



PLANNING **Horizons**

Making Better Decisions for Places

**Why where we make
decisions will be
critical in the
twenty-first
century**



About the RTPI

With 23,000 members worldwide working in the public, private, charitable and educational sectors, the Royal Town Planning Institute (RTPI) is the largest institute for professional planners in Europe.

As well as promoting spatial planning, the RTPI develops and shapes policy affecting the built and natural environment, works to raise professional standards and supports members through continuous education, training and development.

Everything we do is inspired by our mission to advance the science and art of planning (including town and country spatial planning) for the benefit of the public.

Front cover: The roof terrace and dome of the Reichstag Building of the German Bundestag (parliament) in Berlin. Photo credit: Rodrigo Quiñones.

Germany is a federal parliamentary republic. The Basic Law sets out which issues fall within the domain of the federal government and which devolve to the federal states. While the Bundestag has primary legislative authority, the Bundesrat (the representative body of the Länder, Germany's 16 states) represents the states at federal level, and must agree legislation concerning how revenue is shared by federal and state governments and laws which impose responsibilities on the states. In accordance with the principle of subsidiarity, citizens deal almost completely with state and local authorities acting on behalf of the federal states. This combines the advantages of a unified state with those of a federal state. Since 1999, the Bundestag has had its seat at the Reichstag Building in Berlin. The reconstruction of the Building was completed in 1999, including the glass dome designed by (Lord) Norman Foster, following the reunification of Germany in 1990 and the decision to return the government and parliament to Berlin from Bonn.

Foreword by the RTPI President



I am proud to be President during the Institute's Centenary Year of 2014.
I am also proud to be a planner.

As this series of *Planning Horizons* papers has shown, one hundred years after the establishment of the Institute and planning as a professional discipline, not only are the challenges we face today in many respects of a scale and complexity significantly greater than in the past, the cost of failing to respond to them is also likely to be much greater. In various ways, these challenges now represent major threats to the security and stability of many nations. In short, planning is needed now more than ever.

This final paper in the series, *Making Better Decisions for Places*, looks back over the challenges considered in these papers, and focuses on how we can make decisions at the most appropriate levels – from the local to the national and international – to ensure more effective and efficient responses to these challenges.

This necessarily goes beyond 'planning' as it is commonly understood to encompass decision-making by governments and, in the increasingly complex societies in which we live, a whole range of actors in the public, private and third sectors. This reflects the fact that the challenges we face won't be resolved by one type of organisation alone, or indeed by one profession. It also reflects the historic roots of planning as a politically and socially engaged activity.


At its launch, one of the driving forces behind the Institute, John Burns talked about "... a movement that has for its object the emancipation of all communities from the mark of the beast of ugliness." To this day, the RTPI's mission remains "...to advance the science and art of planning ...for the benefit of the public." This series of papers is just one part of the effort to give planning a renewed sense of purpose as a force for good.

A handwritten signature in black ink that reads "Cath Ranson".

Cath Ranson MRTPI

RTPI President 2014-2015

We face complex challenges at the same time as trust in governments is in decline



A vineyard in California. Over the past three years, the state has been experiencing its worst drought for at least 100 years. In January 2014, the Governor of California, Jerry Brown, declared a state of emergency due to water shortages. The US federal government has provided emergency assistance funding for farmers and ranchers affected by the drought – California's Central Valley is the most important agricultural region in the country. The crisis has raised complicated governance issues about which level of government decides which areas should receive priority for water resources, who pays for relief efforts, and the tensions between environmental, demographic and development demands. Photo credit: John Weiss.

Governance arrangements are increasingly struggling to respond to the challenges of the twenty-first century. To some observers, this contemporary 'crisis of governance' may be largely due to the financial crisis of the last decade. In truth, its roots go much deeper, reflecting increasing public doubts about the efficacy of governments to respond effectively to the range of economic, social and environmental challenges we face in the twenty-first century.

This series of *Planning Horizons* papers has considered challenges such as climate change, demography, a fast-changing global economy, rapid urbanisation, ill-health, inequality and social justice. The complex nature of these challenges means that they require responses at multiple levels, from the local to the global. We need to identify how these issues manifest themselves at different levels, how they differ between developing and developed countries, and the optimal level at which decisions to address these issues need to be made. In short, we need to make better decisions for places.

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Executive summary

The RTPI's *Planning Horizons* series of papers have suggested that planners are at the forefront of responses to the major challenges we face in the twenty-first century, such as demographic and climate change, creating healthy urban environments and promoting sustainable economic growth. These papers have also raised important issues about *how* policy and decisions are made, including the neglect of places in much decision-making. In many countries, the fragmentation of decision-making that affects places has made planning – including effective responses to these kinds of challenges – much more difficult. To ensure better, more coordinated and coherent decisions for places, and so more efficient and effective response to the challenges we face, this paper sets out a new approach to thinking about the levels at which decisions are made which aligns responsibility and resources at the same level of government.

This paper explores how governance will need to evolve further if we are to meet the challenges of the twenty-first century. However, in many countries, including the UK, the increasing fragmentation of decision-making has made effective responses to these major challenges – such as demographic and climate change, sustainable economic growth and healthy communities – much more difficult.

This is for a number of reasons. Decision-making in investment is becoming highly disaggregated, especially along sectoral (issue-based) lines. This has been exacerbated by the rise of multinational private providers of public services – the 'urban services industry'. Siloed decision-making can lead to a lack of dialogue and coordination between policy objectives that are actually closely related, such as the provision of housing, transport, and employment. Further, the challenges facing our societies in the twenty-first century cross sectoral boundaries but also manifest at various geographical scales, from the international to the local. This challenges the ability of single levels of authority to deal with them decisively.

As a result, at a time when we urgently need better, more coordinated decision-making, there is increasing complexity in our forms of governance

and increasing uncertainty about whether these proliferating forms of so-called 'multi-level governance' – shared between many levels and actors – will help us to respond effectively to the major challenges of the twenty-first century.

These issues pose a particular set of challenges for many countries, but are especially acute in the developing world, where there can be a significant lack of governance capacity to respond effectively to pressing economic, social and environmental challenges. Governance issues experienced in developing countries typically centre around inefficiency, corruption, and lack of accountability.

From the perspective of planning, the solution to these governance challenges can be found by thinking about how to ensure the best outcomes for *places* – our towns, cities and communities – and the people who live in them. We need to go beyond a theoretical or generalised preference for any particular level of governance (for example, more centralisation or decentralisation), and instead consider *which decisions* within *which policy* areas would be best dealt with at *which level of governance*, and how the various levels of governance need to *link together more effectively*.

Spatial planning emphasises the role of planning in attempting to integrate policy between different sectors and geographical scales, and breaking down departmental and organisational barriers. Ideally, planning can bring together different kinds of investments in single places in order to provide for the future.

This perspective can inform a new, joined-up way of thinking about how to improve governance and so our ability to respond to major twenty-first century challenges. This requires *aligning responsibility and resources at the same levels of governance* in order to achieve much more coordinated – and so efficient and effective – policies and investments for places. This would help to ensure that policy is more effective and would maximise the impact of investments for places.

While the issues considered here are complex and will differ in different contexts, there are certain general principles that this paper argues should be borne in mind by policy- and decision-makers.

- As part of any policy-making process it is crucial to **identify decisions with a primarily national impact and those with a primarily sub-national impact, and put in place appropriate governance arrangements so that these decisions can be made and implemented in the most effective way possible.**

Putting appropriate governance arrangements in place may involve the creation of new levels of governance, the strengthening of existing levels of governance, and facilitating more vertical interaction and integration between different levels of governance.

- In order to address major challenges it is essential to **align policy objectives** and allow decisions to be made on the basis of places where policies interact, rather than on the basis of individual policy objectives.

From the perspective of spatial planning, a governance structure with a place as its unit of focus presents a good way of re-connecting policy areas that have become increasingly separated. Vertical integration means that local leaders must lead and govern individual places and manage, coordinate and integrate services, infrastructure, and policies across wider sub-national geographies. National leaders must manage and shape the wider 'systems of cities' at a national level.

- It is important to **align governance arrangements with real functional economic areas** rather than adhere to traditional borders and boundaries.


While traditional administrative boundaries clearly still serve a purpose, the challenges considered in this series of papers suggest that the boundaries that need to be applied at each level are often very different from many current boundaries. Such challenges often need coordination across a wider area than a single administrative boundary.

In many parts of the world there is currently a democratic deficit whereby decisions taken in one area critically affect the well-being of communities elsewhere who have no effective voice in the decision-making process. Making these decisions at the appropriate geographic scale will not only increase the likelihood of effective implementation; it will also make it easier to ensure that a degree of fairness between localities is observed.

- We must **ensure that institutions at local, regional, city, national, and international level are equipped to make and implement decisions.**

It is crucial to ensure that institutions at all levels have the resources, skills, experience, and culture to make and implement decisions. In order to ensure the implementation of decisions made at the most appropriate level, national governments should focus on how they can better equip local and regional leaders so that sub-national regions can be shaped and managed to achieve more productive, liveable and sustainable outcomes.

