommodate in excess of 20,000 high skilled jobs.

## WELL-BEING

**3.9** Central to effective place-shaping is local government's unique role in developing the well-being of the local community as affected by place in its broadest sense, now and into the future. The importance of local government in developing local well-being was reflected in the Local Government Act 2000. This gave local authorities the very broad power "to do anything which they consider is likely to achieve" the promotion or improvement of the well-being of their area.

**3.10** Effective place-shaping to enhance well-being requires a local authority to take responsibility for influencing and affecting things beyond their more narrowly defined legal responsibilities. It requires elected members to represent the needs and opinions of citizens, potentially across all aspects of their lives, not just those directly related to council services. It also means understanding and utilising the complex interconnections between issues. For example, Gateshead's approach to reviving the area was not to focus solely on job creation, but to use art and cultural facilities as a means of improving the area generally, and therefore make it a better place to live, work and invest.

**3.11** Though all of the elements of well-being are inter-connected, they can be broken down into economic, social and environmental factors, a division also made by the power of well-being, and reflected in components which make up the Government's definition of sustainable communities.

## ECONOMIC WELL-BEING

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**3.12** Local economic prosperity, jobs and investment make an essential contribution to the well-being of individuals, and to the continued vitality of a community. They also contribute to the growth of the national economy, and therefore potentially to the size of the national 'cake' available to fund public services. Local government's role in developing economic well-being through place-shaping is therefore potentially key to the broader national economic agenda. There is debate about the potential benefits of devolution for national economic competitiveness and growth. Work I commissioned last year noted that overall the evidence is not conclusive, and that the answer will depend on the particular circumstances of individual countries.<sup>38</sup> However, international analysis currently being undertaken by Professor David King does suggest that there is a link between devolution and some aspects of national economic performance, which suggests that this topic is worthy of further consideration.<sup>39</sup>

**3.13** Although national and global considerations are increasingly important in business location decisions, the distinctiveness of place is an important component in attracting skills and investment in a highly competitive world. Place-shaping for economic well-being can therefore involve enhancing local characteristics to create attractive locations for different types of businesses and industries, and highly skilled workers and entrepreneurs, as part of a broader role in enabling economic development.

**3.14** This role can be especially profound in times of stress or change within a locality. For example, a vision of future identity and economic development may be needed at a time of economic transition, perhaps due to the decline of an industry upon which the local economy is particularly dependent. Place-shaping sometimes requires a redefinition or evolution of identity and purpose, around which people can find a shared sense of belonging. A number of authorities have sought to do this and there are many examples I could draw on. The example of Gateshead is relevant in this context, as are those of Southampton and Nottingham, which have also attempted to reposition their areas and economies as traditional industries have declined in recent years. These examples are explored in more detail in boxes 3.2 and 3.3. Both also illustrate examples of coalitions covering wider areas and connecting with other interests, funding and powers at sub regional, regional and national levels.

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<sup>38</sup> Turok, I., *Local and National Competitiveness: Is Decentralisation Good for the Economy?*, 2005

<sup>39</sup> King, D., *The Future of Local Government – Lessons From Other Countries*, presentation to Institute of Local Government Studies conference, 2006

**Box 3.2: Place-shaping through economic leadership in Southampton**

As traditional manufacturing industries have declined, the city council has taken a lead in re-positioning Southampton as the heart of the cultural and leisure offer on the South Coast, and as a hub for knowledge-based industries.

Part of the council's activity has been focussed on facilitating major physical developments to revitalise the town centre and the local economy. The council helped enable the development of the West Quay Shopping Complex and develop a new stadium to keep Southampton Football Club in the city. It is currently developing a new cultural quarter and bringing forward two major waterfront re-development schemes, as well as seeking a large scale retail and leisure complex incorporating a multi-purpose arena.

As a means of growing the knowledge economy, the council has worked with the city's two universities to maximise the benefits of the strong higher education presence, for example in developing Chilworth Science Park, a base for high-technology businesses.

The council has also taken a cross-authority approach to regional economic development, establishing the Partnership for Urban South Hampshire (PUSH), with the surrounding districts, the City of Portsmouth and Hampshire County Council. PUSH has set out a 20-year strategy based on increasing economic growth in South Hampshire, and proposed a sub-regional plan to form part of the Spatial Strategy for the South East Region. The council has also worked with the RDA and local businesses to establish Business Southampton, strengthening the business voice of the city and promoting economic development in the city region.

**Box 3.3: Place-shaping and urban renewal in Nottingham**

Nottingham experienced a period of decline in the traditional manufacturing sector in the 1980s and early 1990s. As part of its response the city council and its partners sought to create a new vision of Nottingham as a place which people want to visit and spend time in, through the development of the public realm and the use of cultural consumption as a tool for urban renewal. The council's vision was underpinned by the engagement of local residents, visitors and businesses about the schemes.

Nottingham's regeneration began with the redevelopment of the former Lace Market on the east edge of the city centre. Much of this centred on the development of the £36m National Ice Stadium, completed between 1998 and 2001 and facilitated by a £22.5m Sport England grant.

