

How can urban planning help
cities tackle global challenges

Planning for Sustainable Economic Growth : The UK experience

The Value of Planning



Vincent Goodstadt
April 24th 2015

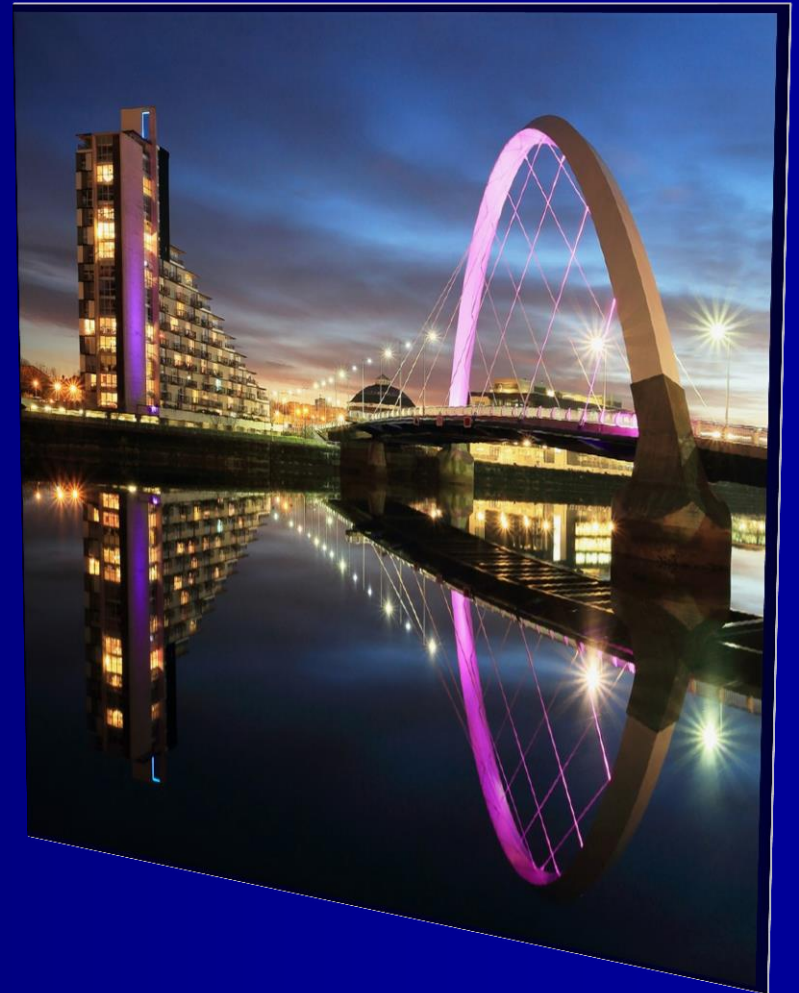
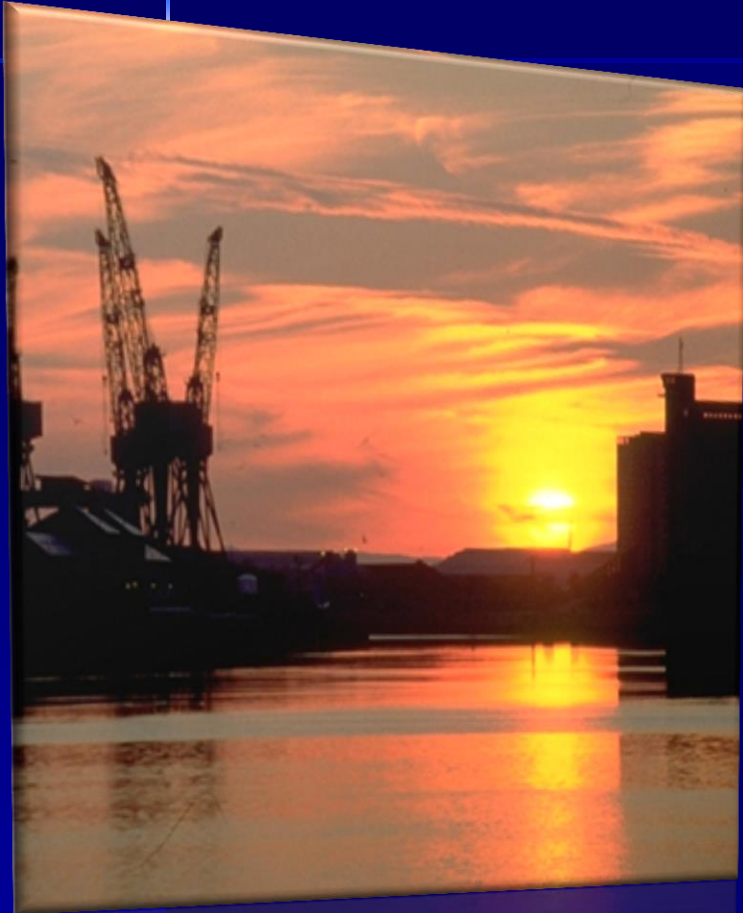
Investing Guide Hungary 2014

Why invest in Hungary?

A guide with useful
information and inspiring
success stories of
investors in Hungary.