Politics



Puerta del Sol, Madrid, May 2011. Public spaces can become both the focus of, and the platform for, protests. In 2011, the *indignados* ('the outraged') occupied plazas in cities across Spain to protest against the effects of the financial crisis, followed days later by the *aganaktismenoi* in Greece. The *indignados* movement represented widespread public anger at Spain's political class, corruption, the mismanagement that led to the economic crisis, unemployment, and cuts to public services and wages. Photo credit: Jesus Solana.

In recent years, many mature democracies in the developed world have witnessed increasingly critical attitudes towards mainstream established political institutions and parties. Voter turnout has been on a consistently downward path at elections across the European Union and in the US, falling from around 80 per cent in the immediate post-war period to just over 60 per cent today.¹

Confidence in national governments is also falling in much of the developing world.² For example, in South Africa only one-third of the 'born free' generation (citizens born into a post-apartheid South Africa) registered to vote in the 2014 general election. Public disenchantment and disillusion with national politics and politicians may partly be a result of the perceived lack of efficacy of traditional governance arrangements to respond to twenty-first century challenges.



Legitimacy and accountability

At the root of the recent spate of global protests is a perception among citizens of a lack of real democracy. Many citizens increasingly feel that they neither have a meaningful say in the policy process (in terms of direct democracy), nor that politicians or institutions are doing a good job at representing their views (representative democracy). It is argued that political decision-making is not prioritizing citizens,³ and this has resulted in a lack of trust in existing politicians and institutions from all sides of the political spectrum. This crisis of political representation is associated with every kind of political system, from single party states to representative democracies, where elites are accused of failing to listen to the needs and views of ordinary people.

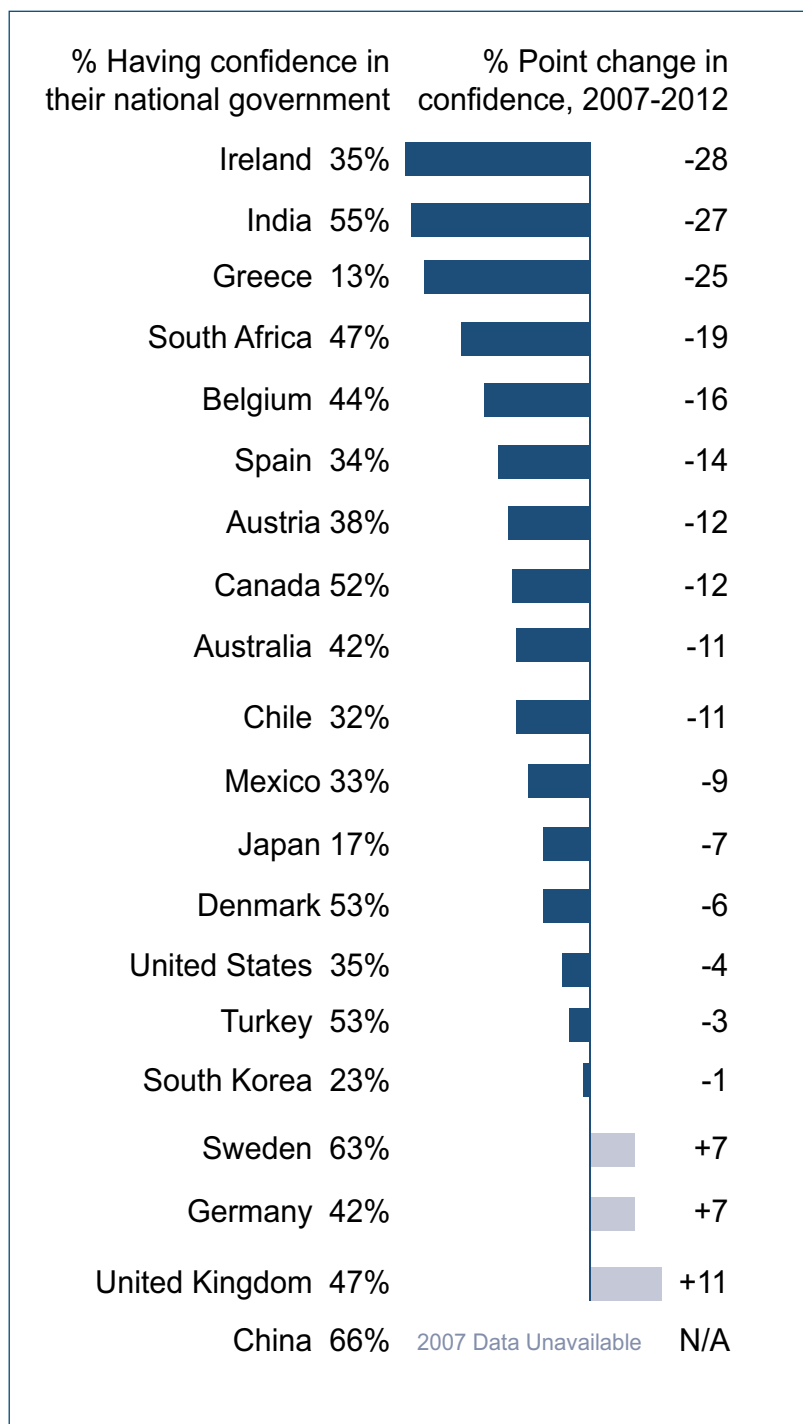
The decrease in voter turn-out and the increased regularity of public protests are indicative of the growth in disengagement with traditional political institutions globally. Citizens are involved in less institutionalised and more episodic forms of political engagement;⁴ this has led to concerns that a lot of governments are operating with a democratic deficit in that citizens don't feel that existing governance arrangements adequately represent them. This challenge to the legitimacy and accountability of leaders and institutions is a fundamental one, and has in some quarters led to an increased willingness to re-examine governance arrangements.

There has for example been a growth in popularity of the concept of 'deliberative democracy', according to which public deliberation is a prerequisite of political decision-making.⁵ In response, social choice theorists question the ability of such deliberative processes to produce coherent outcomes,⁶ arguing that groups cannot be relied upon to produce rational decisions that will neatly convert into public policy.

Literature in the area suggests that more fluid, diverse and multiple forms of governance may become more widespread in response to declining legitimacy, trust, and increasing protest. This 'multi-level governance' – the idea that local, national, and international levels of authority are entangled in territorially overarching policy networks⁷ – is perhaps most manifest in the organisation of the European Union. The paradox is that such multi-level governance adds to complexity, making citizens unsure about which bodies have taken which decisions, and so adding to the overall sense of a democratic deficit in decision-making by elites.

Ultimately however, the aims of economic competitiveness, environmental sustainability and social inclusion need to be reconciled. The challenge is to re-consider governance in light of twenty-first century challenges so that they can be dealt with effectively.

Public confidence in government around the world



Source: Gallup World Poll and OECD.

Twenty-first century challenges and governance

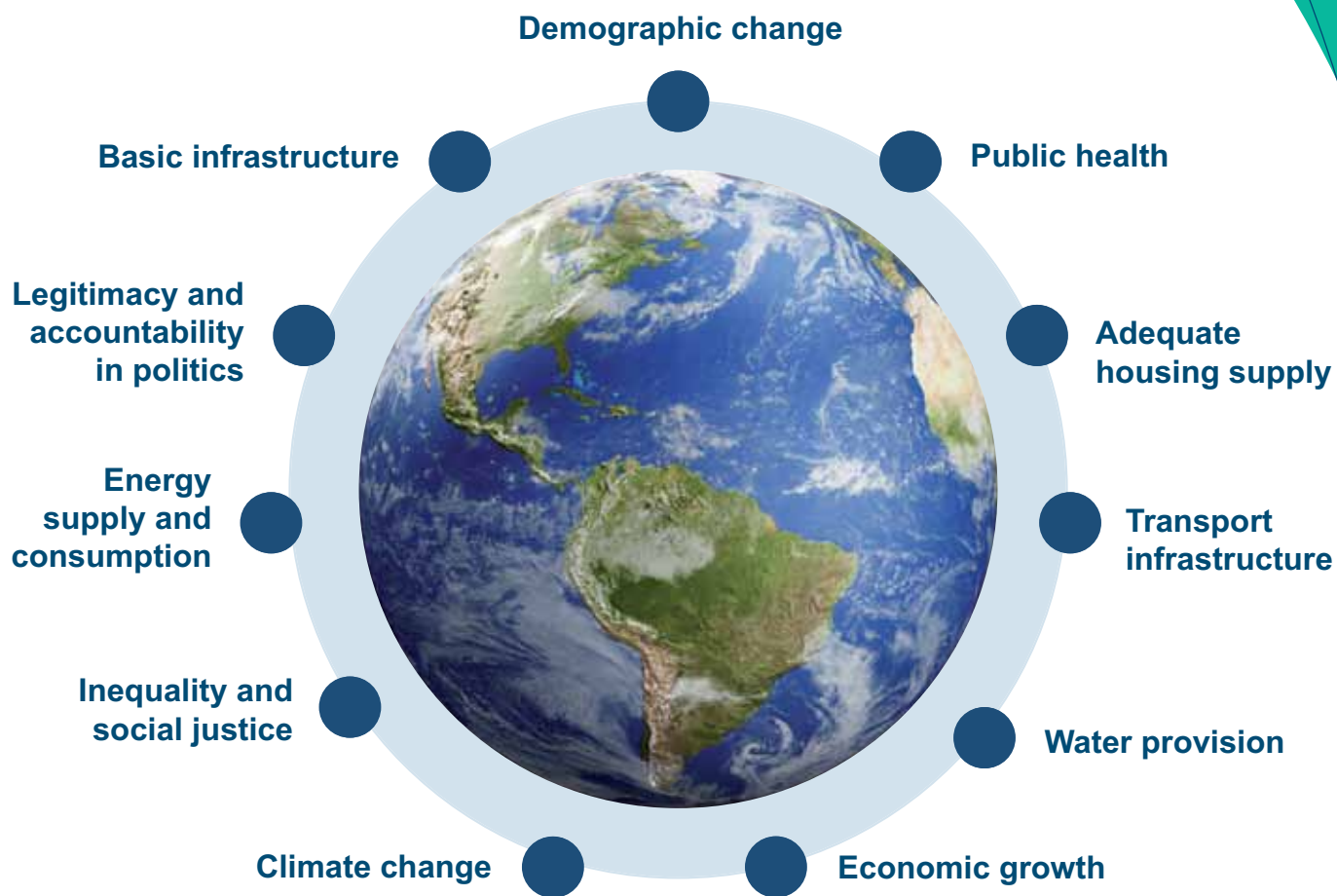
This *Planning Horizons* series of papers has examined a range of major economic, environmental, and social challenges. This paper examines these twenty-first century challenges from the perspective of governance, and considers the difficulty that policy has had in responding to them due to a lack of vertical and horizontal integration in governance arrangements. The cross-sector, multi-level nature of these challenges means how we respond is not just a matter for sectoral (issue-based) policy- and decision-makers. Planners, alongside other professions, have a critical role to play in responding to the question of how we create and sustain successful places.