Since the mid 1990s, further development of the public realm has been undertaken. The £13m Centre for Contemporary Arts Nottingham, developed in partnership with the city's two universities, is due to open in 2008, and the redevelopment of Old Market Square has been described by the council leader as, "A once in a lifetime opportunity to redefine the very heart of Nottingham, to create a new signature for the city."

Nottingham has also used transport development to develop the city centre as a strong retail and cultural destination. Schemes such as the Nottingham Express Transit light rail system, and Turning Point (an £11.7m scheme to re-route traffic away from the city centre), together with the introduction of a Clear Zone and other smaller transport schemes, have led to significant reductions in traffic in the city centre.

Nottingham has now become a more people-friendly city, with a pedestrianised and attractive extended city centre, niche areas of independent shops, and bars and restaurants on the edge of the retail core. It has a significant cultural offer, ranking as the 4th most vibrant retail location in the UK<sup>40</sup>. The city centre regeneration continues, and the next decade will see three large mixed-use regeneration zones being developed on the outer edges of the enlarged city centre.

**3.15** There has been a renewed debate about the economic role of local authorities in recent months. Much of it has focused on urban issues and the cities, partly because of the evidence that successful urban areas can be a driver of national economic success and competitiveness, and benefit the country as a whole. Key contributors have included the Centre for Cities at ippr, the New Local Government Network and the Government itself, though perhaps the most authoritative analysis is that of the State of the Cities report, published in March 2006.<sup>41</sup>

**3.16** However, it is important to acknowledge that urban renewal and regeneration have been important issues for both local and central government (both Labour and Conservative) over a number of decades, from the urban development corporations and City Challenge to the more recent work of Lord Rogers's Urban Task Force, and the Urban White Paper of 2000.<sup>42</sup>

**3.17** Evidence indicates that the UK's major cities lag behind their European counterparts in terms of competitiveness, and the UK's economy remains disproportionately dominated by London and the South East. There appears to be a growing consensus that part of the reason for this, or at least part of the solution to it, is that local authorities in the UK's towns and cities do not have enough powers and tools at their disposal to enable them to make a real difference to local prosperity. The State of the Cities report found that "the balance of powers and resources between national, regional and local governments should allow English cities to benefit from the freedoms, resources and responsibilities found in the more successful European and North American cities" in order to fully realise their economic potential.

**3.18** The debate around the flexibilities and powers of local authorities is perhaps most concrete and alive in relation to the funding of infrastructure projects. Infrastructure investments are often central to enabling and supporting economic growth and boosting the competitiveness of businesses. Businesses and their representative organisations thus put considerable effort into making the case for such investments, particularly in transport projects such as railways, trams, roads and airports. These projects are often recognised as being of value both to the local and national economy, but local councils, even where they have the support of the business community, do not have the necessary levers to make them a reality.

**3.19** There is, for example, a debate in London about how transport improvements such as the East London Line Extension, Crossrail, and a range of other projects are best funded given limits of the financial discretion available to the Greater London Authority. This debate has developed sufficiently to involve open discussion of whether

<sup>40</sup> Experian, *Town futures retail report*, 2005

<sup>41</sup> Marshall, A. et al, *City Leadership: Giving city regions the powers to grow*, Centre for Cities, ippr, 2006 ; City Regions Commissions, *Seeing the light: next steps for city regions*, NLGN, 2006 ; Parkinson, M. et al, *State of English Cities*, ODPM, 2006

<sup>42</sup> Urban Task Force, *Towards an Urban Renaissance - Report of the Urban Task Force, 1999*; ODPM, *Our Towns and Cities: The Future - Delivering an Urban Renaissance (The Urban White Paper)*, 2000

and how businesses might contribute to the cost, for example through an additional levy on business rates in London, or taxing the increased value of buildings near Crossrail stations.

**3.20** Similar debates have also been taking place in other UK cities – witness for example the difficulties over the funding of a second line for the Manchester tram system, or the extension of the Sheffield Supertram.

**3.21** However, I am clear that the development of economic well-being is also an important role for local government outside cities, including in rural areas. There are great economic challenges in rural and smaller urban areas which local authorities and their partners are seeking to address in different ways. Strategic transport investments, and also investments in information and communications technology can be critical to development in these areas.

**3.22** For example, moves to boost economic activity in the South West need to deal with the challenge of its remoteness from key markets in the rest of the UK and Europe, and the difficulties of transporting people and goods to and from the area. The development of Newquay Cornwall Airport by the county council and local partners has been an important way of addressing this, and is seen locally as an important contribution to the local economy, and likely to be a key economic driver in years to come. Councils in other areas are developing tourism and small industries as a means of supporting rural economic activity, and the Rural Pathfinders established by DEFRA in partnership with 9 local authorities aim to look at new ways that local authorities can respond to the particular needs of rural communities.<sup>43</sup> Box 3.7 highlights how Tynedale Council in Northumberland has used tourism as a way of boosting the rural economy.

**3.23** Notwithstanding this recent debate, I think that the role of local action and strategy in promoting economic prosperity has been underestimated at national level over the last decade. There may be a number of factors affecting this.

