Collaborative innovation

The argument

Torfing, Jacob

Publication date:
2015

Document Version
Publisher's PDF, also known as Version of record

Citation for published version (APA):
Torfing, J. (2015). *Collaborative innovation: The argument*. Paper presented at Critical Reflections on Devolved Models of Governance, London, United Kingdom.

Critical Perspectives on Devolved Governance

Planning and Governance in the 21ˢᵗ Century

Foreword

The RTPI's centenary year was marked by a proliferation of research on planning's contribution to wider societal issues such as climate change, public health, economic growth and governance. *Making Better Decisions for Places* in particular emphasises the importance of ingratiating a reflection on the appropriate level of decision-making into the policy making process. The RTPI symposium *Critical Reflections on Devolved Models of Governance,* which took place in April 2015 at UCL, carried on this conversation by encouraging a critical perspective towards devolution and considering what the current devolution agenda means for policy. As the representative body for planners, the RTPI is accustomed to bringing together different professions and disciplines, so it was fitting that the policy and research team welcomed such a wide range of speakers from academia, the private sector, the public sector, and civil society

Devolution is in danger of being annexed by political rhetoric so it was refreshing to hear a range of speakers reflecting on what the devolution agenda actually means from a policy point of view. As a follow up to the symposium this volume contains a series of contributions that strike a balance between critical realism and positive, long term policy making.

Miguel Coelho considers governance in the context of housing policy, and John Tomaney take a step back and asks more general questions about the overall costs and benefits of decentralisation. Patsy Healey emphasises the importance of place in questions of governance, while Nicholas Falk encourages policy makers to learn lessons from international planning in order to make strategic planning work. Janice Morphet places planning in the narrative of England's 'devolutionary journey, and Robin Hambleton outlines the key role leadership has to play in fostering social innovation. Finally Jacob Torfing puts forward the argument for collaborative innovation, pointing out that if the right people are in place the private and public sectors can still learn a lot from each other.

Given our recent output on these topics, it gives the Policy and Research team great pleasure to provide a forum for these important debates and it is our hope that this small volume will stoke further discussion on different models of governance as the UK embarks on a new political cycle.

Joe Kilroy
RTPI

RTPI
mediation of space · making of place

Critical perspectives on devolved governance – lessons from housing policy in England
Miguel Coelho, Institute for Government

Proposals on devolution and decentralisation could have profound implications for how the UK is governed. Yet, so far, they have been produced and debated in a largely piecemeal way. Discussions of the relative merits of City and regional decentralisation are too often divorced from the particularities of individual policy areas, which can seriously harm the quality of debate. There is no better example of this problem than the formulation of housing policy in England.

The South East of England is facing a housing crisis. House prices have risen by about 150%, in real terms, between the mid-1990s and 2008. People are being crammed into ever smaller houses, and younger generations are increasingly priced out of the market and forced to live longer with their parents. Huge redistribution has taken place from renters and prospective house buyers to some groups of homeowners. The rise in house prices has been a leading driver of the increase in the share of income that goes to capital; an important source of financial instability; and drag on business.

The drivers of the increase in house prices are well known. Housing demand has been steadily increasing, fuelled by rising real incomes, population growth (including immigration), and household fragmentation. At the same time, housing supply has largely failed to accommodate the increase in demand. The result is a substantial increase in real house prices and rents.

The key question, therefore, is why supply has not responded effectively to the increase in demand? Some have argued that supply restrictions reflect the practicalities of living in an increasingly crowded island; that we are running out of land to build new homes; that we run the risk of concreting over England; and that the problems described above are a price worth paying to protect the English countryside. In practice, there is little empirical support for these arguments: less than 10% of land in England is currently urbanised; the vast majority of that is green (e.g. parks, house gardens, allotments and lakes); and supply restrictions are not solely (or even primarily) related to land availability, but also to height/density planning restrictions.

A more convincing reading of the evidence suggests that supply constraints are the product of important failures in the governance of land and construction property rights in England, which tend to favour the interests of current homeowners. Two features stand out.

First, planning decisions made at the local level may not allow for the full range of interests affected by development, especially in the absence of effective citywide/regional planning co-ordination. The groups whose interests are unlikely to be fully considered include would-be house-buyers, many of whom are not even part of the local electorate, and renters who

tend to be a minority alongside owner-occupiers. The problem is likely to be amplified by the requirement that any change of land use legally defined as "development" be subject to individual planning permission (i.e. the idea of "development control").

Second, local communities' attitudes to house building are likely to be sensitive to the costs they incur because of temporary disruption associated with the construction process, as well as

permanent losses that might have negative effects on house prices (e.g. loss of amenities, congestion of local facilities and infrastructure). England's highly-centralised fiscal system offers little power/resources to local authorities (LAs) to allow them to avoid/compensate for those costs and facilitate urban development. LAs have statutory obligations to provide services for new residents, but they are not matched by proportional increases in tax revenues. The problem is not confined to local government funding, but extends to the way central government funds/provides services at the local level, such as schools and hospitals, that may not expand in a timely fashion to accommodate the increase in demand that comes with housing development.