For a variety of reasons, policy- and decision-making too rarely incorporate the implications of the ways in which we use land and the consequences for different places. The neglect of place has tended to result in an accompanying lack of attention given to the importance of where decisions are made and how different policies interact within a place.

In particular the way that different policies combine to affect places in different ways and the lack of vertical integration between different levels of governance have contributed to a range of negative economic, social and environmental outcomes including:

- Cities and regions experiencing **population change** suffer from pressures on transport, housing, energy and water resources, and are increasingly vulnerable to flooding and extreme weather.
- **Economic growth and development** is spatially unbalanced and sub-optimal in both developed and developing countries.
- Regional economies suffer from the **slow pace of infrastructure delivery** due to a lack of 'vertical integration' between different levels of governance and a lack of 'horizontal integration' between different policy objectives in the decision-making process.
- **Sprawling urban development** that results in deteriorating physical and living environments, which in turn have a range of adverse effects on public health. The deterioration manifests itself in the form of slums, increasing traffic congestion, failing infrastructure and short falls in service delivery.
- **Protests and political instability** in response to inequality, a lack of services, and opportunities, uneven development, pollution, and a lack of voice in decision-making.
- Citizens increasingly struggling to access **basic public services**, often due to a lack of government control and the prevalence of private interests in industries such as water, electricity, gas, and transport.
- **Climate change** causing increasingly extreme weather patterns and events, leading to the displacement of communities.
- Demographic trends in both developing and developed countries putting more **pressure on the working age population** to fund increased costs for public services such as social care as well as pensions, and the need for physical adaptations to homes, public buildings and local environments.

Global challenges facing humanity



Remodelling governance for the twenty-first century

Contemporary challenges such as housing shortages and climate change span a range of issues such as employment, infrastructure, transport, public health, and migration flows. As a result, they will require policy- and decision-makers to work more effectively beyond existing boundaries – institutional, geographical, administrative and disciplinary. A spatial perspective can inform a more joined-up way of thinking about governance in response to such issues. Spatial planning in particular emphasises more holistic approaches, involving cross-sector and multi-level perspectives. Spatial planning is then well placed to deal with, or provide a framework for dealing with, the kinds of challenges we face in the twenty-first century.

The changing face of governance in the UK and Ireland

Governance arrangements in the UK are changing, with more consideration being given to decentralised models. For the UK nations, the Scotland Act (1998), the Northern Ireland Act (1998), and the Government of Wales Act (2006) established three devolved governments, which were given some powers previously held at Westminster. However, the UK Parliament retains the power to amend the devolution acts or to legislate on anything that has been devolved; further, the devolved administrations' budgets are normally determined centrally within a Comprehensive Spending Review.⁸ More recently, in England initiatives such as localism, City Deals, Community Budgets and the partial localisation of business rates, and in Scotland community planning, have led to greater local control, albeit within a highly centralised model.

Such changes have arguably come in response to the lack of adequate governance structures within the traditionally centralised model in the UK, but for some commentators issues such as housing and transport continue to suffer from 'governance failure'⁹ due to the absence of a governance structure for metropolitan regional planning.¹⁰

In Ireland, the Local Government Reform Act in 2014 abolished all of the country's town councils and created amalgamations in several counties in the name of efficiency. However, some commentators have regarded the legislation as centralising and suggest that since many of the economic problems faced by Irish communities are evident in urban settings and towns, sub-county authorities should be strengthened to address these problems rather than being abolished.

Changing governance in the developing world

There are often a different set of governance challenges for developing countries. Inefficiency, corruption, lack of accountability and monitoring ability, and scarcity of resources, particularly at the sub-national level, are recurring challenges. In some instances these issues have been the catalyst for innovative local responses. In others it has resulted in government embracing Public Private Partnerships (PPPs), or governance models being transformed by Western notions of progress and economic accounting, which although sometimes beneficial can result in poorly planned development that fails to take account of the environmental, cultural, economic, social character of areas, as well as public opinion. It has been suggested that poverty



Protests in Taksim Gezi Park, Istanbul, June 2013. Photo credit: Fleshstorm.

alleviation and development strategies can only be sustained and effective in the long-term where affected groups are fully involved in decision-making processes.¹¹

Planning and the changing face of governance

There are few areas in which governance and decision-making affect people in a more direct way than planning and the local built environment. In many parts of the world there is an increasing recognition that in order to achieve democratic legitimacy along with optimal planning outcomes, decisions need to be made at the appropriate level through inclusive and deliberative processes involving those affected by the outcome. In England, neighbourhood planning has given communities a greater role in debates about what their area should look like. Globally, there are numerous instances of communities being engaged in the planning process and an increased focus on finding optimal community engagement practices. In the US, planners have sought to engage at the local level to build awareness,

capacity and agency on climate change,¹² and support planning and decision-making, while in East Africa participatory planning processes are being used as a tool for reducing poverty.¹³

Planning and politics

The unrest in Istanbul in 2013-14 provides a direct example of the relationship between planning and politics,¹⁴ when the decision to redevelop Taksim Gezi Park caused a public outcry which escalated into a national protest, and crystallised national dissatisfaction with the political regime.¹⁵

In the UK and Ireland, housing and utilities have often become politically charged issues. The housing shortage in the UK has provoked parties to develop policy proposals aimed at finding a solution. Similarly, successive governments have largely failed to deliver a long term regulatory framework that gives sufficient confidence to deliver the required investment in the energy sector, which has led to a widening gap between supply and demand.

Economy

An aerial night view of a city skyline, likely Chicago, with numerous skyscrapers and buildings illuminated with warm yellow and orange lights. The city extends to the horizon under a dark sky.

Chicago has benefitted from empowered local decision-makers engaging in and facilitating the growth of the city's economy. For example, Mayor Rahm Emanuel has instigated an ambitious Plan for Economic Growth and Jobs that lays out ten strategies, including advanced manufacturing, targeted workforce development and the deployment of neighbourhood assets. By engaging businesses, non-profits, academics and others, Chicago and its partners are seeing real local success.

The first city-based infrastructure trust in the country will finance the next generation of infrastructure for transportation, data and energy. Through its data portal, the city has expanded access to the data that citizens, entrepreneurs and firms need to better access services, develop products and identify business opportunities. The city has also reduced government fragmentation, inefficiency and expenses, and improved workforce training. Photo credit: sinnbadd2211.

Recent debates on governance and the economy have focused on the benefits of handing power and resources from central governments to cities and city regions, to allow them to forge their own economic path and play to their individual strengths.¹⁶ While there is a substantial body of theory expounding the economic benefits of decentralisation, the empirical evidence is mixed.

Research shows both positive and negative relationships between decentralised governance and efficiency, public service provision, and national spatial disparities. Nonetheless, without greater powers it is unlikely that cities will be able to harness spatial planning to ensure a more place-based approach to local policy- and decision-making, let alone shape places to respond more effectively to the kinds of challenges considered in the *Planning Horizons* series of papers.