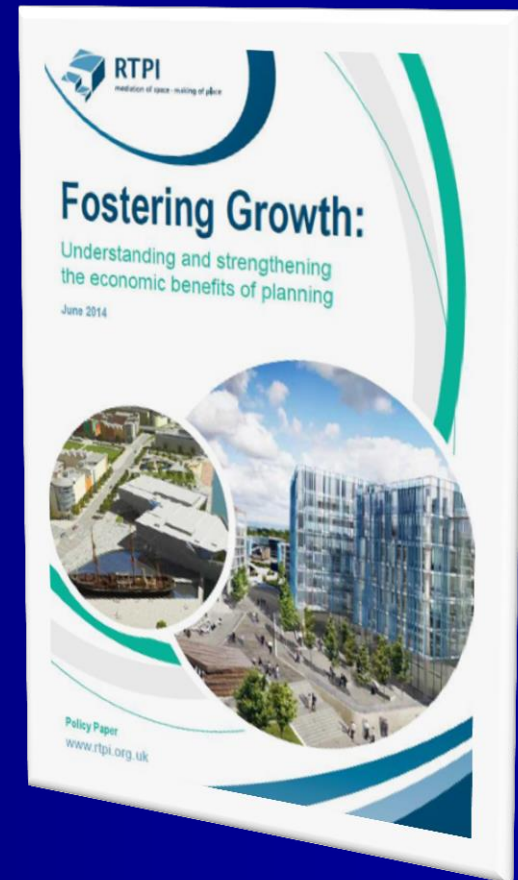
.. PLANNING DOES WORK!



Planning for Sustainable Economic Growth

Structure of Talk

1. The Myths about Planning
2. The Reality
3. Need for Planning
4. Planning Instruments
5. Some Conclusions



1. The Myths about planning

PLANNING

Planning blamed for housing crisis

By David Dewar

Average UK house prices could soar to more than £300,000 by 2020, mainly due to low levels of house building brought on by planning constraints, a report warned this week.

The report by the Centre for Economic and Business Research (CEBR), an independent think-tank, says constraints on new house building over the next 20 years will create a "chronic housing shortage". This



House building: planning constraints are hampering growth

Planners say assault took place at work

Police are investigating allegations that two Yorkshire Dale National Park Authority planning officers were assaulted last week while on duty.

The alleged assault occurred when the two male officers were attempting to serve a notice at an address in Wensleydale. The authority reported the incident this week and an investigation has been launched by North Yorkshire Police.

Both planners, who do not wish to be named, were injured during the assault. But a police spokesman confirmed that the injuries are not serious and the

... but we are blamed for everything ...

- Housing Crisis
- Traffic Chaos
- Litter & Graffiti
- The decline of Pop Music
- Excessive Drinking
- Delaying Euro entry
- Stifling jobs



The Recent Media & Political Rhetoric

The new planning free for all!

Boosting Britain?

The new planning free-for-all Page 23



ALL YOU NEED TO KNOW ABOUT EVERYTHING THAT MATTERS

www.theweek.co.uk

Heseltine urges action to unlock 'jobs tied up in filing cabinets'

31 October 2012 by Jamie Carpenter, 9 comments

Lord Heseltine has called for planning applications undecided after six months to automatically go before the Planning Inspectorate in a major report which says there are 'countless jobs tied up in the filing cabinets of the planning machine'.



Lord Heseltine: 'There are countless jobs tied up in the filing cabinets of the planning machine'

cameron-planning-changes-will-rebuild-economy



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Cam: Planning Changes Will Rebuild Economy

David Cameron and Nick Clegg step up the coalition relaunch with a raft of measures aimed at getting the economy moving.

Thursday 06 Sept

Pickles: We'll cut drag anchor planning system down to size

22 March 2011 by Michael Donnelly, Be the First to Comment

Communities secretary Eric Pickles has said the planning system is a 'drag anchor to growth' and pledged to 'cut it down to size' in a speech to the Confederation of British Industry (CBI) last night.

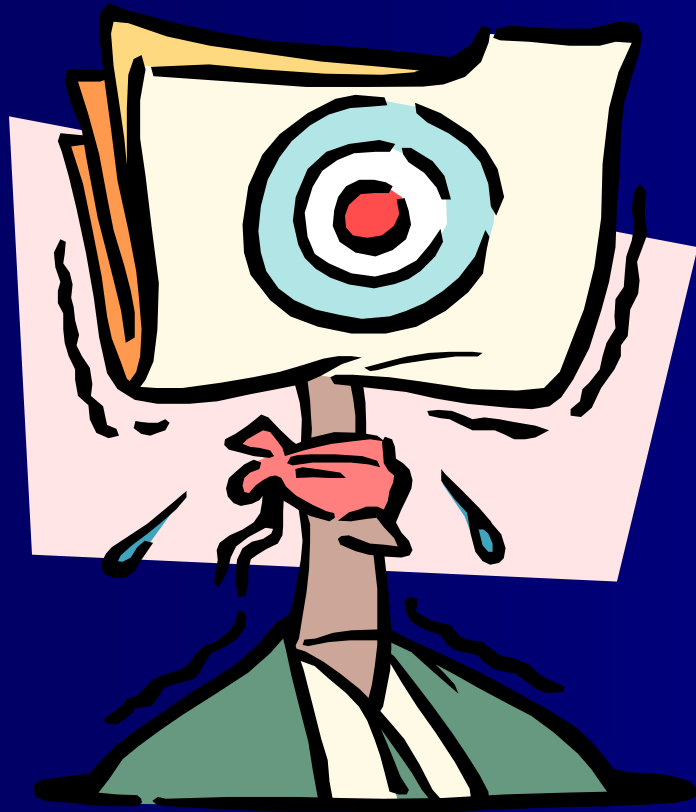


Pickles: 'Millions of pounds are wasted' as a result of the planning system



NBS3 June 2014 116

... but then ...