These shortcomings in the governance of land/construction in England have been compounded by dramatic changes in housing policy and public attitudes to housing development over the last three decades. The 1980s brought an end to major public sector-led urban regeneration programmes and construction of new and expanded towns. At the same time, homeownership became the dominant form of tenure, supported by a long

series of demand-side policy interventions designed to help people buy a home – most notably the "Right to Buy". Soaring property prices in the 1980s and from the mid-1990s till the international crisis in 2008 brought large increases in wealth for a vast number of homeowners. It helped to consolidate the perception that rising prices are a regular, healthy feature of the English housing market and a barometer of confidence in the economy, and stimulated the impetus to "get on the housing ladder". A large part of the electorate took the view that the appropriate response to problems of housing affordability should simply involve government giving more financial assistance to first-time buyers and increase access to mortgages. This was also the time when local community opposition to housing development began to thrive.

Government has limited control over many of the important forces that shape the living standards of the British people, such as globalisation, technological change, or the economic vitality of the Eurozone. But the governance of land is, at least in theory, something that government should be able to control. This raises an important question as to why successive governments have failed to address problems in the supply of housing in England.

We argued in our report that the answer to this question lies in the weight of homeowners in the electorate; the shape of public preferences about homeownership and housing policy in England; and the macroeconomic implications of housing wealth (residential property plays a very important role in the balance sheets of individuals and banks, and therefore, the

Registered Charity Number: 262865
Scottish Registered Charity Number: SC 037841
Head Office: Royal Town Planning Institute, 41 Botolph Lane, London EC3R 8DL

wwww.rtpi.org.uk
policy@rtpi.org.uk
020 7929 9494

3

general health of the economy). These are the main reasons why successive governments proved to be ambivalent about rising house prices and problems of housing affordability.

The [headline-grabbing manifesto promises](#) of the various parties before the election have not broken this trend. If anything, they lent support to the view that our political system is seriously struggling to deal with pressures from the electorate in ways that generate a sensible discussion of policy options and effective decision-making. The deficiencies of the various proposals were so glaring that some commentators referred to the underlying debate as one [conducted in bad faith](#), and noted that while "nobody expects much of the parties in a general elections…in a sophisticated democracy it is surely right to expect something more than [a list of bribes that conceals an even lengthier list of evasions](#)".

Discussions about the governance of land/construction in England should go beyond simplistic assertions about the merits of decentralising planning decisions to the local level. Adequate political representation in the planning system requires that the range of interests taken into account extend well beyond those of current local homeowners and, therefore, that there be some form of supra-local planning coordination. This is one of the main lessons deriving from the international case-studies of institutional reform that we reviewed in our research, and a strong illustration of the perils of debating the virtues of devolved governance disregarding the peculiarities of individual policy areas.

Registered Charity Number: 262865
Scottish Registered Charity Number: SC 037841
Head Office: Royal Town Planning Institute, 41 Botolph Lane, London EC3R 8DL

wwww.rtpi.org.uk
policy@rtpi.org.uk
020 7929 9494

4

RTPI
mediation of space · making of place

Assessing the impact of decentralisation

John Tomaney, Bartlett School of Planning, UCL

Introduction

The UK government has embarked on a radical policy of decentralisation in England, which it has termed 'localism'. Decentralisation from superior to lower tiers of government is a global trend. The government's approach has a particular character in this context in seeking decentralisation both to the lowest tiers of government and away from government to the individual. The localism agenda is also linked to proposals aiming to increase the rate of local economic growth, rebalancing the economy in sectoral and spatial terms and promoting wellbeing in England. This rapidly evolving policy agenda is based upon principles that are challenging to test rigorously and examine empirically.

In principle, the government's approach is a particular form of decentralisation that has radical and experimental characteristics and is distinct from the kinds of decentralisation that have been tried and tested elsewhere internationally. In a [recent study] we aimed to consider the international evidence about the impacts of decentralisation and systematically to identify the arguments concerning the social and economic impacts of decentralisation and articulate key issues relevant to the policy debate. While evidence for the "objective effects" on the efficiency of public policy outcomes remains elusive, we find that there is evidence that decentralisation has positive impacts on subjective well-being.

Policy contexts

Decentralisation of government and governance is an international phenomenon. The rationale is that this process meets multiple objectives of increasing the efficiency of public services, improving legitimacy and accountability of political institutions and fostering the growth of local and regional economies. Internationally, we can identify a widespread, if heterogeneous, trend toward decentralisation by national governments. Decentralisation comes in different shapes and sizes conditioned by broader processes of globalisation, the growing complexity of the state and growing demands upon it and the variety of motivations and national contexts (historical, political, economic) in which it has been introduced. Distinct territorial or political identities were a key rationale in early shifts toward more decentralised state structures, but latterly economic arguments have dominated as governments seek an 'economic dividend' from decentralisation in terms of efficiency gains and improved economic growth. In this regard, governments and international organisations such as the World Bank, OECD and EU expect decentralisation to provide local services more efficiently and promote greater incentives to stimulate local economic growth. The recent government policy agenda in England constitutes a particular version of these broader processes and rationales in focusing upon the relationship between decentralisation, localism and the 'Big Society'. The main motivations being improved efficiency in

the delivery of public services, the promotion of local

economic growth as part of efforts to rebalance the UK economy, sectorally and spatially, and the promotion of wellbeing as a new and broader measure of development. Debate continues about the connections and contradictions between these agendas and as an evolving policy agenda it is difficult to predict its impacts.