Fiscal devolution

The inconclusiveness of the evidence for the economic effects of decentralised or centralised governance arrangements is probably due to the obvious fact that places differ – a multitude of different factors influence how places grow and develop. However, governance arrangements always have *some* economic impact. From the perspective of spatial planning, there is evidence that fiscal devolution helps to reap the benefits from the increasingly agglomerative (concentrated) nature¹⁷ of contemporary urban economic development. In places where economic benefits have accrued, institutions, policies or governance models have been tended to be established at a scale which fits with existing socioeconomic relationships within the area.¹⁸

This makes sense. The aim of planning is the creation of places that thrive. This involves a range of investments, policies, disciplines, sectors and a variety of types of infrastructure from transport to health and education. The horizontal and vertical integration promoted by spatial planning is often made more difficult by siloed institutional funding arrangements, and the concentration of power and resources in central government.

Fiscal devolution is one possible way out of silos, to a more place-based approach to policy-making. Ideally it provides local leaders with the resources to shape places, and manage, coordinate, and integrate services, infrastructures and policies across wider city-regional geographies.¹⁹ If an area is able to raise more of its own funds, it is less necessary for it to go begging to a central fund (for example, for transport investment), where it has to take its place among competing priorities. This can save time. Moreover, it is potentially easier for the local authorities to move funds from one budget line to another in order to accumulate sufficient funds for a particular project which could in due course produce wide-ranging benefits. An example would be active travel investment which also benefits health budgets.

Fiscal devolution in the UK

Although there has been some degree of shift toward decentralised governance, the UK is still one of the most fiscally centralised countries in the world.²⁰ There is however increasing interest in the idea of decentralising power to cities, that they should have greater powers to raise, retain and spend money locally. In Scotland for example, a 2007 Concordat led to the removal of the large majority of ring-fenced funds for local authorities and gave them the opportunity to designate their resources as they saw fit to meet their specific needs and challenges. The Scottish Independent Budget Review and the Christie Commission on public service reform included an emphasis on government working with communities for the delivery of public services and welfare. Scotland has also seen the introduction of Community Planning Partnerships designed to meet objectives agreed with the Scottish Government.²¹

Devolution and the European economy

The European Union represents perhaps the most significant project for international integration and governance in recent times, but Europe is still characterised by sharp (and in many cases increasing) regional economic disparities.²² The financial crisis



Photo credit: MacAllenBrothers.

Case study: Medellín

Medellín has made substantial economic and progress since the late 1990s.

Local state activism has been crucial to this progress, in line with the Local Developmental State (LDS) model that emphasises that sub-national levels of government need to be proactive in building the institutional and organisational

infrastructures required for micro, small and medium enterprises to emerge, alongside community development.

In Medellín this has included a network of 14 publicly-funded business support centres located in the poorest areas, and the Banco de las Oportunidades, which provides microloans to entrepreneurial citizens to establish new enterprises.

in the euro area was caused by, among other things, unsustainable macroeconomic disparities between member states,²³ and revealed significant shortcomings in economic governance.²⁴ This has led to a re-examination of EU governance, with a new generation of cohesion policies now being developed. One challenge is that the decision-making architecture of the EU still focuses in large part on nation states, and yet economic growth needs to be fostered at a more local level, notably in cities and city regions.²⁵

Governance and economic development in the developing world

More than one billion people still live in extreme poverty and inequalities within and between many countries have been rising. In part this is

because economic development is often highly differentiated in terms of place and space. In response, improving governance has been emphasised as a key policy and strategic theme for the developing world by the international development community. The United Nations Development Programme (UNDP) has governance as one of its main areas of attention, and the UK's Department for International Development (DFID) has given governance a central role in its work.²⁶ The relationship between governance and economic outcomes was also a key consideration in the formulation of the United Nations Millennium Development Goals. However, particular preconditions such as a certain level of employment, economic stability and civil peace may need to be in place before good governance can take root.²⁷

Transport

Throughout the *Planning Horizons* series of papers, and in its policy papers on transport and infrastructure, the RTPI has drawn attention to policy- and decision-makers' neglect of the spatial interrelationships between transport, economic growth, access to goods, jobs, education, health and other services. The challenge for governance arrangements in relation to transport is to create a dialogue between the intersecting interests involved in transport projects.²⁸

UK

Transport reflects the centralised nature of governance in the UK, with London and the South East of England enjoying excellent linkages while cities in the North of England are comparatively unconnected.²⁹ Projects such as HS2, a planned high-speed railway between London, the English Midlands, North West England and Yorkshire, and the Northern Hub initiative seek to deal with this imbalance by providing better national and regional connectivity. While such ambitious projects are welcome, a more strategic, whole-system approach is needed to capitalise on infrastructure spending. Presently, many of the bodies which shape and deliver transport infrastructure do not plan on the same basis as other related sectors such as housing and employment,³⁰ and are subject to a range of different drivers and planning frameworks. Further, *where* transport decisions are taken is having an adverse impact on the delivery of projects. For example, development of the West Coast mainline has been hampered by decisions on this project being made by central government.³¹ The slow pace of delivery is also often proving harmful to regional economies.³²

Devolving a suite of powers and resources to cities and city regions might provide a more substantial solution to this fragmentation, as well as the disparity between London and the rest of England, across a range of areas such as the

economy, education, health, and employment. If local leaders were more empowered, and policy and decisions were made with a closer attention to how places *differ*, the pace of delivery would likely be quicker. Conversely, in a more decentralised system the central authority's ability to act on the basis of the national interest and to reduce national spatial disparities,³³ as well as to ensure consistent standards of service provision,³⁴ might be jeopardised.

Transport and the European economy

Although many regions within Europe are relatively well-connected, huge differences exist between European regions, typically reflecting an East-West divide. Transport networks are concentrated in already wealthy areas; Germany and France for example are very well-connected to the rest of Europe, in contrast to parts of Eastern Europe.³⁵ According to the ESPON TRACC research project on transport accessibility at regional and local scale,³⁶ areas with better access to the location of materials and markets tend to be more productive, more competitive and so more successful than more isolated areas. Variations in transport connectivity perpetuate regional economic disparities. This reflects these regional disparities, but also power imbalances within the governance of the EU.

Transport infrastructure governance in the developing world

The disconnect between land use planning and transport planning can also be prevalent in the developing world. Poor infrastructure governance results in funding the wrong projects, prioritising the wrong areas, and generally failing to meet the needs of citizens. Transport planning focused on providing more road space for motorised vehicles has led to sprawling cities where car use is high and long distances make public transport systems unviable (something that is not limited to the developing world of course). More roads often create more traffic, more congestion, and deteriorating physical and living environments, as seen in sprawling cities such as Lagos,

Dhaka, Addis Ababa and Ho Chi Minh City. For many developing countries, the governance of cities is increasingly challenging as cities grow beyond the control of planners, management capabilities and resources.³⁷ Research by the McKinsey Global Institute, based on 400 city and city region case studies around the world, suggests that altering governance arrangements could boost infrastructure productivity and save billions globally by ensuring better decisions about projects and streamlining the delivery of existing infrastructure projects. This would require the departments responsible for water, land, transport, and housing working closely together.



Photo credit: Kamako.Mi.

Case study: Santiago de Chile

In Santiago, metropolitan collaboration across policy functions has resulted in a transport system that, after decades of problems, is now much more functional. Decentralisation in the 1990s increased the proportion of public investment under regional control and expanded funds to finance decentralised projects. Santiago also brought previously competing interests including private sector providers and public bodies together to plan a suitable system for the city.³⁸

Innovations in governance

The extent to which policy- and decision-makers at the local and regional levels (as well as the national and supra-national) can shape and influence strategies depends on leadership, networks and policy entrepreneurship, as well as their ability to draw on adequate resources.³⁹ Such factors have been observed in ‘strategic cities’⁴⁰ such as Malmö, where responsibility and resources are aligned and local leaders have adopted an innovative approach to governance. Here we contrast Malmö, and the role that innovative governance arrangements have played in its success, with Leeds and Cape Town – cities that have experienced growth but, due to a lack of resources, have not always been able to build the institutional capacity to capture the wider benefits of this growth.



Photo credit: Jorchr-Malmö rådhus.

Malmö

In Sweden, local authorities hold significant power and devolved resources. Malmö has benefitted from this devolution of power to the city level, including through organisational innovation.⁴¹ This has been a key factor in the evolution of Malmö from a failing industrial city in the mid-1990s to what is widely acknowledged as one of the most sustainable cities in Europe.

The collapse of Malmö’s shipbuilding industry in the early-1990s was so complete that an entirely new approach to the economic structure of the city was needed. City leaders decided to redefine the economic focus of the city through a radical vision of a modern sustainable city able to respond to climate change,

with innovative approaches to sustainability, including the conversion of derelict areas into modern sustainable neighbourhoods.

Malmö, with Copenhagen and other smaller cities in the Øresund region, have created a substantial urban conurbation that has attracted a significant amount of investment.⁴² Much of the success of this ‘created region’⁴³ is due to the actions taken by local leaders to increase their ability to act independently within the region.

For example, the Øresund EcoMobility project⁴⁴ was initiated in response to the challenge of delivering a sustainable transport network for goods and people across the largest hub in Scandinavia. This is a Swedish-Danish cross-border initiative that unites universities, companies and authorities in an effort to increase capacity in climate-friendly transport, and reflects a spatial planning approach to policy-making.



Photo credit: Andrew roberts uk.