Criticism
has never
been inhibited
by
Ignorance!

THE WALL STREET JOURNAL

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Crisis on Wall Street as Lehman Totters, Merrill Is Sold, AIG Seeks to Raise Cash

Fed Will Expand Its Lending Arsenal in a Bid to Calm Markets; Moves Cap a Momentous Weekend for American Finance

The American financial system was shaken to its core on Sunday. Lehman Brothers Holdings Inc. faced the prospect of liquidation, and Merrill Lynch & Co. agreed to be sold to Bank

By Garrick Mullins, Suzanne Craig, Serema Ky and Adam Luchner

of America Corp.

The U.S. government, which bailed out Fannie Mae and Freddie Mac a week ago and orchestrated the sale of Bear Stearns to J.P. Morgan Chase & Co. in March, stayed much tougher

off, walked away. On Sunday night, Bank of America took a call to buy Merrill Lynch for \$20 a share, or about \$44 billion. Lehman was working on a possible bankruptcy filing that would allow most of its subsidiaries to continue operating as the firm it wound down.

Though it steered clear of a bailout, the Federal Reserve is expected to take new steps to stabilize the broader financial system. Those steps, expected to be temporary, would make it easier for banks and securities firms to borrow from the central bank by using a wider range of collateral. Bankers say

monial and investment banks announced Sunday night that they would pool \$70 billion of their own money to create a borrowing facility. The 10 institutions, which include Citicorp, Credit Suisse Group, Deutsche Bank AG, would top the pool to help them ride out the crisis. The banks also said they are mutually committed to trying to mitigate market volatility.

A sense of foreboding gripped Wall Street as top executives feared collateral damage from a Lehman liquidation. Attention was focused on Merrill Lynch, which boasts the largest slice of retail brokers, and

needed capital.

"Monday will be a day of reckoning for the financial markets," said Carlos Menéndez, senior managing director of JCP Capital, a boutique investment firm in New York. On Sunday, he said, "it was like a fire alarm went off and people ran in all directions."

AIG executives spent the weekend trying to raise cash, either from asset sales or a capital infusion from private equity firms, or both. AIG executives are meeting with regulators to see if they could transfer capital from some of its subsidiaries to the holding company.

As worries spread across

traders moved to disengage themselves from trades with Lehman. When hopes of a potential sale dimmed, a quiet Sunday on Wall Street turned into a mad rush. Executives and traders hurried to their offices to work their phones to unwind outstanding contracts with Lehman and to arrange their overall exit.

Merrill, whose brokerage focus is known as the "thundering herd," quickly entered into discussions with Bank of America, which has recall bank branches stretching from coast to coast and has long coveted Merrill. Wall Street executives said the Federal Reserve may have been involved in orchestrating the sale, figuring that it

Ultimatum By Paulson Sparked Frantic End

One of the most tumultuous weekends in Wall Street's history began Friday, when federal officials decided to deliver a sobering message to the capital of finance: There would be no government bailout of Lehman Brothers Holdings Inc.

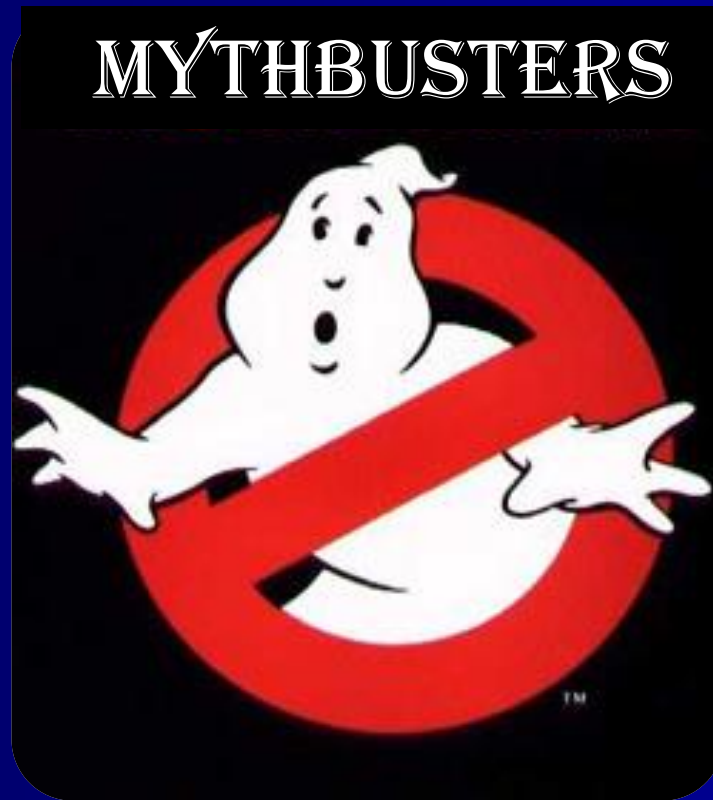
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Nowadays people know
the price of everything
and
the value of nothing