**3.24** The ‘crowding out’ referred to in Section 2 may have reduced the priority given to promoting the local economy in many areas. Sustained improvement in the national economy (which may have reduced public concern about the need for local action), and the nationalisation of the business rate in the 1990s which removed the financial link between authorities and the local economy, may have contributed to a shift in emphasis. But it is my view that there is no room for complacency and local contributions towards national competitiveness remain as important today as ever.

**3.25** The CBI and other business representatives acknowledge the role of local authorities in helping create the conditions for economic success in their areas, as well as the importance of effective engagement between businesses and local government. The CBI’s recent submission to my Inquiry outlined how:

*Many businesses are attracted to the idea of local authorities as place-shapers... the majority of businesses [surveyed] believed that local government setting a clear vision and strategy for the development of an area was the most important aspect in terms of promoting economic growth and competitiveness. (CBI)*

**3.26** Though there appears to be a growing consensus about the powers of local government in cities, there is less agreement on what the most appropriate scale for action is. The principle of subsidiarity suggests that responsibilities, powers and arrangements to tackle economic issues should reflect the fact that they impact across a

<sup>43</sup>Department of Environment, Food and Rural Affairs, *Rural Delivery Pathfinders: Prospectus*, 2005

much wider area than the individual authority. For example, at the time of the 2001 census, 40 per cent of the working population crossed at least one local authority boundary during their journey to work, and this percentage figure increases for higher skilled and professional workers. The principles discussed in Chapter 2 suggest that this means that economic development should not just be the responsibility of individual authorities acting alone. There also needs to be some concerted action through larger coalitions above the level of the individual authority, which enables their responsibility for the local economy to be taken forward with others operating across authority boundaries. Some would argue that this should be dealt with at the regional level through the Regional Development Agencies, though others have begun to focus on the 'city region' in recent months.<sup>44</sup>

**3.27** City regions raise many questions, although there are already encouraging signs of progress in the partnerships which already exist or are being developed between authorities in the major urban areas of this country. There is an open question as to whether local authorities can voluntarily collaborate effectively to undertake such action, or whether changes to structure and governance – such as the introduction of new powers at the city region level or city region mayors – are needed. Whatever the answer, it seems likely that a greater degree of collaboration between neighbouring authorities, and between authorities and RDAs, will be needed and encouraged in the future in order to promote the conditions for effective economic growth. The Government has recognised that a key challenge of the 2007 Comprehensive Spending Review is to “ensure that RDAs and local authorities work more closely together”.<sup>45</sup>

**3.28** There are therefore valid questions to be explored about the degree to which local authorities have the right powers, flexibilities and incentives to respond to economic agendas, something which will be particularly important in the context of a more rapidly changing world and the need for the UK economy to move up the value chain to focus on high skilled work. This is a question to which I will be returning in Chapter 4 of this document and in my final report.

## SOCIAL WELL-BEING

**3.29** Social well-being is about people's quality of life, their satisfaction with their lives and the opportunities they have. Though it is made up of a variety of influences including individual and cultural factors, the place someone lives in and the community they are part of have an important impact.

**3.30** Social well-being can be developed and enhanced in a variety of ways through public services, such as education, social services, policing and health care. To act effectively as a place-shaper, local government needs to ensure that these services are provided and managed in an appropriate fashion. That will necessarily be both in services local government is directly responsible for providing, commissioning or managing, and where it plays a convening role - bringing partners together, joining up and improving services and outcomes in response to local factors, and leading and co-ordinating a long-term approach.

**3.31** The convening role of local government enables councils to bring a cohesive approach within the locality to the totality of public services which affect social well-

<sup>44</sup> Marshall, A. et al, *City Leadership: Giving city regions the powers to grow*, Centre for Cities, IPPR, 2006; City Regions Commission, *Seeing the light: next steps for city regions*, NLGN, 2006

<sup>45</sup> HMT, DTI and ODP, *Devolving decision making 3: Meeting the regional economic challenge - The importance of cities to regional growth*, 2006

being. For example, councils can make the links between the different agencies which have a role in tackling issues such as educational attainment or a wide range of health improvement issues such as obesity and smoking cessation.

**3.32** We should also remember the importance of addressing wider problems in addressing social well-being challenges – for example helping generate new jobs and opportunities for local people and helping them to gain the skills to benefit from job opportunities that are available. In enhancing social well-being, local government’s role lies both in delivering and influencing services and the strategic approach to economic development.

**3.33** Local government’s ability to develop well-being through place-shaping is also related to its ability to affect other issues which are not service-specific. These include building community identity, relationships between citizens and pride in place. The example of Middlewich Town Council, set out in box 3.4, illustrates how a very local council can do this.

**Box 3.4: Place-shaping through local events and activities in Middlewich**

Middlewich is a small, historic town situated in the centre of Cheshire. The work of Middlewich Town Council in developing the town’s identity as a historic place, involving local citizens, and fostering tourism, investment and community links as a result, is place-shaping on a smaller but no less interesting scale than the other examples in this chapter.

The clerk and mayor of the town council argue that the council’s role is about facilitating both a sense of identity and pride in the local area, building a sense of place based on the local history and character, and contact between citizens so that they too can actively help in making Middlewich a good place to live and invest.