Leeds

Leeds is similar to Malmö in that there has been innovative leadership shown by policy-makers who have sought to involve local stakeholders in the planned development of the city. Recognising the impact of the recession and wider environmental issues, Leeds has produced a growth strategy which emphasises sustainable development and aims to connect local leaders in the financial and business services sector by identifying new opportunities such as low carbon and environmental investment. Further, the Leeds Initiative is a partnership-based approach to place-making, which involves key regional players from the public, private, and third sectors. Its remit includes economic development, social issues and environmental concerns, similar in many ways to Malmö in reflecting a spatial planning approach in taking the city as its unit of focus and encompassing the range of socio-economic factors that affect it.

However, due to the centralised nature of governance in the UK, unlike in Malmö local leaders have not had the same level of freedom and resources to pursue their vision for the city. This has prevented Leeds' innovation strategy being carried out more fully. Key policies such as innovation and skills, and local strengths such as the health and medical sector and the city's growing creative and digital industries have the necessary local political support, but this strategy needs to be nurtured and supported by central government through a national policy framework that devolves power and resources – something that remains difficult within the UK's centralised model of governance.




Photo credit: Felix Gottwald.

Cape Town

Developing economies can often have a strong business sector but can lack the institutional capacity to plan for growth. One response to this has been to embrace public-private partnerships (PPPs). Organisations such as the OECD recommend the involvement of the private sector, civil society, non-governmental organisations, philanthropic organisations and other stakeholders in prioritising and delivering innovation in developing countries. However, there is often a lack of institutional capacity to manage relationships with private sector organisations and to maximise outcomes for citizens from these relationships.

Cape Town, where the municipal government has partnered with the private sector, is an a case in point.⁴⁵ Due to the lack of resources for municipal government, private urban entrepreneurship has effectively subordinated the post-apartheid political agenda for redistribution, creating privileged City Innovation Districts. These have perpetuated pre-existing inequalities, producing social and spatial fragmentation. There have been positive outcomes, for example a reduction in crime, but the lack of resources at the municipal level means that the partnership has become dominated by private business as the primary funder, which has ultimately resulted in poorly planned, socially divisive development.

Environment



Innovation in energy technologies is crucial if the UK is to meet its challenging future climate change goal of an 80 per cent reduction in greenhouse gas emissions by 2050. The Low Carbon Innovation Co-ordination Group (LCICG) brings together the major public sector backed organisations who support low carbon innovation in the UK. The LCICG aims to maximise the

impact of UK public sector support for low carbon technologies to deliver aims shared by all of these organisations. The UK is legally committed to meeting 15 per cent of the UK's energy demand from renewable sources by 2020. Achieving this will help us to achieve the UK's energy security and carbon reduction objectives. Photo credit: James 71.

Environmental governance advocates sustainability as the primary consideration for managing human activities, whether they are political, social or economic. This section examines a range of areas in which governments' ability to adhere to the principles of environmental governance is severely challenged. The inability of global governance to address climate change, the loss of state control over some of the biggest carbon producing industries, and the environmental issues brought about by shifting demographics, have all called into question what is the most appropriate level of governance for dealing with environmental issues.



Climate change

There is scientific consensus that human activity is causing climate change.⁴⁶ The *Planning Horizons* paper on *Future-Proofing Society* pointed out the need to plan for the results of changes to our planet and population, such as rising sea levels, increased temperatures, droughts, forced migration, and increasing regional tensions – all in a more coherent and coordinated way.⁴⁷ But this is not always possible under many current governance arrangements.

Nation states are now having to compete with corporate and socio-political entities for control on the world stage. This multiplication of spheres of authority has led some commentators to conclude that effective 'global governance' is impossible.⁴⁸ Others are more optimistic, arguing that global governance will emerge from the interaction of overlapping spheres of authority and through the spread of norms, informal rules and regimes.

Climate change is a major test for this debate. Due to the global impacts of environmental issues it is generally assumed that the

global level is the most appropriate level for environmental governance to take place. The fact that the inherently global issue of climate change has not been dealt with satisfactorily suggests that those who envisage a future of global governance may be overly optimistic, at least for the foreseeable future.

Almost every attempt by nations to deal with climate change collectively, from the adoption of the United Nation's Agenda 21 to the deadlock at the 2009 United Nations Climate Change Conference in Copenhagen, has ended in comparatively few impactful global actions being taken.



A dried-up lake as a result of the 2007-2008 Australian drought, Rawnsley park station, South Australia. Climate change has become a contentious public and political issue in Australia as a result of drastic climate events, including extremely high temperatures and widespread drought. Photo credit: Peripitus.



C40 Cities started in October 2005 when the then Mayor of London, Ken Livingstone, invited representatives from 18 large cities to take action to on reduce greenhouse gas emissions. Photo credit: World Economic Forum.

Fragmented governance within the United Nations, the lack of involvement from financial institutions, and the proliferation of environmental agreements often in conflict with trade measures, are preventing current global environmental governance arrangements from addressing environmental issues.

The purpose of international agreements is that they inform national commitments, which then feed down into local actions. In some countries where insufficient national action has been taken, cities have decided to take action as if strong national commitments are in place. The actions taking place at the sub-national level to reduce carbon emissions - including bike share systems, LED street lights, upgraded public transport networks, congestion charges, energy benchmarking law for buildings, new recycling systems, and tax rebates for solar installations are in stark contrast to the resistance apparent at the national and international level, where climate change negotiations are marked by stalemate and measures such as carbon emissions caps are ignored by many of the more powerful nations.

C40 Cities, a global coalition of mayors trying to tackle climate change, has seen some strong progress. Its 59 member cities have set in motion some 8,000 actions in a broad range of sectors. The members of the C40 Cities Climate Leadership Group collectively represent 297 million people and generate 18 per cent of global GDP and 10 per cent of global carbon emissions. Urban land use and planning powers have been critical tools for city leaders to use to adapt their cities to the inevitable and potential impacts of climate change. Overall, the C40 cities commonly have strong powers for urban land use, both over assets related to city green spaces and biodiversity and over the function of urban planning more generally.

The urban services industry

More and more public services are not provided directly by government but via a number of alternative modes of delivery, such as public-private partnerships and contracting-out. These alternative modes have given rise to the 'urban services industry', defined as "...all private and third sector enterprises that provide services to the public on behalf of Government or to the Government itself."⁴⁹ Whatever its benefits, this makes achieving some public policy objectives more difficult. For example, reducing carbon emissions is an ongoing target of most developed countries, however this is made increasingly problematic by the loss of national control over emission-producing industries such as electricity generation and transport.

UK

The urban services industry accounts for a sizeable proportion of public service provision in the UK. Government spends £187 billion on goods and services with third parties each year, around half of which is estimated to be on contracted-out services.⁵⁰ The planning and governance concern around the urban services industry is that it leads to a fragmentation of functions that are fundamentally related. In the UK, different bodies typically have control over energy, waste management, transport, and water, and interact very little if at all. As it stands, energy, water, telecoms, waste management, the management of green spaces and many of the bodies who actually shape and deliver this infrastructure do not need to plan on the same basis and are subject to a range of different drivers and planning frameworks. These arrangements commonly lead to siloed delivery across sectors and may not produce optimal outcomes.⁵¹ Getting agreement between actors at national level, who may have a whole range of national priorities to attend to, can mean that joined-up investment in individual sites and places is seriously delayed. As a result, 'planning' has sometimes been blamed for delays that are actually due to institutional failure.

Ideally, political leaders would integrate policies for the development and use of land with other policies and programmes which influence the nature of places and how they function, for example sectoral policies such as transport, regional policy, flood risk management and agriculture, to avoid unnecessary or unintended spatial impacts and encourage mutually beneficial ones. Private companies understandably prioritise the function for which they are responsible, and under current arrangements have little or no incentive to work with other functions that their service interacts with. This arrangement makes joined-up planning, in the sense of horizontal and vertical integration, much more difficult.

The governance concern here is around the need for an overall view of urban services and how they interact with each other. If the range of urban services were all delivered by the same agent, state or otherwise, this would allow for the impacts of different public services on each other, and on the environment to be taken into account, and would make planning and implementing national environmental strategies much easier.

Case study: Water provision in South Africa

The trend to privatise water services has raised a range of issues in the developing world, not least the lack of complete national coverage. In South Africa, the extremely high costs of water transfer has inhibited consumption by poor people. The South African pilot projects run by the world's major water firms (Bewater, Suez, and Saur) have resulted in services that are expensive, and so an underserved public. Services have not been extended to most poor people, many low-income residents have been disconnected, prepaid water meters have been widely installed, and sanitation has been substandard.⁵⁴ In response, civil society groups have combined with private sector providers of water and sanitation provision to encourage a more explicit recognition of human rights in water and sanitation services.⁵⁵

Developing world

Public services are a key determinant of quality of life and a key factor in poverty reduction. Governments' obligation to improve the delivery of urban services has been recognised in the Millennium Development Goals, which include the target of halving the share of the population without adequate access to safe water and basic sanitation by the year 2015.⁵²

However, there is much evidence of governments' failure to deliver public services to respond effectively to population growth in developing countries. The World Bank's *World Development Report* points out that in developing countries governments spend, on average, only one-third of their budget on public services. Moreover, due to 'leakage' (administrative costs, corruption, and infrastructural issues), in some cases few of these public services reach the poorest citizens. To achieve better governance of urban services in developing urban areas there need to be processes in place that give residents and local governments more influence over services. Good local governance and a healthy civil society increases the monitoring ability of citizens and their representatives, and is therefore critical to getting the best out of private as well as public providers.⁵³



Dumping rubbish in Peru. Photo credit: Alex Proimos.