Oscar Wilde

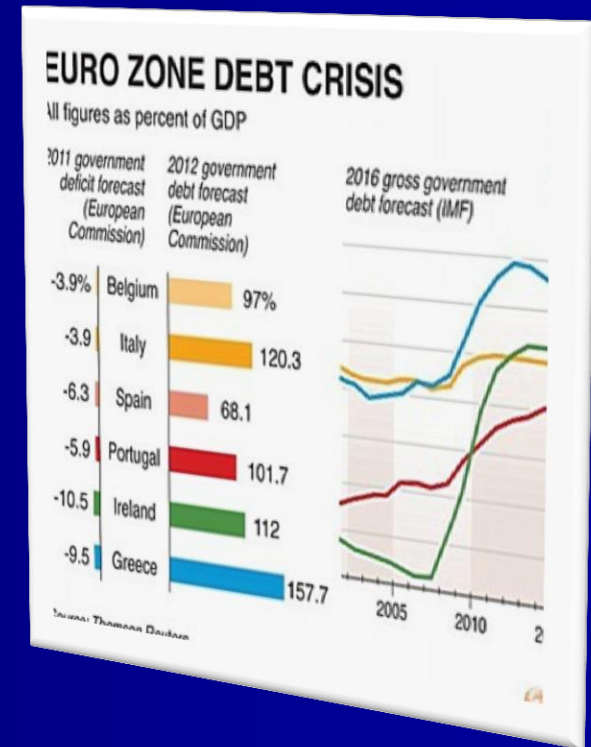
2. The Reality



..... what we need to say loudly & clearly

The Market is very imperfect because

- It speculates in land values
- Short term in its decisions
- Competition drives failure
- It is blind to its impacts
- Etc etc



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By Garrick Mullins, Suzanne Craig, Seran Ky and Adam Lachert

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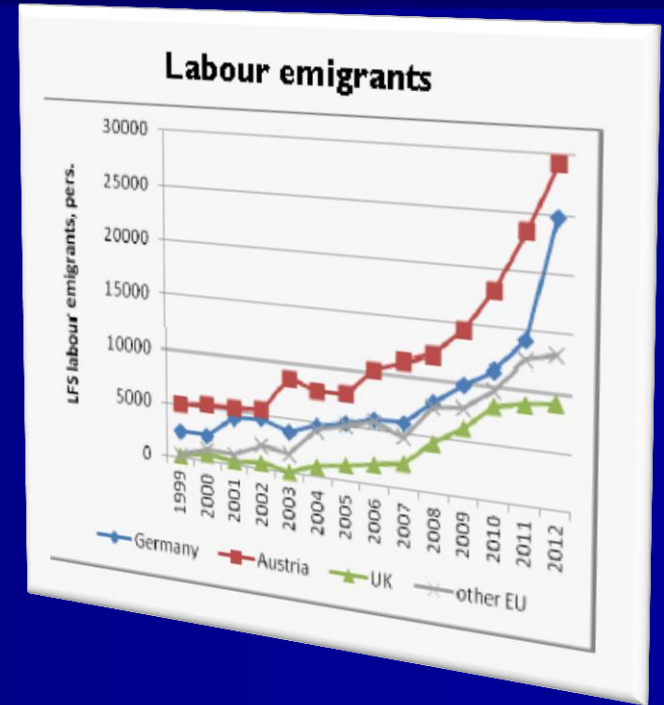
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What does Market failure look like?

- **Housing Conditions**
- **Congestion**
- **Derelict & Contaminated Land**
- **Ghost housing estates**
- **Etc etc etc**
- **Net Emigration**

Market failure is paid for by us all , especially the poor



Result of Market Failure?

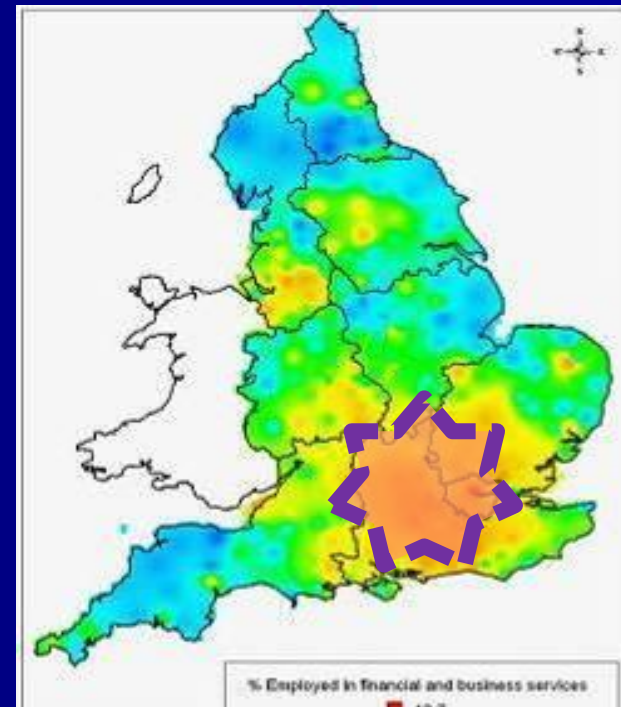
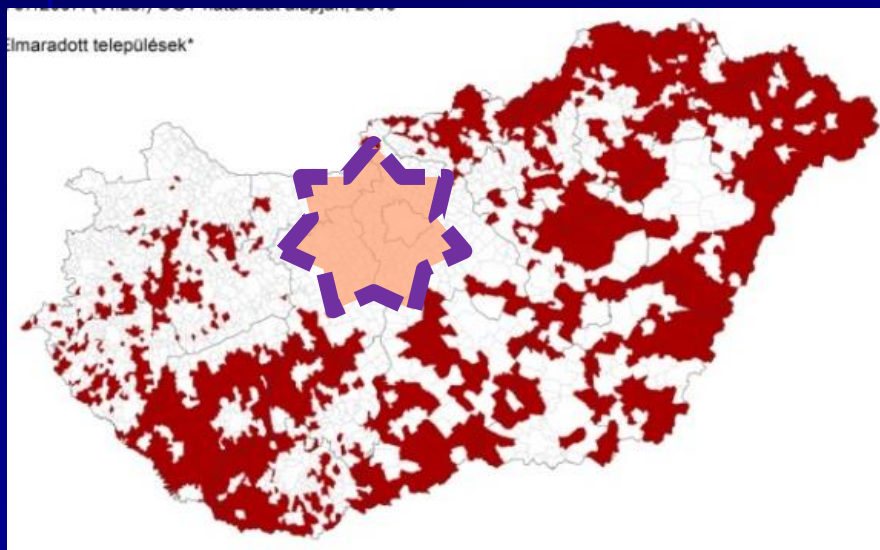
Vulnerable Economic Development