Literature review

The international literature on decentralisation is focused upon the redistribution of power and resources to lower tiers of government. The literature produces ambiguous and at times contradictory findings about the impacts of decentralisation on governance, public services, local growth and wellbeing. These are partly the result of data and methodological limitations and a product of the questions that are asked. For example, we find quite contradictory evidence about the impacts of decentralisation on the efficiency of local services, reflecting the difficulties in finding adequate means of measurement and data and depending upon the specific policy areas addressed. In addition, the literature on decentralisation tends, with one or two exceptions, not to draw strong distinctions between the efficacies of different tiers of sub-national government covering a variety of spatial scales, tending instead to explore the principles of decentralisation itself. But as an international phenomenon decentralisation has adopted many forms and been enacted at different spatial scales. Thus, much of the international literature is concerned with

decentralisation to the regional instead of —or as well as — the local scale and terms such as regionalisation, decentralisation and devolution are often used interchangeably and/or inconsistently. A systematic review of existing studies reveals the challenges of analysing decentralisation processes at the local scale. Therefore, we focus on assessing the evidence of the impacts of decentralisation more broadly defined, while attempting where possible to assess it in relation to the rapidly evolving policy agenda of localism in England.

Decentralisation and wellbeing

The relationship between decentralisation and subjective wellbeing is a new research area and it is highly relevant to the debate about current government policy. This empirical analysis shifts the focus away from the uncertain impacts of decentralisation on the efficiency of public services and focuses upon the perceptions of citizens about decentralisation and its value to them. Our analysis shows that, in broad terms, high degrees of decentralisation are associated with higher levels of subjective well-being

among citizens. This positive effect of political and fiscal decentralisation variables on satisfaction and happiness establishes a relationship whereby citizens appear to be happy not only with the transfer of resources – which is an indicator of the capacity of local governments to implement policies – but also with the ability to conduct policies at the local level – which is represented here by the transfer of powers to sub-national governments. With the exception of satisfaction with the health system, the association between greater decentralisation and

Registered Charity Number: 262865
Scottish Registered Charity Number: SC 037841
Head Office: Royal Town Planning Institute, 41 Botolph Lane, London EC3R 8DL

wwww.rtpi.org.uk
policy@rtpi.org.uk
020 7929 9494

6

subjective wellbeing is more strongly associated with perceptions such as satisfaction with government, democracy or overall happiness. This contrasts with the relatively weaker association between greater decentralisation and subjective wellbeing relating to more concrete entities such as satisfaction with government or with the education system. The fiscal dimension, which represents a more concrete aspect of decentralisation, is wholly connected with satisfaction and happiness. The results reveal that citizens appear to be happier in the context of their local governments having a say on their daily politics and policies and with their actual capacity to deliver. Overall, the results highlight that both political and fiscal decentralisation matter, but that it is the fiscal dimension of decentralisation which seems to be most relevant for citizens. Decentralisation matters positively for the satisfaction of individuals with political institutions and with the specific delivery of some public goods and services. Reflecting upon causation, while it is perfectly feasible to envisage that policies derived from decentralised governments would influence individual happiness, it is much more difficult to envisage that changes in individual happiness will affect decisions on decentralisation.

Registered Charity Number: 262865
Scottish Registered Charity Number: SC 037841
Head Office: Royal Town Planning Institute, 41 Botolph Lane, London EC3R 8DL

wwww.rtpi.org.uk
policy@rtpi.org.uk
020 7929 9494

7

Planning, Place Governance and the Challenges of Devolution

Patsy Healey, School of Architecture, Planning and Landscape, Newcastle University

In a recent report on *Innovation and Success in Planning* for the RTPI (Vigar et al. 2014), we concluded that the capacity for innovation in the planning field was repressed by the over-centralism of British government. There are other problems too with our current governance arrangements which inhibit the operation of planning systems and, more broadly, sustaining and improving place qualities. The list includes a poor capacity for long-term investment, an over-emphasis on functional sectors exacerbated by a weak co-ordination capacity, and the fragmentation of responsibilities between multiple agencies, public, private and voluntary. These characteristics of British governance organisation, culture and practice make regional and local co-ordination difficult which in turn undermines the ability to create and sustain place-focused development strategies.

Yet increasingly research shows that place qualities matter to people. We live our daily lives in particular places, and care about their qualities. Our experience of place affects our health and well-being, and often mobilises us to take political action to improve or defend particular places. Firms too are sensitive to their location – in relation to labour markets, access to their production inputs and the distribution of their products. The interactions of ecological systems, natural forces and human activity which are so important to the future environmental quality of our planet happen in particular places and demand locally-focused co-ordinated action. So the current political momentum for governance devolution and decentralisation in the UK should be welcomed. A key challenge for those interested in planning systems and in the broader idea of planning as a form of place governance at the present time is to advise on and evaluate how the 'institutional scaffolding' (Ansell 2011) of governance could and should change to release capacities for better place governance.