Smart cities

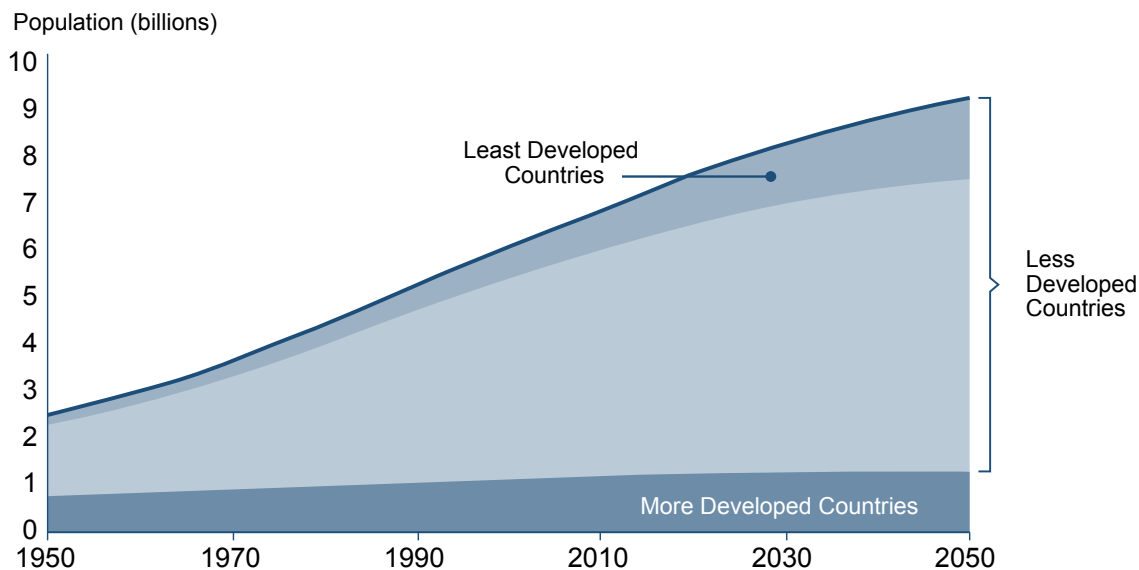
The so-called 'smart cities' agenda represents one attempt to improve and integrate often fragmented urban services such as energy, transport and sanitation, in particular by using data and information and communications technology (ICT). Proponents of this agenda suggest that better intelligence and information sharing, management and analysis can improve the efficiency, effectiveness and environmental performance of services. Again however, the smart cities agenda raises questions of the potential fragmentation of decision-making between different private providers of services, and what influence citizens will have in the decisions that are taken.

Demography

As noted in the *Planning Horizons* paper on *Thinking Spatially*, debates about population change are typically couched in national terms. Although the majority of future population growth will be in the world's less developed countries (as illustrated by the chart on this page), demographic change is impacting all developed and developing countries, and often in quite different ways.

To some commentators, these large-scale challenges might suggest need for national spatial strategies, but the significant variations within nations between areas means that a more subtle and complex form of multi-level governance is required. Vertical policy coordination, from the national to the local level, is crucial to deal with these variations and to increase the effectiveness of policy delivery. This multi-level governance

will also require institutions at all levels to be sufficiently resourced to deal with the specific demographic situation at each level. Planning has a critical role to play here, from marshalling evidence to prepare for future population projections and scenarios, delivering a suitable housing supply, striking a balance between built, agricultural and natural land uses, and curbing environmental pressures.



Source: United Nations Population Division, *World Population Prospects: The 2010 Revision, medium variant* (2011).

Governance and demographic trends in the UK

As in other countries, in the UK national patterns don't necessarily pertain locally,⁵⁶ and sub-national authorities need to consider their own specific situation carefully in light of demographic trends and decide what it means for their area in terms of growth and development, housing, services and environmental impact. Research commissioned by the RTPi suggests that in England, planning based on census data could lead to an under-provision of housing due to the influence on the 2011 census of a number of exceptional factors.⁵⁷ Therefore 'lower' levels of governance need the resources and skills to obtain an accurate picture of demographic trends at the sub-national level and to plan accordingly.

Europe

Similarly, demographic change varies considerably across the EU and within member states. Many regions are affected by ageing, population decline and increased migration. Climate change will also affect the flow of migration into the EU because Northern and Western Europe in particular will provide relatively environmentally attractive locations in which to live.⁵⁸ DEMIFER, part of the ESPON European spatial research programme, has noted how policies aimed at stimulating migration to address declines in the working age population are likely to be effective only if they are part of integrated approaches, for example by improving the availability of jobs, housing, schools and the quality of the environment. In terms of governance this means ensuring that the relevant authority has the power and resource to plan effectively in these respects.

Developing world

There are also a range of demographic trends throughout the developing world, often with an environmental dimension, each of which presents different governance challenges.

The largest regional percentage increase in population by 2050 will be in Africa, whose

population is expected to at least double from 1.1 billion to about 2.3 billion.⁵⁹ Given this, a prominent governance challenge will be harnessing the resulting 'demographic dividend' (the accelerated economic growth that can happen as a country's population age structure changes).⁶⁰ If leaders throughout Africa can make investments to strengthen programmes for health, education, economic and environmental policy and governance, they may be able to harness this dividend. However, this has been difficult to ensure given the resource constraints on national and local governments across the continent.

With a current population of 4.3 billion, Asia will likely experience a much smaller proportional increase, but will still grow by around one billion people by 2050. With 42 per cent of its population in cities in 2010, adequate city level governance will be crucial in dealing with demographic issues. Despite the growth of Asian economies in recent decades, urban poverty, inequality, slums, poor environmental quality and liveability, and effects of climate change all pose major challenges. In many nations greater attention is needed to enhance transparency and accountability in the decision-making, planning and governance of smaller cities and towns, infrastructure investments, and city-to-city learning.⁶¹

Latin America and the Caribbean is the developing region with the smallest proportional growth expected by 2050, from 599 million to 740 million, largely due to declining fertility declines in several of its largest countries such as Brazil and Mexico.⁶² Latin America's population aged 65 and over will however triple to 18.5 per cent by 2050. These trends pose two fundamental governance challenges for Latin American nations: to fashion national retirement systems capable of providing an adequate level of support for the old without imposing a crushing burden on the young; and to boost living standards while populations are still young and growing.⁶³

Reconnecting governance and decision-making



Improving trust in the ability of governments and decision-makers to respond to the challenges we face in the twenty-first century depends on making decisions at the right level. Responses to the challenges considered in the *Planning Horizons* series of papers are often undermined by a lack of horizontal integration between policy functions, and vertical integration between different levels of authority.

Traditional governance arrangements are not necessarily wrong in principle; there are clearly good historical, socio-economic reasons behind these arrangements. Issues have often fit within national or regional borders, and traditional levels of authority have been suitable for addressing them. The implementation of the national grid system in many countries, and the development of the National Health Service in the UK, are testament to the compatibility of traditional governance arrangements with certain issues. However, many other issues such as housing shortages, climate change and urban sprawl challenge these traditional arrangements and administrative boundaries, exposing a contemporary governance gap that needs to be addressed.

Copenhagen. Although 'democracy' is notoriously difficult to measure, The Economist Intelligence Unit has ranked Denmark as fourth on its index of democracy. Denmark also ranks first on the Corruption Perceptions Index for government transparency and lack of corruption, and is widely regarded for its good governance. Photo credit: Valerio Fuoglio.



Factors undermining responses to twenty-first century challenges

A range of factors have undermined our responses to many of the issues and challenges considered in the *Planning Horizons* series of papers. These include ‘governance blindness’, ‘siloed’ policy- and decision-making, the neglect of functional geographies in favour of traditional boundaries, and a lack of adequate resourcing for institutions at various levels of governance.

- **‘Governance blindness’ – A lack of reflection on the appropriate level of decision making to deal with issues that cross local, regional, and national boundaries**

The interaction between governance arrangements and policy outcomes, coupled with the lack of a general rules in terms of which arrangements produce optimal results,⁶⁴ suggest that it is vital to reflect on and identify where decisions should be taken rather than assuming current governance arrangements are fit for purpose. This means identifying decisions with a primarily national impact, decisions with a sub-national impact, and putting in place appropriate governance arrangements so that these decisions can be made and implemented in the most effective way possible. This may involve the creation of new levels of governance and the strengthening of existing levels of governance, while facilitating vertical integration between levels. Vertical integration means local leaders must lead and govern individual places, and manage, coordinate, and integrate services, infrastructures, and policies across wider sub-national geographies. For their part, national leaders must manage and shape the wider systems of places at a national level.⁶⁵

- **‘Siloed’ policy and decision-making**

Many of the bodies which shape and deliver policies in areas such as housing, transport, energy and health tend not to plan on the same basis and are subject to a range of different drivers and planning frameworks.⁶⁶ Approaching

policy functions separately, rather than policy-making on the basis of a place and all the socio-economic variables they contain, leads to a lack of integration and coordination of policy objectives. In many countries, this has affected the provision of housing, transport, and employment, which from a planning point of view are closely related.