(i.e. Not sustainable)

- **Economically** to Global market forces
- **Socially** from Under-employed labour force
- **Environmentally** from loss of Ecosystem Services

... but also spatial implications...

Pattern of Economic Development & State of the Nation

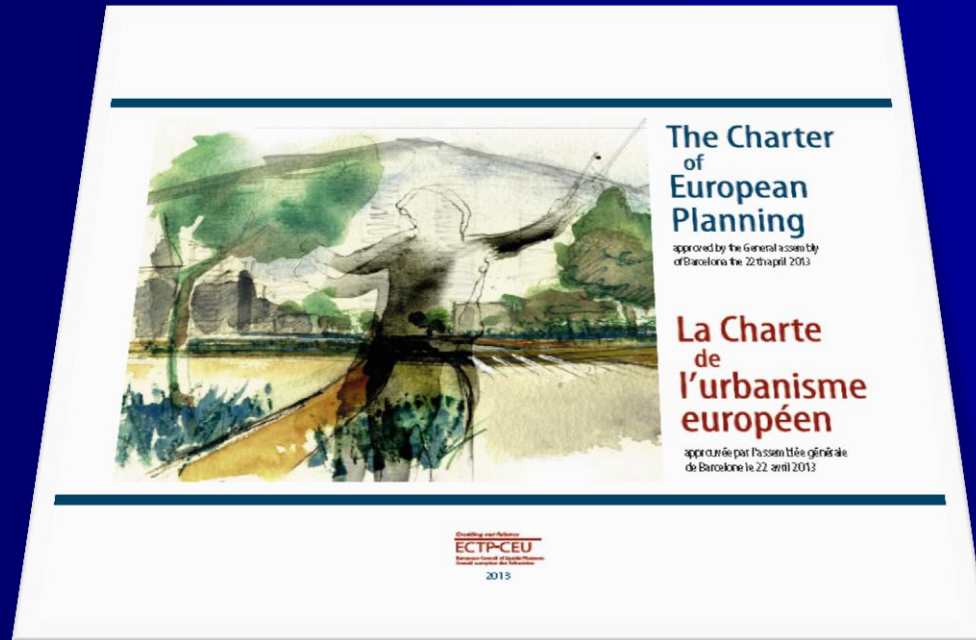


Result of Market Failure?

Unbalanced Economic Development!

- Imbalanced development
 - **Overconcentration** (on London & Budapest regions)
 - **Underdeveloped** regions (e.g. North UK & Rural Hungary)
 - **Over-dependent** on limited sectors

3. The need for spatial planning?



.....we need to get real.....

Our Plans are too small to respond to the new economic geography of Europe in terms of :

- The areas we plan
- The Horizon we plan for
- The Issues we tackle
- Our powers to implement

The conditions for Sustainable Economic Development

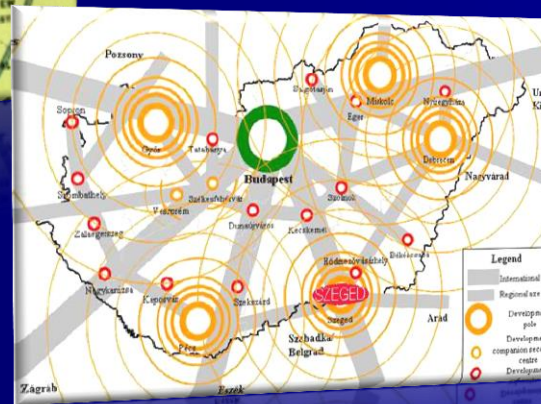
- The supply of land
- The Environment
- Connectivity
- Water & energy Systems

- Place making &
- Social & Green Infrastructure
- Intercity cooperation
- Efficiency of the labour market /Hsg
- Education / skills/ Marketing

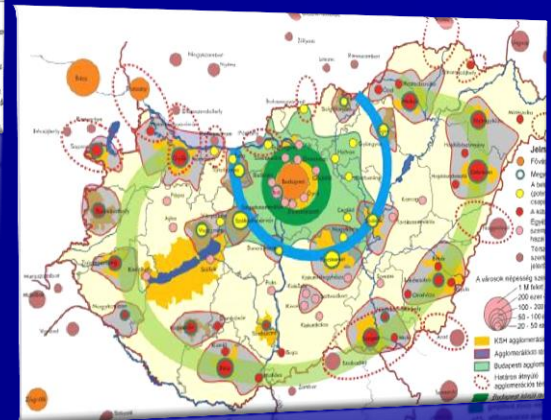
Planning Implications Hungary?