Given what we now know and experience about spatial dynamics, an important contextual step for this task is to avoid simple associations of place with particular administrative units and of planning with just the operation of planning systems. Any locale is constituted by multiple webs of relations, each with its own spatial reach. What becomes noticed as a place has to be 'called into attention' as a binding-together of aspects of these multiple webs. Boundaries may be fluid and characteristics may be asserted in different ways by different people, but once called into attention places can become a powerful and individual, social and political identity. Planning, broadly understood, centres on shaping and delivering strategies and projects to

promote what political communities – at different scales and with different foci of attention – come to value as place qualities. Formal planning systems provide tools for this work, but need to be set in the wider context of governance activity focused on sustaining and enhancing place qualities.
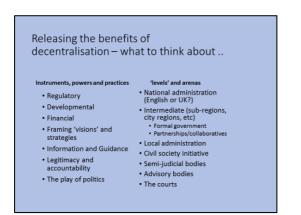
A more decentralised governance system should enhance this goal, through enabling better co-ordination and a richer understanding of local dynamics. It also has the potential to enhance people's understanding of, and trust in, governance processes, currently at a low ebb. This could, in turn, produce a more stable local political context, which would provide a more certain framework for private investment. But it is important not to be naïve about the benefits of 'localism'. Some local communities can become introverted and exclusionary, while there will always be great variety in the capacity of place-focused action. Wider levels of government are needed to provide oversight and to promote strategies and values which affect people's attachments at a broader scale. Decentralisation should not therefore just mean handing tasks down to lower levels of government. What needs re-consideration is the distribution of responsibilities for planning work at all levels of government, and between formal government and other arenas of governance (RTPI 2014).

It is therefore important at this time for those involved in planning work to provide well-developed advice about

how to think about this re-casting of responsibilities. This means thinking about each instrument available within a system and how it could be re-caste to improve the balance between more sub-regional and local articulation, while ensuring wider levels of co-ordination and providing some degree of oversight to avoid exclusionary and competency problems. It is important also to remember that our governance landscape is much more than a hierarchy of formal levels of elected government (see box).

The outcome of such re-considerations should not be some ideal structure. This is not how institutions evolve. Instead, governance change is a messy and long-term process, in which a particular initiative may set off all kinds of reactions, expected and unexpected. It involves all kinds of changes in how the game of politics is played as well as in the way experts, technologies, interested parties and citizens interact. What is needed at this time is a positive attitude to encouraging innovation and experimentation and an ability for in-depth learning about experiences, from failures as well as successes. More generally, decentralisation initiative needs to connect to what people care about, what we value and experience in our daily lives. It also needs to encourage broadly-based public debate about these concerns. It is in this way that the political community concerned about a place and its qualities will get voice within, and get to appreciate, local and regional strategies for place-focused development strategies.

The hope of decentralisation, however confused it may look as the direction unfolds, is the slow replacement of a top-down way of doing governance dominated by experts, to multiple, non-hierarchical, overlapping but interacting, forms of 'network governance', centred in debates and discussions which connect to what people in all kinds of situations are concerned about (Sorensen and Torfing 2007).

Releasing the benefits of decentralisation – what to think about ..

Instruments, powers and practices	'levels' and arenas
• Regulatory	• National administration (English or UK?)
• Developmental	• Intermediate (sub-regions, city regions, etc)
• Financial	• Formal government
• Framing 'visions' and strategies	• Partnerships/collaboratives
• Information and Guidance	• Local administration
• Legitimacy and accountability	• Civil society initiative
• The play of politics	• Semi-judicial bodies
	• Advisory bodies
	• The courts

References

Ansell, C. K. (2011). *Pragmatist Democracy: Evolutionary Learning as Public Philosophy*. Oxford, Oxford University Press.

Healey, P (2010) *Making Better Places* London, Palgrave

Healey, P. (2012). "Re-enchanting democracy as a way of life." Critical Policy Studies **6**(1): 19-39.

RTPI (2014) *Making Better Decisions for Places*, London, RTPI

Sorensen, E. and J. Torfing, Eds. (2007). *Theories of Democratic Network Governance*. London, Palgrave Macmillan.

Vigar, G, P.Cowie and P. Healey (2014) *Success and Innovation in Planning: Creating Public Value*, London, RTPI

Making strategic planning work
Nicholas Falk, UrbEd

'Plans are nothing: planning is everything' attributed to Dwight D Eisenhower

Much of the debate over devolution revolves around how best to allocate limited resources, and inevitably those at the centre make every argument against giving away any power. The time is never right. Any authority that seeks more control over its future has to jump through a constantly changing set of hoops, such as providing enough evidence to 'prove' the benefits. There is a long history of British governments issuing challenges to local authorities and then failing to follow through. But surely it is high time, given the unstable British political and financial systems, to go beyond ideological or conceptual arguments. We need to accept the messiness of British geography and history, and hence the tendency for the challenge of 'events' to determine outcomes, as Tory prime minister Macmillan memorably once said.

Fixing broken machinery
Whatever your political leanings, most would support securing more 'joined-up' government, if only to avoid the many expensive 'blunders' that Ivor Crewe and Anthony King chronicle in their entertaining book(Crewe and King, 2013). Devolution offers the potential benefits of both motivating key stakeholders to join things up, and also making it easier, rather than relying on everything have to be approved by the centre. Much of the worst waste stems from changing

policies and personnel at the centre, such as the £60 million spent on the Leeds Supertram that was then dismissed as poor value for money by Alastair Darling, or the cancelling of the A14 upgrade around Cambridge by his successor George Osborne. In truth you cannot assess projects as the Department of Transport tries to do by comparing cost-benefit ratios when the benefits relate to housing and economic development, with all their uncertainties. You have to judge their merits against other options at a more local level.