The town’s ‘Roman Middlewich’ project provides an example. The project was started in the late 1990s to investigate the town’s historic Roman links. Started by the town clerk and a local archaeologist, it has grown substantially over the years. The involvement of the community has been at the forefront of the project, which has included three Middlewich Festivals, each attended by several thousand people, and a community archaeological dig.

The benefits of such a project are wide-reaching. The town council used it as a means of developing the town’s identity with local people, and within the region and nationally. It provided a means of attracting tourists and economic activity, for example through the use of local businesses and the custom brought to local hotels and restaurants. The active involvement of the community in the project also led to spin-off benefits, such as a local litter-picking group. The clerk described the benefits as follows: “Because people are involved in things they enjoy, the sense of well-being is enhanced and so it is easy to engage with them and hear what they want. Their commitment grows and widens.”

**3.34** An important facet of social well-being, particularly in a more complex and rapidly changing society, is captured in the concept of social capital, which can be defined as “the social networks, shared norms and co-operative relationships that help us get along together as a society.”<sup>46</sup> The role of Middlewich in creating opportunities for citizens to positively interact with each other is a good example of a council enhancing social capital.

<sup>46</sup> Khan, H. and Muir, R. (eds.) *Sticking together – social capital and local government*, ippr/ London Borough of Camden, 2006

**3.35** There is growing awareness of the role of local government in supporting the development of social capital. Recently published research by the London Borough of Camden and the ippr describes how “social capital is very locally rooted. It relates to one’s relationships with neighbours, local clubs and societies, and frontline public services” and therefore “local councils are especially well placed to help nurture social capital – simply because they are the tier of the state closest to people’s lives”.

**3.36** This role encompasses a wide range of activities which the council can both directly undertake, and support others doing. The aim of developing social capital can also inform the council’s general approach and philosophy. Examples include safeguarding existing community ties when housing redevelopment is taking place, providing neighbourhood institutions including health and social clubs, developing and managing shared social spaces, funding civic and voluntary organisations and opening up democratic and decision making processes. There is also evidence that strong social capital is associated with a range of other desirable outcomes in terms of social well-being, for example better health, happiness, trust and educational outcomes.<sup>47</sup>

**3.37** The recent debate on ‘double devolution’ – devolving more powers to local government, and at the same time devolving more powers to individual citizens and bodies closer to them – is relevant here.<sup>48</sup> Whilst local government is an important part of the connection between government and the citizen, it is too frequently not seen by citizens as being responsive enough, and some of the tools noted above may well form part of a sensible approach to providing citizens with greater influence. In addition, it has been suggested that the perceived alienation of many citizens from government and decision-making processes may contribute to poor turnout at elections and mistrust in the institutions of (central and local) government themselves. Re-building trust in the political system as a whole represents a shared aim of both central and local government. As the tier of government closest to the citizen, and which people find easier to influence than central government, local government is ideally placed to begin the re-building of trust, engagement and democracy, as well as links within and between local communities.<sup>49</sup>

**3.38** Related to social capital is the issue of social cohesion, an agenda which has risen in prominence in relation to debates about diversity and an increasingly mobile population. Social cohesion is also fundamentally linked to place, and some councils, especially those in areas which have experienced racial tensions in recent years, and in areas with particularly transient populations, have led the way in thinking about local government’s role in building community cohesion. Ted Cante, Chair of the Institute of Community Cohesion, argues that:

*Traditionally local authorities have not really seen it as their job to worry about people moving in and out of an area and about social networks and relationships between different groups – whether they’re faith groups or ethnic groups... Some local authorities however, are recognising that they’ve got to get this right, otherwise their areas are going to become very disunited. I think we’ve underestimated traditionally the sense of place that people have. I think this is*

<sup>47</sup> Khan, H. and Muir, R. (eds.) *Sticking together – social capital and local government*, ippr/ London Borough of Camden, 2006; Putnam, R. *Bowling Alone – the collapse and revival of American community*, 2000

<sup>48</sup> See for example Mulgan, G. and Bury, F (eds.), *double devolution: the renewal of local government*, Smith Institute, 2006; ODPM, *Empowerment and the deal for devolution – a discussion document on the speech by Rt Hon David Miliband MP*, 2006

<sup>49</sup> RDS, *Home Office Citizenship Survey: People, Families and Communities*, Home Office, 2004

*crucial to cohesion. It is about getting that sense of place, that sense of belonging on a very inclusive basis.*<sup>50</sup>

**3.39** However, local government's role in promoting social capital and community cohesion brings with it associated challenges. There is a crucial role for local government in recognising different interests, revealing conflicts, exploring who gains and who loses and offering a platform for different voices. This highlights the importance, in moves towards greater devolution to citizens and neighbourhoods, of also giving local authorities the flexibility and responsibility they need to address these challenges and differences. Much of this role is representative and political. Even where the common good seems to suggest a clear course of action, those who disagree or will bear the costs need an opportunity to voice their concerns and even their anger, and councils will need to be able to make informed choices between competing needs and interests.