Long
Established
Principles

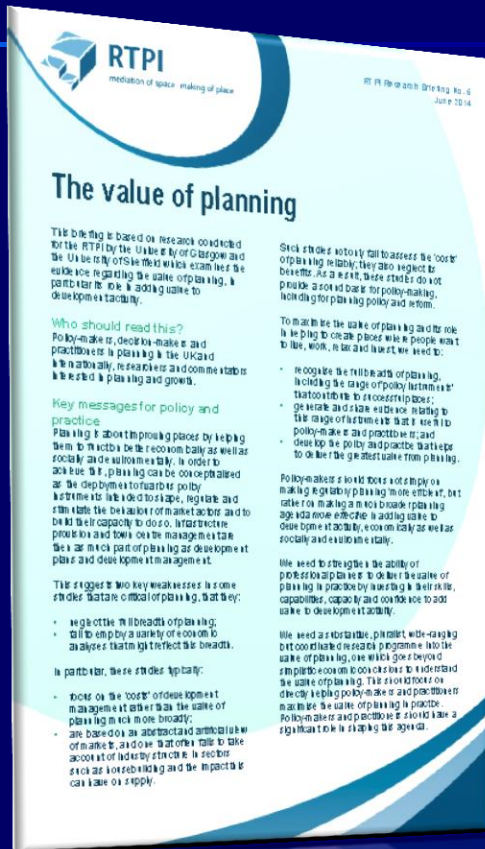


The Analysis



The Vision

4. Planning Instruments?



Use of Planning Instruments
to
Support the Conditions
for
Sustainable Economic Growth



Purpose of Planning Instruments

1. Ensuring Level Playing Field
2. Moving the Goal-Posts
3. Creating a New Game

1. Use of planning instruments
to
Regulate the Market



Ensuring Level Playing Field

Economic Benefits of **Planning Regulation**

- **Establish ground rules**
(Consistent regulation across market area)
- **Capturing the uplift in value created by the Plan**
(e.g. through developer obligations)
- **Enhancing quality & therefore value**
(e.g. through design codes)

Example: Crossrail : London



- A 73 mile railway line
- 26 miles of new tunnels
- 20 billion euros
- 25% from business contributions

Crossrail Scheme

- **Establish ground rules**
(for 32 London Boroughs)
- **Capturing the uplift in value**
(e.g. through Business Rate & CIL)
- **Enhancing quality**
(e.g. through station design)



Moving the Goal-Posts

2. Use of planning instruments
to

Stimulate the Market



Economic Benefits of **Planning Stimulus**

- **Undo blockages**
(e.g. Land assembly and disposal)
- **Send Market Signals that we are open for business**
(e.g. Town centre management)
- **Share Risk**
(e.g. Public-private partnerships)
- **by direct-state , price reducing & risk reducing**

Example: Clyde Gateway : Glasgow



South Glasgow



Clyde Gateway : Scheme

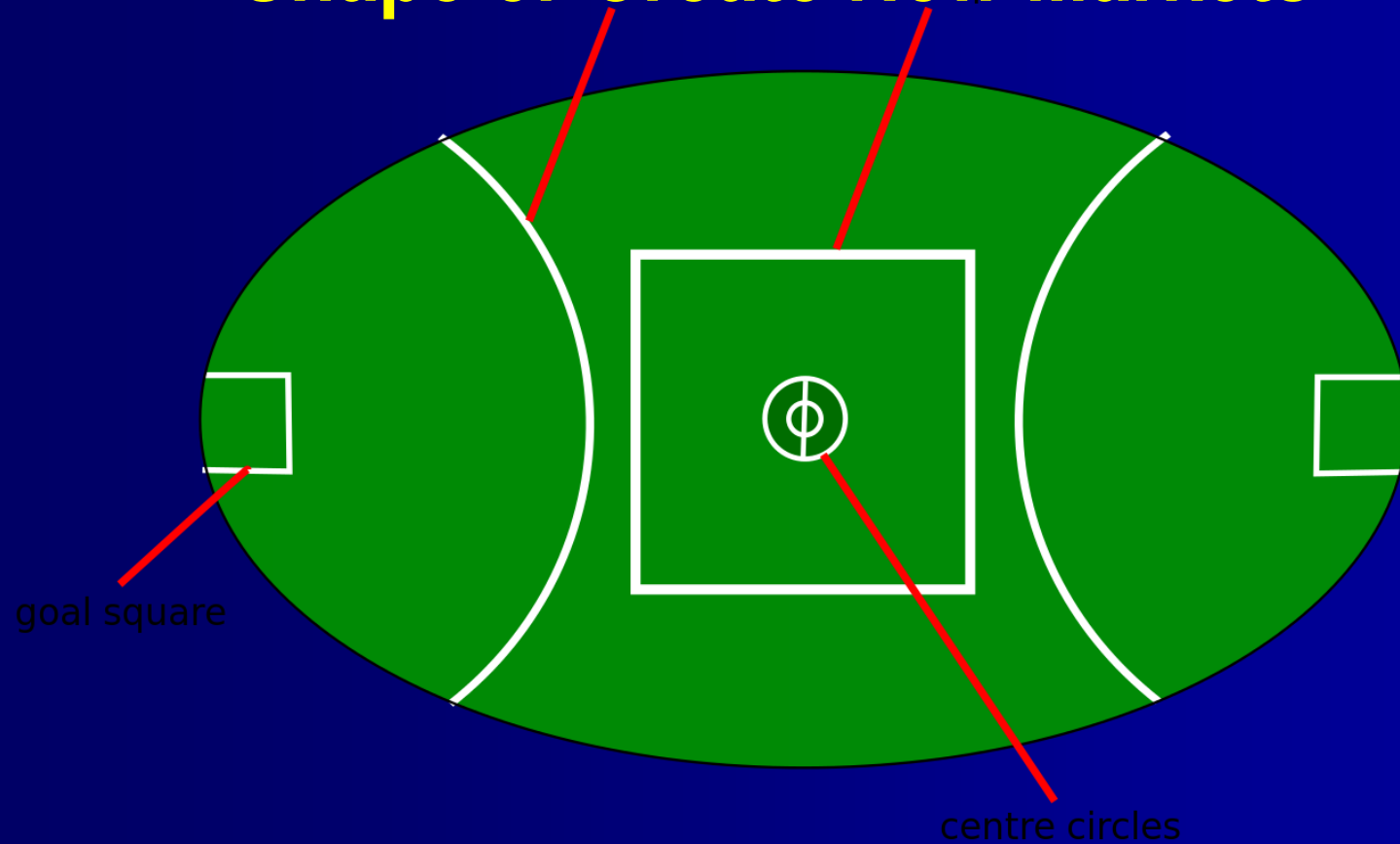
- 840 ha.
- Promoted through Spatial Plan
- Now endorsed by Government
- Urban Development Company
- Complementary Partnerships
(e.g. Green network)