The obstacles, apart from institutional inertia and the opposition of all those who lose out from change, lie in the difficulties of specifying how a better system would work, and of finding people with the required skills and aptitudes. Though planning involves data, it is not a science where problems can be resolved by bringing enough information together. Political choices have to be made, and they require leadership at the local as well as the regional and national levels. Other countries seem to do this better, as Sir Peter Hall and I tried to show. We used a series of case studies of cities that have transformed themselves to illustrate for each strategic theme: economic development, transport, housing, and the environment, how change was brought about over a period of time (Hall and Falk, 2013).

We started by reviewing the 'broken machinery' of British planning and local government, and Peter

perceptively broke Britain down into four very different types of geography. This means that what is good for London and the South East,
or even the Metropolitan powerhouses in the North, simply does not work in the more rural parts of the country, such as the South West. Furthermore the tasks of planning for growth in the inflated housing markets of Oxford or Cambridge are very different from planning for regeneration in the centres of Manchester or Sheffield.

Similarly, the task of planning for the social services, and especially meeting the needs of a rapidly expanding elderly population, cannot be achieved without joining up health and social services, if only to avoid bed blocking, a problem that is no less since I co-authored a book on the subject nearly four decades ago (Falk and Lee, 1978). In turn, the problems are exacerbated by elderly people hanging on to unsuitable housing because there are no better alternatives available. Similar stories could be told about the challenges of upgrading worn out pavements so people do not trip over, or reducing the waste of energy, health and wellbeing caused by vehicles stuck in traffic jams because the options of cycling or public transport are so unattractive. This requires a different kind of planning from promoting High Speed 2.

Learning from Continental Europe
Peter and I looked across the Channel because we knew from our many visits that conditions had been much improved over the last few decades in similar circumstances.

Looking and learning offers something that statistics never can, which is the chance to find out how problems are tackled. I summarised the lessons for
place-making leadership in terms of a simple ABC, illustrated through case studies: the Ambition to create better places; Brokerage to put quality deals together, that is to win enough support to bring about change; and finally Continuity, that is enough time to turn the vision into reality (Munday and Falk, 2013). As development takes time, and regeneration takes at least a generation, it is obvious that our Punch and Judy political system along with the relentless ups and downs of the property or business cycles make it extremely difficult to bring about lasting change, even where 'collaborative leadership' is practiced.

We therefore need to use the national political deadlock to replace our broken machinery with different approaches that reflect local circumstances; we have the analogy of wars to draw on, or more positively the successes associated with the staging of the Olympic Games. We can also learn from countries in Europe that have successfully devolved power to their cities, as France most notably has done, or from the rebuilding of Germany since reunification after the Berlin Wall came down. Of course France has traditionally been pilloried by the English, (perhaps because of Napoleon, who threatened our Empire or our difficulties with the language). But undoubtedly the most modest and poorest French town enjoys a better quality public realm than many of

Registered Charity Number: 262865
Scottish Registered Charity Number: SC 037841
Head Office: Royal Town Planning Institute, 41 Botolph Lane, London EC3R 8DL

wwww.rtpi.org.uk
policy@rtpi.org.uk
020 7929 9494

12

our richer market towns, while French provincial cities such as Montpellier and Bordeaux have outperformed Paris since power was devolved to them under President Mitterand. What lessons might we learn from the way they approach planning? Let me suggest three:

Coordinated strategic plans
In what is essentially a seven stage process the local plans of the many thousands of local authorities are knitted together with regional plans; in considering progress in a poor part of North Eastern Paris, our visiting group of planners were struck by the way that funding was made available for feasibility studies once the local plan has been accepted into the plan for the region of Ile de France, and how five local authorities had combined to give themselves greater influence in relation to Paris. New metro and tram lines are built to link up poorer areas with jobs and services, encouraged no doubt by period riots in the 'banlieux' that surround the outer suburbs.

Local action plans
Coordination is also secured at a more local level by designating Zones d'Amenagement Concertes, where public funding is channelled to stimulate private investment. Private investors have confidence in plans that link transport, and spatial planning decisions with public investment, so that spatial planning still has a kind of magic that has been lost in the UK. It may help that a distinction is made between Urbanisme, or place-making , and the Amenagement de Territoire, or

what we might call spatial planning, where we use planning to cover the whole range of activities.

State investment bank
Planning leads to action because the delivery mechanisms are less adversarial, helped by a more functional system of public finance. Societes Mixtes or public private partnerships are used for major regeneration schemes, such as Paris Rive Gauche, which is many times the size of Kings Cross, and stretches between the Gare de l'Austerlitz, where the tracks have been covered over to create development sites, out to the Peripherique, or inner ring road. Undoubtedly a combination of a charge on employers for transport schemes (the Versement Transport) and the huge state investment bank, the Caisse des Depots, help to channel funds into the infrastructure projects that build great places. Similar arrangements are to be found in Germany and the Netherlands, where greater economic and environmental progress has been made as my case studies show (Falk, 2014).

Conclusion
In wars, changes have to be made to mobilise resources, and we face a similar scale of challenges now. In particular we need to mobilise private investment behind building new homes and local infrastructure rather than sustaining inflated house prices. The current regional boundaries stem from the Second World War, and are no longer

Registered Charity Number: 262865
Scottish Registered Charity Number: SC 037841
Head Office: Royal Town Planning Institute, 41 Botolph Lane, London EC3R 8DL

wwww.rtpi.org.uk
policy@rtpi.org.uk
020 7929 9494

13

appropriate. Instead we need to empower both city regions and dynamic counties for projects that build for 'posterity not austerity'. Alternatively we can expect our 'common wealth' to dissolve as economic decline, riots, and despondency set in.