**3.40** The role of local authorities in the regulation of behaviour is worth noting explicitly here. Take for example anti-social behaviour measures, where both social problems as well as behavioural norms are likely to vary across different neighbourhoods. Different types of behaviour may be tolerated in a city centre, for example, than in a small village. Beyond general statements of what is unacceptable behaviour, probably encompassing extremes, national legislation cannot accommodate these differences. The Government's Respect agenda, which highlights the importance of tackling low-level anti-social behaviour, acknowledges the limits of central government action and the importance of local leadership in addressing such issues.<sup>51</sup> Recent futures work undertaken by the Tavistock Institute for ODPM concluded that this role in the regulation of behaviour was likely to become increasingly important in the future.<sup>52</sup>

**3.41** Promoting social cohesion is a challenging task, but crucial to developing social well-being. Box 3.5 describes the place-shaping role adopted by Tower Hamlets, which focuses on building community cohesion and identity within an extremely diverse community with a range of social challenges.

**Box 3.5: Place-shaping to support community cohesion in Tower Hamlets**

The early 1990s saw an increase in racial tensions in Tower Hamlets. This was seen as a direct threat to the community cohesion of the ethnically diverse borough. Tower Hamlets' historical status as the first UK home of many immigrant communities has given it a unique ethnic mix. Just over half of the population is white and almost a third is of Bangladeshi origin, with sizeable Caribbean, Somali, Chinese, Vietnamese, Indian, Pakistani and African communities also in the borough and now the advent of the new Eastern European communities.

This ethnic diversity creates a particularly challenging dynamic, since the older population is predominantly white, while the younger population (which goes against the national trend in its young age profile) is predominantly Bangladeshi. As an additional challenge, people have tended to identify more strongly with smaller historical areas and communities rather than with the borough as a whole, partly because it was only created in the 1960s.

<sup>50</sup> Cattle, T., *A diverse agenda: local authorities and local identity*, IDeA, 2006 at <http://www.idea-knowledge.gov.uk/idk/core/page.do?pagelid=4425592>

<sup>51</sup> Home Office, *Respect Action Plan*

<sup>52</sup> ODPM, *All Our Futures: The challenges for local governance in 2015*, 2006

From 1993, the council re-focused its efforts on the promotion of community cohesion. This has been reflected in the conduct of all its business, setting high expectations for all communities in terms of achievement and service provision. In education, for example, monitoring of achievement by different ethnic groups and targeted action to tackle underachievement was fully in place from the mid 1990s, backed up by council prioritisation of schools' resourcing.

Community leadership is key to this approach. Council membership is strongly reflective of the local community, with many local councillors from black and minority ethnic backgrounds, and councillors are relatively young. The council leader chairs the Tower Hamlets Partnership, seeing his role as ensuring that the commitment to equality and diversity and community cohesion runs through the Community Plan and all the Partnership's engagement work.

The leader has been seen to speak with community support on national or international events which caused significant tensions in the borough: for example 9/11, and the aftermath of the 7/7 bombings in London. At such times it has been vital in maintaining order and calm that the leader not only met with community leaders and other partners, but also publicly acknowledged communities' fears, anger and concerns, while appealing for calm and reinforcing a shared spirit of belonging and strong values. This approach has been careful to avoid gesture politics, being instead a sensible recognition of how outside events impact on the borough. Schools in particular have valued having a common message to use in their assemblies.

As part of this leadership, engagement with faith communities runs right across service provision. Issues like extended leave from school, school attendance, forced marriage and domestic violence have all been tackled as shared challenges for the whole community, where faith communities in particular can contribute to the solution, not just as consultees on what the professionals say. A good example is school attendance, where the East London Mosque ran a project to improve attendance in schools, using its unique influence on families.

Tower Hamlets council has taken community cohesion both as an end in itself and as a driver for wider change and improvement, place-shaping by defining the nature of the community: diverse yet tolerant, sometimes tense but able to resolve differences, disadvantaged but with the highest aspirations. The council was a Beacon for community cohesion in 2003, and its Annual Residents' Survey shows in 2006 that nearly three quarters of residents say that the borough is a place where people from different backgrounds get on well, while 82 per cent say that it is a place where ethnic differences are respected.

**3.42** Although action to address and promote social well-being lies at the heart of much of what local government does and many of the services it delivers, there is a wider role for local government to play, both as convenor of public services, and also as the body which addresses issues of identity and cohesion in an area.

**3.43** How that role is recognised and empowered is important and is the subject of debates about the future of Local Strategic Partnerships, Local Area Agreements and possible duties on other public service providers to cooperate with partnerships.<sup>53</sup> However, there is also an element of the role which is about local authorities taking responsibility for identifying what needs to happen to promote well-being and the success of their communities and taking action to achieve this. It also requires local councillors to represent the needs and views of their constituents across a range of local

<sup>53</sup> ODPM, *Local Strategic Partnerships: Shaping their future - a consultation paper*, 2005

and public services issues, not just those under the control or management of the council.

## ENVIRONMENTAL WELL-BEING

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**3.44** Environmental issues lie at the heart of issues about place. The reality of geography influences everything from the attractiveness of an area to businesses and individuals to the costs of delivering basic public services. For many places, from urban to rural, location and surroundings lie at the heart of their identity, and indeed affect the happiness and well-being of people living there.<sup>54</sup> Recognising the importance of environmental issues, and using them to full effect, is therefore central to place-shaping.