Creating a New Game

3. Use of planning instruments to

Shape or Create New Markets

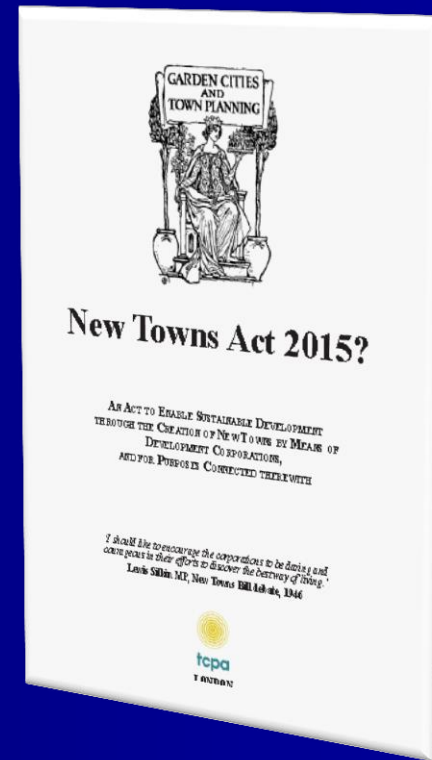
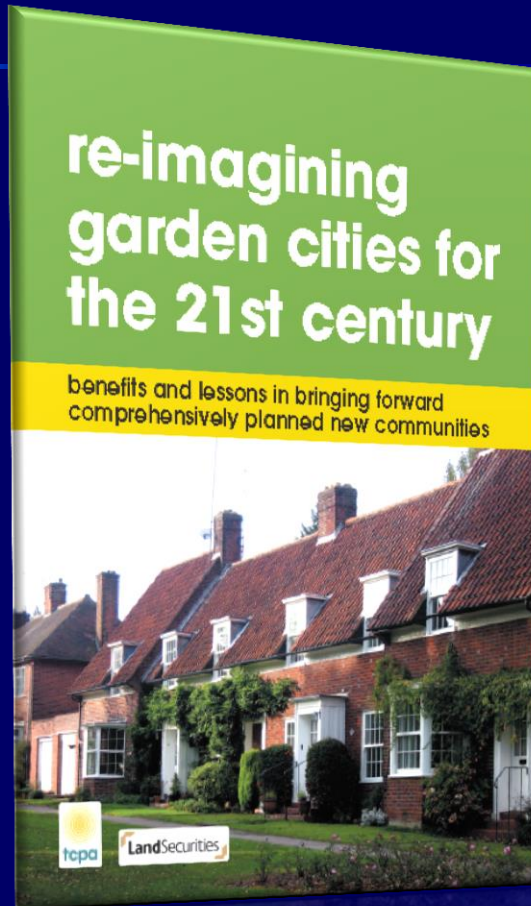


Economic Benefits of **Shaping Markets**

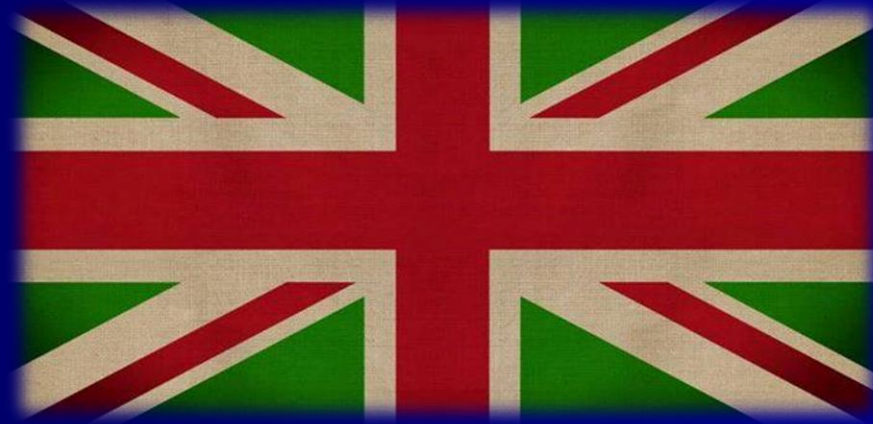
(Spatiality of Macro-economics)

- **Identifying New Opportunities**
(e.g. through Plans, strategies, visions)
- **Creating new rules:**
(e.g. Property rights reform)
- **Change the Scake of Context**
(Strategic market transformation)

Example : Re-imagining Garden Cities : TCPA



5. Final Thoughts



.....Planning has a long history.....