A spatial planning perspective on the issue of governance can inform a new joined-up way of thinking about how to improve governance in response to twenty-first century challenges. Ideally, governance arrangements would bring these areas together so that there could be an ongoing dialogue between them, and planning in one area could be influenced by and influence planning in another. A governance structure with place as its unit of focus presents a good way of connecting areas that have become separated by a siloed approach to policy-making.

- **Governing only by traditional borders rather than using functional geographies**

Traditional boundaries (such as those between regions, cities and towns) clearly serve a purpose, and have the important advantages of being run by elected representatives and being financially accountable. Communities also tend to feel an emotional and cultural connection to areas designated by these traditional boundaries. Cooperation among people working within a traditional boundary for the greater good of an area to which they feel a connection is something that may be difficult to reproduce if areas are redrawn.⁶⁷

For these reasons it would be unwise to seek to do away with traditional governance structures and boundaries, but we do need to undertake an issue-based reassessment that takes account of the multi-level, cross-sector nature of the challenges discussed in this series of papers. The boundaries that need to be applied to deal with the challenges discussed in this series of papers are often very different from any current administrative boundaries, and are defined by housing market areas, journey to work areas, labour market areas, water catchments and watersheds. One of the principles of good strategic planning is making decisions at the appropriate geographic scale. When faced with challenges which spill across boundaries – such as the provision of housing and transport infrastructure, planning renewable energy, and guiding strategic investment in health, education and training – it is important to align governance arrangements with the functional geography to which the challenge pertains, rather than adhering to fixed borders and boundaries.⁶⁸

Further, in many parts of the world there is currently a democratic deficit whereby decisions are being taken in one area which critically affect the well-being of communities elsewhere but who have no effective voice. Making these decisions at the appropriate scale will increase the likelihood of implementation and make it easier to ensure that environmental considerations and a degree of fairness between localities are observed.

- **A lack of understanding of ‘subsidiarity’ and the importance of having well-resourced institutions**

The challenges outlined in this series of papers do not call for centralised or decentralised governance arrangements in general.⁶⁹ Overall, it is crucial to grasp the importance of the right

decisions being made at the right levels, and how the various levels need to link together. If this is to lead to effective decision-making it is vital to ensure that institutions at all levels have the resources, skills, experience, and culture to make and implement decisions. In order to ensure the implementation of decisions made at the most appropriate level, national governments should focus on how they can better equip local leaders so that sub-national regions can be actively shaped and managed to achieve greater productivity, liveability, and sustainability.⁷⁰

Case study: Strategic planning and governance in the Greater South East of England

Projections of population growth, along with assessments of development capacity, indicate that over the next 20 years it will not be possible to meet the requirements of London’s growth within the Greater London boundary under existing planning policy constraints and governance arrangements. One of the major factors in this is the lack of a governance structure for the planning of the London metropolitan region. This has led to a consistent under-provision of housing in the greater London area. In response, the RTPI’s strategic planning note on England⁷¹ calls for governance of the wider London region, and many commentators agree that alternative governance options need to be considered to respond to the challenges of London’s growth which may lie outside of existing boundaries.⁷²

Making horizontally and vertically integrated decisions

By providing an overview of the effects of governance arrangements on twenty-first century challenges, this paper has sought to emphasise that the level at which decisions are made and the interaction between sectors and levels of governance is crucial to the success of policy. Here we consider the information that should be taken into account when working out where decisions should be made.

The *Planning Horizons* series of papers emphasises a focus on place, informed by spatial data which could provide an effective mechanism for more integrated policy- and decision-making. The *Planning Horizons* paper on *Thinking Spatially* advocated for spatial policy maps as a means to integrating government policies. These maps could provide an overarching framework for the spatial dimension of policies and how they interact. By providing important data on the wider effects of policies, these maps could promote an integrated, coordinated approach to planning infrastructure and services, help to enhance

and spread growth, and save time and money by encouraging quicker and more informed investment decisions.

Spatial policy maps could provide the tools needed to more accurately ascertain the horizontal interaction that takes place between policies. They could make clear the interaction that takes place between different areas such as housing, water, employment, and governance arrangements. This information could provide the basis for the horizontal alignment of different policy areas within a particular governance structure.

Case study: Horizontal and vertical integration in Denmark⁷³

Denmark scores highly on the OECD's LEED project, which measures where countries stand in terms of the integration of employment, skills and economic development policies. A high level of policy integration and coordination is evident at the national level in Denmark, and social partners play a strong role in the development and implementation of policy as part of a consensual style of politics. Cooperation at ministerial level takes place both through institutionalised structures and informal networks.

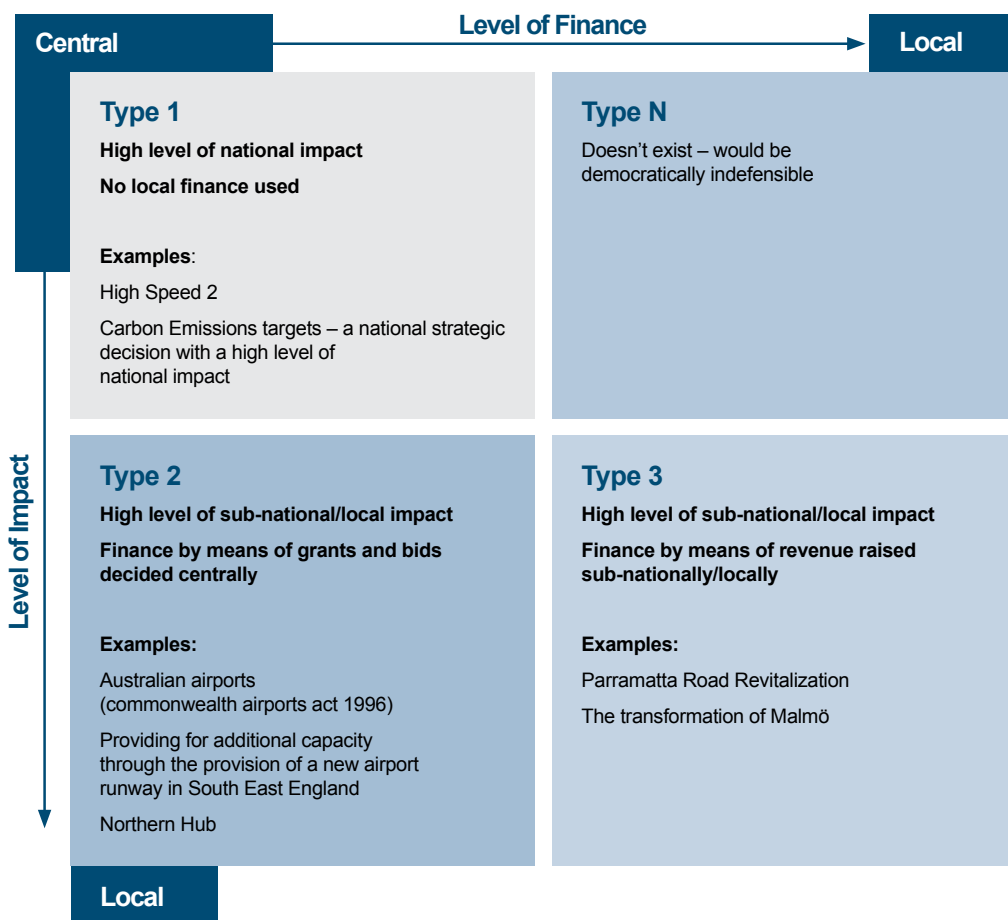
In 2006, the Danish central government presented a new Globalisation Strategy,

outlining an overall vision and initiatives to ensure that Denmark could maintain a healthy economic position in a globalised economy. This strategy called for further co-operation between relevant stakeholders and has been implemented through a series of mutually binding regional partnership agreements. Government officials have reinforced the horizontal dimension of the Globalisation Strategy by ensuring that the objectives of the relevant ministries are correlated. The regional partnership agreements contribute to vertical integration with the regions, aligning the Globalisation Strategy and regional business development strategies to consistent goals.

A simple schema for thinking about governance

The schema presented here suggests a range of factors that would ideally be taken into account when working out where a decision should be taken. This simple schema, used in conjunction with spatial policy maps, could be used to aid thinking about governance arrangements in relation to twenty-first century issues. It is not a challenge to traditional governance arrangements, which often work well in addressing certain issues, rather it is intended to aid thinking about how best to deal with cross-sector, multi-level challenges discussed in this series

of papers. Neither does this schema represent any commitment to decentralised or centralised models of governance in principle; rather, decisions need to be made at the appropriate level, which clearly depends on a range of factors. The schema is not intended to be used as an overarching rule, rather as a way of beginning an analysis of what the most appropriate level for making a decision is. It does so by illustrating the factors (type of finance and area of impact) that should be taken into account when working out where certain decisions should be taken. Further explanation of the schema and the examples is provided overleaf.