**3.45** Many environmental issues are about things which fall within the most basic understanding of the role of local government, such as parks and playgrounds, the granting of planning permission, shaping of open spaces, pedestrianisation and tackling graffiti. These very local and immediate issues routinely appear at the top of citizens' lists of priorities for their local area and have a significant impact on citizen satisfaction. They can also act as visual signifiers, contributing to the feel of an area. Given that many of these factors affect the local level almost exclusively and have little impact on other communities, there is a strong case that they should be subject only to local control and discretion. Centrally-defined targets arguably have little relevance here and indeed can displace local focus. The importance of local discretion is reflected in the fact that such matters are already being devolved to an area or neighbourhood level by many local authorities.

**3.46** There are also profoundly important strategic place-shaping issues tied up with environmental well-being. It is in shaping the local physical environment that local communities need to strike a balance between preserving local identity, supporting economic prosperity and maintaining the local environment. There can of course also be real tensions with national issues, particularly in planning, as seen in arguments about the location of major housing developments or the expansion of airports, and at what level decisions on these should be taken.

**3.47** The example of Wakefield outlined in Box 3.6 below shows how local government can take a lead on re-shaping the physical environment as part of its wider place-shaping role.

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<sup>54</sup> De Botton, A. *The Architecture of Happiness*, Hamish Hamilton, 2006

**Box 3.6: Re-shaping Wakefield**

Wakefield Metropolitan District in West Yorkshire includes the city of Wakefield and a number of market towns and villages. The past 30 years have seen the decline of the coal mining industry in the area, with the closure of pits in the 80s and 90s leading to the collapse of the local economy.

These demographic and economic realities have led to a re-thinking about the purpose and identity of the local area. The community strategy's vision is about retaining strong identity of place in a changing world of city-regions and global influences. Part of the strategy has been to build on the favourable location of the area in relation to Leeds and the national motorway network. This has provided the opportunity to grow other sectors as a means of reversing the impact of pit closures and growing a more diverse local economy. Therefore, unemployment is no longer the key driver of regeneration and inclusion policies in the area, but the need to consider the quality of the physical environment and the changing identity of the area is a high priority.

Wakefield's urban renaissance programme involves the large-scale regeneration and redevelopment of Wakefield City and the five towns of Castleford, Pontefract, Featherstone, Normanton and Knottingley, alongside a number of additional projects in former mining villages. Future projects in the Wakefield District include the building of the Hepworth Gallery, to house the collection of sculptor Barbara Hepworth, and the development of Wakefield Waterfront.

Other major physical regeneration projects include a mainly retail development anchored by Debenhams, the Westgate site near the railway station and enhanced pedestrianisation of the city centre, and the development of a series of high quality public spaces, as a key part of the longer-term strategy. The use of these spaces will generate increased numbers of external visitors, but will also invite Wakefield citizens to explore and understand their own place. Some of these projects are being developed by local people themselves with the support of the council and partners, and will feature in a forthcoming Channel 4 documentary series.

The leader of Wakefield, Cllr Peter Box, has described the leadership role of the council in creating large scale regeneration projects which can act as catalysts for further regeneration. Examples include the Xscape leisure and shopping complex built on the old Glasshoughton Pit site, which is now the main visitor attraction in Yorkshire and Humber, and provides more jobs on the site now than the pit did.

However, he also emphasises the importance of involving and engaging local communities in change at the neighbourhood level. He describes how "the council has tried to create the conditions in which local communities can flourish, because it is community and neighbourhoods who have to take real ownership and leadership. If a regeneration project is not rooted in the community, then in the long term, it will not be successful or sustainable."<sup>55</sup>

<sup>55</sup> IDeA, *Castleford: Back from the Pits* at <http://www.idea-knowledge.gov.uk/idk/core/page.do?pagelid=4405744>

**Box 3.7: Place-shaping through tourism and the rural economy in Tynedale**

At 852 square miles and with a population density of less than 0.3 people per hectare, Tynedale is Europe's largest and most rural district, and contains key sections of the Hadrian's Wall World Heritage Site within its boundaries. The council has taken steps to address the impacts of long term changes affecting the local economy, as well as responding to shorter term challenges such as the foot and mouth crisis.

Developing sustainable tourism related to Hadrian's Wall has been an important element of the approach. Tourism in the area has seen a steady increase, with the value of tourism rising by 6 per cent in the period which included the foot and mouth crisis. Part of this has been achieved through effective partnership working, in particular the Hadrian's Wall Tourism Partnership, which involves councils the length of the wall, as well as regional and national organisations.

The council has also focused on helping the three main settlements make a positive contribution to the local economy, especially the economically important market town of Hexham, supporting local businesses, helping provide office space, enhancing town centres and improving park and ride schemes to improve access to town centres.

The council has also been recognised for the leadership it has shown in facilitating the regeneration of smaller rural communities such as Kielder, England's most remote village. Kielder had suffered dramatic de-population as a result of changes to the local forestry industry, and a loss of local amenities. Tynedale Council brought together local community, business and agency representatives to develop a business plan for the village, which attracted external funding. Progress has included the development of a new Youth Hostel, the provision of new work space, and re-opening of the village fuel station by a community company and the development of the market for locally produced wood for a district heating scheme.