References

Sir Ivor Crewe, and Anthony King, *The Blunders of our Governments*

Peter Hall with Nicholas Falk, *Good Cities: Better Lives: how Europe discovered the lost art of urbanism* Routledge 2013

Nicholas Falk and James Lee, *Planning the Social Services*, Teakfield 1978

Barry Munday and Nicholas Falk, *The ABC of Housing Growth and Infrastructure*, Housing Forum 2014

Nicholas Falk, *Funding Housing and Local Growth: how a British investment bank can help*, The Smith Institute, 2014

The contribution of planning to England's devolutionary journey

Janice Morphet, RTPI

Devolution is a process not an event. The asymmetric implementation of devolved government in the UK has been promoted by three separate but ultimately reinforcing drivers - heart, head and pragmatism. The emotional and cultural appeal of nation, including its territory, has been translated into a political imperative. This has long been the case in Northern Ireland and more recently in Scotland. In both, the predominant separate and devolved ideology is exemplified by the growth in political parties unique to the nation and province and, in Scotland, this has accelerated since devolution in 1999.

In Wales and London, political differentiation is also apparent, demonstrated through distinctive voting patterns for parties that, until 2015, have had a GB base. They have also been resistant to inward-looking forms of nationalism represented by the UKIP party. Both Wales and London have a clear sense of their own identity and territory that has been extended and matured since the start of their growing devolution process in 1999.

Thus, much of the UK has taken to devolution with their hearts and their heads, with Scotland, Northern Ireland, Wales and London all experiencing incremental and cumulative increases in their devolved powers. Further all have represented their territorial visions and strategies through spatial plans and frameworks that have been revised and reformed to keep pace with growing powers and territorial confidence.

Meanwhile, the progress of devolution in England has been much slower. This can be attributed to a number of factors. Firstly, within England, there has been less demand for devolved power in both central and local government where there is continued division between civil servants, government departments and local government. Elsewhere in the UK, there is more interchange between officials and officers and cultural ties are to territory rather than to institution. In England, separate institutional cultures have been exacerbated by the centrally injected disruption of local government reorganisations particularly since 1992. The centralization of local government performance regimes in England, introduced to prepare local government for more devolution after 1997, has become a fixed rather than transitory mode of operation.

Successive appeals for more devolution have been exhausted by unfulfilled promises and agenda re-capture.
Secondly an attempt to build a movement for English devolution at the regional scale foundered in 2004. Whilst the North of East of England had the potential regional identification that might support devolved government, in practice this was unlikely in a region highly dependent on central government agency jobs and financial support for

its economy and pubic services. At the same time, the UK's own plans for devolution, formed as a response to the increased application of the EU's subsidiarity principle in 1992, also required a re-set. The OECD, having espoused the new economic geography, was promoting the sub and city region as the scale where co-terminosity between the functional economic area and government were most likely to support growth in national GDP – a point reiterated over ten years later by the Chancellor of the Exchequer in his post-2015 election northern powerhouses speech.

Implementing devolution in England remains a continuing challenge. Attempts at incentivising devolution through increases in local power such as through the largely failed city mayor referenda have not worked. Helping cities to re-imagine their own
futures through the example of Manchester, privileged in its second city status since UK devolution appeared on the agenda in 1997, have
led to a rejection of this approach by individual city leaders. What remains is the incentive to change government arrangements if devolved funding is increased and central control decreased – in an appeal to the head and pragmatic politics. The argument has shifted not to why but how English devolution can be achieved.

The introduction of Local Enterprise Partnerships (LEPS) in 2010 demonstrated that financial incentives could encourage a largely bottom up approach to defining approximate economic spaces, created outside the democratic institutions. These LEPs have served a transitional role within England. They have defined economic and spatial agendas within new boundaries through the incorporation rather than reorganization of their constituent democratic institutions. However, as always anticipated, these LEPs have failed the EU's subsidiarity and democracy tests – not enough power and funding has been devolved by central government and the strategies and funding programmes have not been set by directly elected politicians. The LEP Strategic Economic Plans (SEPs) and European Structural Investment Fund (ESIF) programmes might contain some appropriate projects but they hang free of democratic decision-making processes.

The challenge now lies in a new spatial imaginary for functional economic areas that can combine social, economic and territorial priorities, EU cohesion objectives and project programmes delivered through strategic plans and spatial policies. This is difficult. Local spatial plans have been framed and captured by the housing market agenda imposed on the UK by the OECD and the IMF and reinforced by the EU. Their infrastructure plans represent a co-location of the projects adopted through institutional and sectoral silos that are made to work at the local level.

So as English devolution moves forward, what can planning contribute? Firstly it can capture the vision for the whole place and develop the strategies for their delivery – priorities, projects and policies. Secondly, it can locate this vision in the context of the nation and its surrounding neighbours whether in a 'powerhouse' or 'our house' alliance. Maps are powerful tools to demonstrate these relationships whilst reinforcing a sense of ownership and belonging. The generation of the vision has to be undertaken with partners and stakeholders in the wider governance framework but it can only be adopted and agreed by the government of the place. This is likely to be through a combined authority as the doors are opened to all parts of England to pursue this route, incentivised by budget devolution for services that are growing in demand such as health and social care.