Making horizontally and vertically integrated decisions continued

Types of governance

Type 1: This segment captures projects that are nationally significant that are financed and determined nationally.

Type 2: This segment captures projects with a high level of sub-national significance that are wholly or largely funded and determined by central government. This misalignment between the level of significance and the level of delivery and funding often causes disruption to the delivery of these projects as is illustrated by the examples of Australian airports, the provision of a new airport runway in South East England, and the Northern Hub.

Type 3: This segment captures projects with a high level of local significance that are financed by revenue raised wholly or largely at the sub-national level. This alignment of the level at which decisions have an impact and the level at which they are financed tends to result in more successful projects, as is illustrated by the examples of Malmö and Parramatta road.

Examples

- **High Speed 2 (HS2):** HS2 is a planned high-speed railway between London Euston, the English Midlands, North West England, Yorkshire, and potentially North East England and the Central Belt of Scotland. The project is being developed by High Speed Two (HS2) Ltd, a company limited by guarantee established by the UK government
- **Carbon emissions targets:** The Climate Change Act 2008 set the UK's emission reduction targets. These legally binding targets are a reduction of least 80 per cent by 2050 (against the 1990 baseline).
- **Australian airport planning:** Between 1997 and 2003 the operation of Australia's 22 federal airports was privatised, with long-term leases sold to private operators. These leased airports

are regulated under the Commonwealth Airports Act 1996, and are not subject to state, territory or local government planning and building laws.

- **Providing for additional capacity through the provision of a new airport runway in South East England:** This is a sub-national decision being made by central government. Heathrow and Gatwick are involved in a competition to build Britain's next runway. Central government will fund the successful project and make the final decision as to the location of the runway in the South East of England.
- **The Northern Hub:** This is a series of proposed works across Northern England to stimulate economic growth by increasing train services, reducing journey times and electrifying lines between the major cities of Northern England. This project is focused on northern England with decisions being made and funding being delivered by central government.
- **WestConnex:** This is the largest road project in Australia, linking Sydney's west and south-west with the city and airport in a 33km continuous motorway. This will allow large sections of Parramatta Road to be upgraded. Ten councils are working together with various government departments. The Parramatta Road project is supported by funding from the Australian Government under its Regional Assistance Programme, administered by the Department of Transport and Regional Services.
- **Malmö:** In Sweden, local authorities hold significant power and devolved resources. As noted in this paper, Malmö has benefitted from this devolution of power to the city level, including through organisational innovation. This has been a key factor in the evolution of Malmö from a failing industrial city in the mid-1990s to what is widely acknowledged as one of the most sustainable cities in Europe.

Survey: What people want from their communities.

In October 2014, the RTPI commissioned a UK-wide survey to reveal what people think about their communities and the decisions that affect them. The results indicate that a number of the issues raised in this paper are of genuine concern to the public.

Public services

55

per cent of people think that the quality of public services in their area is determined mostly by local government rather national government (**24 per cent** think the opposite).

However, as noted in this paper, in countries such as the UK an increasing proportion of local services are delivered by private or third sector providers. Further, national government still plays a major role in influencing the quality of services, especially through setting broad policy and determining overall levels of funding.

Decisions affecting local areas

24

per cent only think that those people making decisions about development in their area (housing, transport, shops and amenities) generally make good decisions, and only **25 per cent** think that these decisions are generally well-informed about the area.

Similarly, only **23 per cent** of people think that these decisions are generally well-coordinated (e.g. the links between transport and housing); **34 per cent** think they are generally poorly-coordinated.

Democracy

59

per cent of people don't feel they have enough say in how their local area develops – but only **23 per cent** of them have responded to a local planning application or planning decision in their area in the last three years.

79 per cent feel that the community needs a stronger voice in planning, as opposed to leaving planning decisions more to developers (which was supported by just **8 per cent** of people).

Source: RTPI Planning Horizons survey, nationally-representative survey of 2,083 UK adults conducted by Populus, 22-23 October 2014.

Strengthening institutions

Ensuring that decisions are made in the right places is one part of the task of dealing effectively with twenty-first century issues. Ensuring that each level of governance is equipped to make and implement these decisions in the best way possible is also crucial. This means strengthening governance from national to local level, so that once the appropriate level for making a decision has been identified, the relevant body can make and implement decisions effectively.

There are four main elements to this:

- **Resources.** If we are to devolve decision-making in an effective way it is crucial that different spatial scales have the resource to implement the decisions that they make. The abiding principal is the same from central to local government: if an authority is to be an effective decision-making body it must be adequately resourced with information, finance, capital, and human resources.
- This is also a question of **attitude and culture.** Strong leadership is the way to take decisions that will have an affect on an area; co-operation is the way to actually work across the boundaries that policies have an affect over. At the local level it is important to bear in mind that a community is not a distinct, homogenous, spatially fixed social group, and the culture in the body having power and responsibility transferred to it will influence the outcomes of a transfer of power.
- The *Planning Horizons* paper on *Thinking Spatially* points out that policy- and decision-makers need better, timelier and more **spatial intelligence** to understand these long-term challenges and inform decision-making at various spatial scales. A focus on place, informed by spatial data, could provide an effective mechanism for more integrated policy-and decision-making.
- All levels of governance need the right **powers** to make the right decisions – a point illustrated by cities such as Malmö.

In a practical sense, the planning profession is well placed to assist with these issues.

Planners can play a pivotal role in overseeing and reflecting on a whole place approach to policy- and decision-making. The training and experience of planners focuses on individual places and in drawing together different specialisms. Planners also help to make places work, in that they are trained and experienced in producing evidence-based strategies for the future of places.

The future well-being of communities and the creation of more and better jobs in a competitive economy, among other issues, are being put at risk by the failure to integrate the provision of closely related policy areas such as housing, transport and public services across traditional boundaries. The RTPI's *Planning Horizons* papers have illustrated how lack of horizontal and vertical integration in policy- and decision-making is harming communities from the global to the local scale, undermining growth and development, stoking public unrest, and destabilising the environment. Clearly, there will be always be trade-offs involved in determining which level of governance is most appropriate, especially in the context of existing institutional arrangements and responsibilities. Nonetheless, as this paper suggests, in both the developed and developing world it is now critical that we reassess governance arrangements in order to respond effectively to the challenges we face in the twenty-first century.

The RTPI's *Planning Horizons* papers

The RTPI's *Planning Horizons* papers, published during the Institute's Centenary Year in 2014, take a long term as well as global view of planning and the contribution it can make to some of the major challenges we face in the twenty-first century.

Thinking Spatially

Thinking Spatially considers the consequences of the neglect of place in much policy- and decision-making. *Thinking Spatially* presents examples of economic, environmental and social challenges and the consequences of how policy has failed to respond adequately to them with place and space in mind. We need to develop a new 'spatial policy' – a science of policy which incorporates place and space, and produces policy which is much more integrated, strategic and sensitive to place.

Future-Proofing Society

Future-Proofing Society focusses on three aspects of climate change – extreme weather, water provision and energy supply – and three aspects of demographic change – population growth, ageing populations and social cohesion. How planners are responding to these challenges suggests ways that policy- and decision-makers more broadly can make our societies more resilient.

Promoting Healthy Cities

Promoting Healthy Cities considers the health and wellbeing of people who live in cities. Some cities are facing huge growth; others are facing declining populations, but whether in the developed or developing world there remain significant and in some places growing inequalities in health and wellbeing. Planning in the broadest sense – from development management and infrastructure to the location of health and community services – can play a central role in creating environments that enhance people's health and wellbeing.

Creating Economically Successful Places

Creating Economically Successful Places considers how to ensure sustainable and shared economic growth in a world changing faster than ever before. The paper summarises the major trends that are likely to shape economies over the next few decades, and includes numerous examples of how planners and planning are leading responses to this challenge, drawn from the UK and around the world. Planning needs to be a critical part of the response to this challenge because it focuses on places and how their economic success is dependent on their broader success as communities.



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PLANNING **Horizons**

About *Planning Horizons*

The RTPI was established 100 years ago.

In one sense, we face many of the same challenges now as we did a century ago – the need for quality affordable housing, improved public health (particularly in cities), and how to balance economic development with the protection of the environment.

In other respects, we are confronted by a wholly new set of challenges, such as climate change, demographic shifts (including an ageing society), the rise of ‘lifestyle diseases’, and increasing competition and inequality in a globalised world.

The RTPI’s *Planning Horizons* papers, published during the Institute’s Centenary Year in 2014, take a long term as well as global view of planning and the contribution it can make to some of the major challenges we face in the twenty-first century.

The five *Planning Horizons* papers are:

Thinking Spatially (June 2014)

Future-Proofing Society (June 2014)

Promoting Healthy Cities (October 2014)

Creating Economically Successful Places (November 2014)

Making Better Decisions for Places (November 2014)

Planners have a critical role to play in response to all of these issues. Just as the challenges of a hundred years ago spurred the development of planning as a professional discipline and as a field of study, so the challenges we face over the next hundred years will demand new contributions from the profession and beyond.

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