The council has been recognised for its successful balance of environmental, community and economic challenges, and for its long-term vision for the area based on the development of tourism and was awarded Beacon Council status for supporting the rural economy in 2003-04 and promoting sustainable tourism in 2004-05.<sup>56</sup>

**3.48** However, some local environmental issues are also the local part of larger-scale issues such as addressing climate change or the need for sustainable development. I believe local government has an important and under-estimated role to play in contributing local solutions to problems on this scale and therefore helping meet national objectives. Because of its closeness to citizens, local government can encourage them to take an active part in providing solutions, influencing attitudes and behaviour and thereby increasing the effectiveness of its own efforts through co-production. Woking Borough Council's work in tackling climate change and fuel poverty is a good illustration of a council leading locally on issues of national, and indeed global, significance.

<sup>56</sup> Beacon Council Scheme, 2003/04; Beacon Council Scheme 2004/05

**Box 3.8: Environmental innovations in Woking**

Woking Borough Council has taken a nationally recognised lead on local innovations to tackle climate change through developing energy efficiency measures and sustainably sourced energy.

The rationale for the council's energy efficiency schemes has been three fold: firstly, to help eradicate fuel poverty in the borough, secondly to reduce energy use, therefore contributing carbon savings under the council's climate change strategy and thirdly to save money. The council has one of the first climate change teams in the country, considering issues ranging from the lighting and heating of public and private buildings and the local provision of power, to the advice available to residents about energy efficiency.

Among a wide range on innovations in this area, Woking has installed a series of combined heat and power (CHP) stations, which use natural gas to drive a generator that produces electricity, heat and purified water. One of these powers town centre buildings, including the civic offices, a leisure complex, a hotel, bingo hall and conference centre. The council has also built the first council-owned hydrogen fuel cell, which produces electricity from natural gas through a chemical process, to power a leisure centre and swimming pool, and installed solar panels on a number of sites in the borough.

In 2005, Jim Armitage, then leader of the council, made it clear that it required leadership from the council, both in encouraging residents to change their attitudes and behaviour, and in justifying the focus of the council on these issues. "You do get people who ask 'what's the council doing messing about with this'? But other people have a clear view of environmental issues and they are proud of what we're doing - certainly the younger generation is supportive. But to my mind why shouldn't other communities benefit from this?"

To date over 12,000 private households have taken advantage of the council's energy conservation schemes. Of this, over 3,700 households have been provided with energy conservation grants to provide full insulation measures. This has helped the council achieve a 30 per cent improvement in energy efficiency in the borough's housing stock since 1996, attaining the Home Energy Conservation Act's target by April 2005. Woking has also sought to tackle fuel poverty by reducing the heating costs for council accommodation to a percentage of the state pension.

The changes the council implemented had, by March last year, cut CO<sub>2</sub> emissions across the borough by 17 per cent. Within council-owned buildings, this figure increased to 70 per cent.

This success has been nationally acknowledged, with the council winning national awards for sustainable energy and development.

**3.49** I would also argue that among the most useful tools in terms of place-shaping are the planning powers wielded by local authorities. Although place-shaping is about more than just the physical character and environment of an area, the unique role of the planning authority gives it both a particular responsibility and significant powers in relation to the physical development of localities. There is an increasing focus on the strategic use of planning powers to provide spatial expression to a community's priorities and goals, and a recognition that councils can and should have a strong hand in determining both the design character and future growth patterns of local settlements.

**3.50** Authorities can help to shape their local areas through using their powers to encourage investment and development activity which is consistent with the vision and

sense of direction in which the community wishes to move, and discourage activity which does not fit with that. The council's planning role is therefore more significant than simply responding to applications as they come along. The London Borough of Lewisham's use of planning powers to help re-shape Deptford is illustrated in Box 3.9 below.

**Box 3.9: Place-shaping through strategic planning in Lewisham**

Deptford is a deprived area of the London Borough of Lewisham, which has a particularly high number of local resident artists and creative people because of its proximity to Goldsmiths College and other education institutions offering specialist creative education. The council's approach to the regeneration of Deptford has been to build on this local character, helping the area to become an artistic hotspot attracting both artists and visitors.

The council has taken a facilitative approach to much of this development, helping other local partners develop new buildings and facilities by helping make land available and using planning powers to influence how land is used. The most high profile example is the Laban Centre, one of the most prestigious modern dance training centres in the world.

The original Laban Centre had been based in Lewisham at Goldsmiths College for 30 years, and needing more space, the Centre approached the council about the possibility of finding a new plot of land on which to build a visionary new building. The council believed that it was of not only important to ensure that the dance centre remained in Lewisham, but also that a new building could provide an important regeneration opportunity in the Deptford Creek area.

The council therefore helped make the site, a former council depot, available to the Laban for its new building, and safeguarded the land from private residential development while the money for the building was raised. It also supported the project through providing an element of capital funding, and senior officer support from the Planning and Arts services. The new Laban Centre was designed by the architects Herzog and de Meuron, who also designed the Tate Modern art gallery in London. It opened in 2002 and won the Stirling Prize for Architecture in 2003.

The council has now been able to use the Laban Centre as a catalyst for further regeneration in Deptford. It is using its land ownership and planning powers and working with private sector partners to help drive the regeneration of the nearby Deptford Train Station, High Street, and adjacent community facilities, and to ensure that the riverside development of Convoys Wharf complements this approach.