The strategy will define priorities for action, the locations where this will take place and the programmes to deliver the strategy through projects and policies. It will be spatial and will provide an opportunity to re-set the delivery of transport, energy, waste, social, community and green infrastructure into an integrated approach. With increased pressure on land fill taxes and micro generation of energy, territorial independence and service integration will become more possible. The development of sustainable urban mobility plans and the active transport approaches to deliver economic and public health objectives, will require integration at

the point of delivery – the street, the station, the ferry. What will be the role for the government of England in the devolved nation? Firstly, it will be less than it is now. As Scotland has shown, an integrated civil service, without departmental structures can work for national benefit. Secondly, there is a priority for English central government to prepare a strategic plan for England. This will add to those prepared for Wales, Scotland

and Northern Ireland to fill territorial plan gap left by the UK compared with all other EU states. The main question will be who will frame and sign off this plan? There are a number of choices including English MPs who will vote for English law, a gathering of the powerhouses or combined authorities or an English Assembly – or any combination of these.

Planning has a major contribution to the implementation of English devolution. The pressure for strategic spatial plans to replace those at regional level has not abated since their abolition in 2009. Through its map making, visioning and prioritisation planning can develop city and sub-regional hearts. Through its strategies and programmes it can contribute to the delivery heads of both government and governance institutions within devolved spaces. Finally, planning can help to make sense of the pragmatic arguments for the institutional in-filling of the English gap within a devolved state.

Place-based leadership and social innovation

Robin Hambleton, Professor of City Leadership, University of the West of England, Bristol and Director of Urban Answers

It is time to turn the page in the devolution debate. For over thirty years successive UK governments have, notwithstanding the devolution of powers by the last Labour Government to Scotland and Wales, increased the power of the central state to a totally unacceptable degree. This policy, which I have described elsewhere as 'centralisation on steroids' has had perfectly predicable consequences: a decline in voter turnout in local elections, a decrease in the number of talented people putting themselves forward for local election, a waning in the innovative capacity of the British state, a weakening of local strategic planning, and, an inevitable flipside, a totally unmanageable workload for Whitehall officials and Ministers.

In Britain we have, over the years, without quite realising it and without debating it, created a ludicrously over-centralised mode of public policy making and decision-making. It follows that the central challenge facing our new government, one that has enormous socio-economic and political importance, is to rebalance local-central power relations within

the state. Forget about so called devolution deals for selected parts of the country. These are a devolution deception as, in such arrangements, the relevant local authorities – a city region or combined authority – are expected to be the mere servants of Whitehall. Ministers define the criteria, ministers decide which localities are to be awarded devolved status, and ministers crawl over the minute details of local governance.

In this vision elected local authorities are expected to be accountable 'upwards' to distant figures in Whitehall when it should be obvious that any sensible system of local democracy requires politicians to be accountable 'downwards' to the citizens who elected them. In my presentation to the RTPI Symposium on *Critical perspectives on devolved governance* I outlined three pointers to guide a strategy for renewing local democracy, enhancing prosperity and tackling the problems the country now faces.

Empowering local democracy

First, we need to recognise that the current, super-centralised approach to decision-making is not just troubling - it is a disaster that is holding back the innovative capacity of the British people. The obsessive centralisation of the British state damages local enterprise and constrains social innovation. In 1984, in an astonishing move, Prime

Registered Charity Number: 262865
Scottish Registered Charity Number: SC 037841
Head Office: Royal Town Planning Institute, 41 Botolph Lane, London EC3R 8DL

wwww.rtpi.org.uk
policy@rtpi.org.uk
020 7929 9494

18

Minister Thatcher, introduced legislation enabling central government to decide, over the heads of local voters, how much they would be allowed to tax themselves. This process, known as 'tax capping', is viewed as incomprehensible in other democracies.

Since then, we have seen measure after measure weakening the power of elected local governments. A Constitutional Convention should be set up, one that takes account of the voices of civil society, local government and the regions, as well as the political parties to create a new and lasting local/central settlement. This should lead to a set of proposals that give full recognition to the importance of local government in our country and grants locally elected authorities substantial fiscal power.

Learning from abroad

While carrying out research for my new book on *Leading the Inclusive City,* I discovered 17 examples of inspirational, civic leadership drawn from cities across the world.[1] This analysis shows that, in many other countries, elected local authorities have far more political power than in the UK. This enables local leaders to respond effectively to local challenges and invent completely new strategies suited to modern times.

Take Sweden. Here we have a country that is widely respected for providing all residents – long established and newly arrived - with a high quality of life. Sweden is a world leader in tackling climate change and has very good social services as well as a strong track record in relation to city planning and social policy.

Most Swedish citizens pay their entire income tax to local government. Only the highest earners – around 15% of taxpayers – also pay central government income tax. A consequence is that local authorities in Sweden raise around 70% of their revenue from local income taxes. UK local authorities are able to raise less than 20% of their income from the Council Tax.

Voter turnout in Swedish local elections averages around 80%, in the UK the average turnout is in the region of 36%. Swedish municipalities are responsible for all primary and secondary education, social services, spatial planning and the full range of services found in UK unitary authorities. The counties and regions have an important role in regional economic development and they run health care, primary care, dental care and, in most cases, public transport. I am not suggesting that the UK should just copy Sweden. Rather I am arguing that other countries have

Registered Charity Number: 262865
Scottish Registered Charity Number: SC 037841
Head Office: Royal Town Planning Institute, 41 Botolph Lane, London EC3R 8DL

wwww.rtpi.org.uk
policy@rtpi.org.uk
020 7929 9494

19

enormously powerful elected local authorities and we can learn from them.