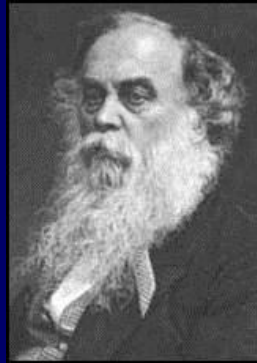


New Lanark
1816

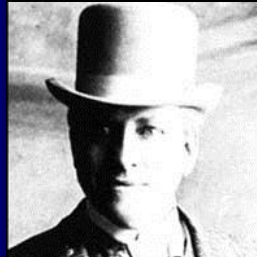
The Visionaries



- ❖ **Robert Owen** 1771-1858
(1816 New Lanark
Institute for the Formation of Character)



- ❖ **Titus Salt** 1802-1868
(1850 Saltaire Village - Bradford:Yorkshire)



- ❖ **William Lever** 1851- 1925
(1888 Port Sunlight – Liverpool : 4000 population)



- ❖ **George Cadbury** 1839-1922
(1900 Bourneville - Birmingham 25,000
population)

... we need to reassert the link

between

sustainable economic growth

&

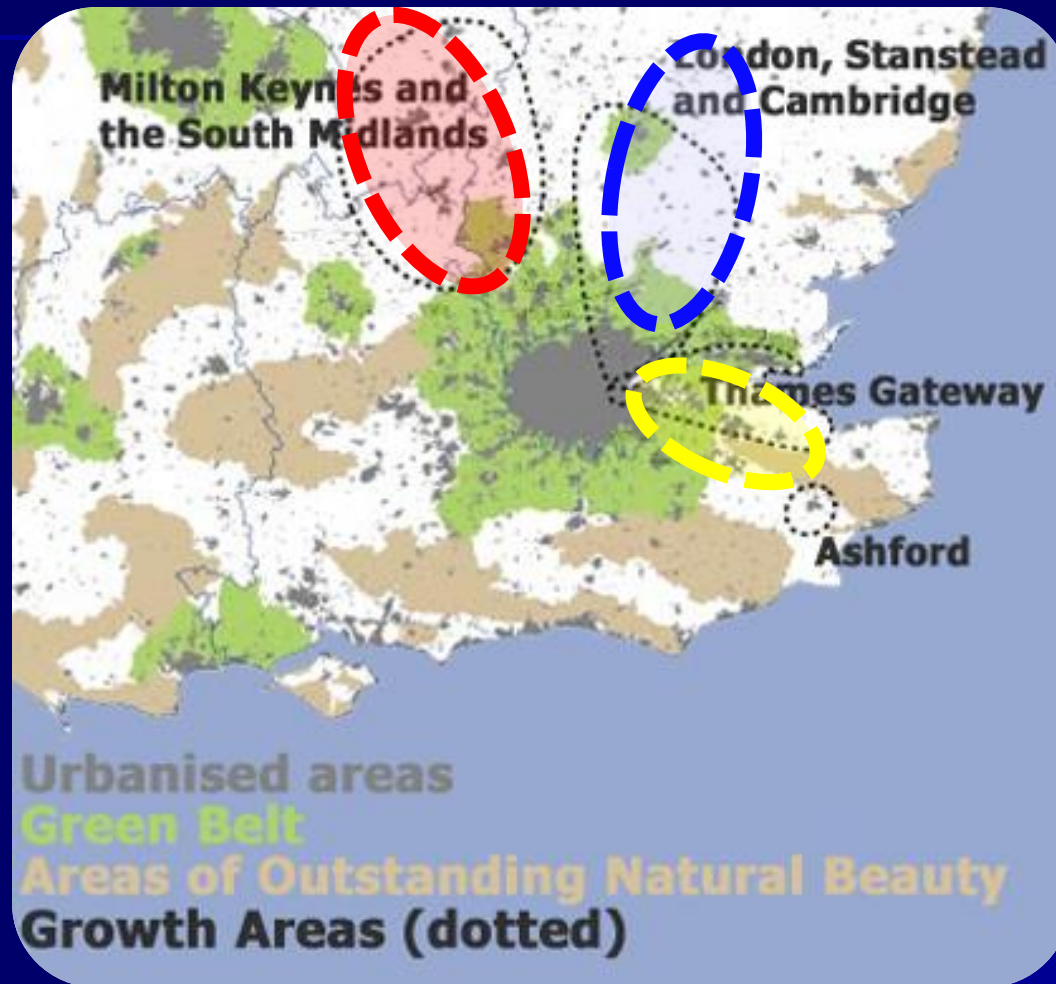
effective planning

Promote a broader view of Planning

- Recognising our Leadership Role
- Asserting our Economic Role
- Not restricted by boundaries
- With greater international focus and
- A New Professionalism

Köszönöm!

Example : Sustainable Communities Plan : England



Growth Areas (dotted)

The Costs and Value of New Development?

1. Is it additional or just diverted or displaced?

2. Who

3. Are a

4. Can



ve value?



**Ilyen lesz a brit zászló, ha a folytatódó magyar
kivándorlás miatt többségbe kerülünk odaát**

.. PLANNING DOES WORK!

REGENERATION PRIORITIES

- 66%+ Housing brownfield
- 50% reduction in rate of urban sprawl

ADDITIONAL RESOURCES

- Public programmes
- Private sector investment

WIDER COMMUNITY IMPACT

- Transport & economy
- Health
- National Priorities