## ACTIONS NEEDED FOR PLACE-SHAPING

**3.51** There is a range of actions which councils need to undertake to engage successfully in place-shaping, though these will be different between places and across time. I would highlight the following key areas:

### Leadership

**3.52** Place-shaping is a complex undertaking. It therefore requires leadership at a number of levels and across a range of interests and organisations. The role of the local authority, and particularly of political leaders, will be crucial, as I hope it is clear from the discussion of place-shaping so far in this paper that it is an inherently political task, involving prioritisation, dealing with disagreement, tough choices and balancing different views.

**3.53** I do not seek to single out one particular approach, though I would argue that successful examples of place-shaping are often associated with strong political leadership, though not necessarily of an individual nature. Successful leadership models vary from highly visible directly elected mayors as seen in London and a small number of councils, to more collaborative council models, such as can be seen in the Gateshead example. Given the length of time often needed to achieve high-level goals, the need for political leadership may also well outlast the individual. Place-shaping can be a long-term and reinforcing vision, and some excellent examples of place-shaping have retained a consistent focus through a change of individual leadership.

**3.54** Councils can also play a broader political leadership role in convening and influencing other partners to achieve the strategic objectives of the area as a whole.

### **Building coalitions and consensus about the direction of travel**

**3.55** In order to undertake place-shaping, authorities need to be involved in identifying the direction of travel that is to be taken locally. This will involve discussion about the character of a locality and how its distinctiveness is to be developed.

**3.56** As part of this councils will need to build coalitions of interest with other players who have a role to play in making change work. I believe that this requires political leaders who can build consensus and support across different groups. Many of the case studies in this chapter illustrate the importance of local authorities supporting and encouraging others to achieve things which contribute to the overall vision, but are out of the direct reach of the council. These may include other service providers, citizens and the private and voluntary sector, as well as partners beyond the individual local authority's boundaries.

### **Public and community engagement**

**3.57** To perform well as a place-shaper, effective engagement with the public and the local community is essential. I think there are two key reasons for this.

**3.58** Firstly, in order to increase the well-being of local people within the finite resources available, local authorities have to understand something of the aspirations of their citizens and what they want from public services. Though some of that information and understanding can come through the process of local elections and the important contributions of elected members, that is not sufficient to develop the sophisticated understanding of preferences and opinions which is needed.

**3.59** It is only by engaging with and understanding the needs, identity and aspirations of local people that local government can be effective in meeting those needs and building on existing strengths. Many of the examples of place-shaping in this chapter point to the importance of community engagement in enabling citizens to express the type of place and community they want to be and directly involving them in the development of both local services and the place where they live. However, this is not the experience of communities in all places.

**3.60** Secondly, local authorities need trust and understanding among people if they are to be able to make the difficult, contentious and sometimes risky decisions that are an inevitable part of prioritisation and change. Councils often argue that public confidence in basic services is necessary in order to take local people along in the redevelopment of the area. Those decisions will involve real local debate, and a role for

councils in arbitrating between different individuals, areas and communities. If people do not feel understood or listened to they are more likely to dispute the legitimacy of those decisions. Building and development public trust more effectively at a local level would seem likely to have benefits for trust in national government as well as local authorities.

## Effective use of powers

**3.61** In order to perform effectively as a place-shaper, local authorities will need to use all of the powers at their disposal. The power of well-being is an important support, giving authorities the potential to act where they consider it necessary. As outlined earlier, I would argue in addition that the strategic use of planning powers is an important tool.

**3.62** The regulatory and licensing role of local government is also important to place-shaping, providing councils with levers to influence or alter the behaviour of local businesses and other bodies, to protect the interests and health of the community and shape aspects of the local economy.

**3.63** Councils also need to exercise the authority that comes with their role and position as community leader, enabling them to convene other local agencies and encourage and facilitate action by others.

## CONCLUSION

**3.64** The term ‘place-shaping’ covers a huge range of local activity, and means different things in different places. I do not see that as a weakness. Rather, it is part of my argument that there is a particular role for local government at all levels, one that is perhaps difficult to fully define, but is nevertheless real, promoting the well-being and the interests of their citizens and their areas, and in building and communicating a vision of place and of prosperity.

**3.65** Place-shaping is therefore at least as much about the confidence, approach and ambition of a local authority as it is about the statutory powers or responsibilities it has. As the case studies outlined in this chapter show, it is possible to find examples of activities which contribute to successful place-shaping by local government in many areas. This means there is potential for sharing of best practice and self-improvement within local government. However, other councils have not embraced place-shaping, for a variety of reasons.

**3.66** I believe that the objective of local government reform must be to ensure that all local authorities are encouraged and empowered to undertake place-shaping in the fullest and most beneficial way for national well-being and the well-being of local communities. This is likely to mean that a combination of addressing problems of ‘crowding-out’, reforms of local government’s powers, and institutional reforms to improve local government’s ability to do the job will be needed. It will also require some changes in the approach and behaviours of local government itself – to take greater responsibility for place-shaping, and to engage more actively in the coalition-building and public engagement which is required to achieve real success.