Public leadership – the central challenge for planning

As well as boosting the fiscal power of elected local governments we need to cultivate and develop a much more outgoing approach to local, place-based leadership. Place-less decision-makers, that is people who are not expected to care about the consequences of their decisions for particular places and communities, have gained extraordinary power and influence during the last twenty years or so.

This place-less power needs to be challenged, and people living in particular localities need to have much more say in what happens to the quality of life in their area. There are, of course, limits to place-based power. The self-interested residents of a gated community may want to exclude other people and, in some cities, we can also find neighbourhoods that turn inwards and become backward looking.

The inspirational examples of place-based leadership presented in my book show how local politicians, public servants, community activists and others are able to transcend the geographical limitations of municipal boundaries.[1] In many cases – for

example, Curitiba, Freiburg, Malmo, Melbourne and Portland – it is city planners who have played a vital role in bringing about a progressive approach to public policy and urban development.

Collaborative Innovation: The argument

Jacob Torfing, Professor in Politics and Institutions, Roskilde University

There is a growing interest in stimulating innovation in the public sector and multi-actor collaboration seems to be an important method for developing and realizing new and bold solutions to wicked and unruly problems. Co-creation of innovative solutions is gaining ground, but the development of a new form of public leadership is required in order to bring the new development to fruition.

Growing interest in public innovation
Public innovation provides an intelligent alternative to across-the-board budget cuts in times of economic crisis and dire fiscal constraints. However, the current attempt to spur public innovation is not only driven by economic concerns, but is also motivated by the growing number of wicked problems and the failure to meet the needs and demands of vulnerable social groups and the growing expectations to the quality of public service from the affluent middle classes.

Public innovation has become a strategic goal in the public sector and there is a growing effort to spur innovation at all levels of government. Nevertheless, a report from the European Commission indicates that there are still considerable obstacles to public innovation in terms of the lack of management support, staff resistance and a risk-aversive culture. However, the report also shows that there is a broad consensus about the conception of

public innovation and the need to enhance it in the light of political ambitions, public demands and tightening resources.

Innovation involves the development and realization of new and creative ideas. Innovation is intended in the sense that it is designed to significantly benefit a particular individual, group, organization or wider society. However, the innovation process is an open-ended process that relies on imagination, intuition, chance discoveries and unacknowledged conditions that make it difficult to predict the result. Hence, there is no guarantee that innovation leads to improvement. Innovation breaks with established practices and forms of knowledge, but whether or not it leads to improvement depends on an *ex post* judgment made by a broad range of relevant and affected actors. Therefore, the definition of innovation should not include any reference to successful outcomes. Hence, we shall define innovation as an intentional, yet inherently contingent, process that involves the development and realization of new and creative ideas that challenge conventional wisdoms and breaks with established practices in a particular context. Innovations that are judged as successful improvements are likely to be consolidated, up-scaled and diffused to a wider context. Innovation gives

rise to a particular kind of discontinuous, or even disruptive, change that is referred to as 'step-change' that breaks with existing trade-offs. As such, innovation is more than a 'continuous improvement' of public services pursued in the day-to-day operation of public service organizations, while at the same time less than a 'revolutionary transformation' that replaces an entire political, social or economic system with new one. Innovative step-changes combine existing ideas and practices in new and creative ways while frequently adding new elements. The steps can be small and incremental in the sense that they merely change the form and content of particular objects and practices, or they can be large and radical and change the goals, character and operational logic of a particular organization or sector.

The more or less radical innovations might be a result of an invention of something entirely new, but may also result from the diffusion and imitation of innovative solutions developed elsewhere. Hence, it is not the source of innovation, but the context of implementation that determines whether something qualifies as an innovation or not. If something is considered as new in a specific context, it is an innovation, even if it may already be found in a different context. As such, innovation is contextual and partly based on subjective perceptions of 'newness'.

Historically, there have been three waves of innovation research. The first wave from the beginning of the 20th Century was influenced by Schumpeter's attempt to apply his social theory of evolutionary change to economics and private firms. His focus was on market-driven technological change triggered by individual and collective entrepreneurs. The second wave emerged in the 1960s and was prompted by organization theorists who were interested in the innovation capacity of organizations. The focus was here on the role of managers in mobilizing support for organizational innovation. Neither of the two first strands of innovation theory made any explicit attempt to dissociate private and public innovation. This has been one of the key ambitions of the third wave of innovation research spurred by public management researchers who aim to understand the specific drivers and barriers of public innovation.

Hence, according to the public management researchers who have recently taken a growing interest in public innovation, there is a specific set of innovation barriers in the public sector because public organizations are led by risk-aversive politicians, regulated by thick layers of formal laws and regulations, and competition and economic incentives continues to play a minimal role. However, there is also a specific set of innovation drivers in the public sector in terms of political pressures, popular demands, easy access to new scientific knowledge, and large budgets that are capable of absorbing the costs of failure. However, while there are important

differences between the public and private sector when it comes to innovation, both public organizations and private firms are organized as bureaucracies and are, therefore, facing many of the same innovation barriers in terms of hierarchical organization, centralized

control, horizontal specialization, sharp boundaries between different groups of professionals and rule-bound governance. Nevertheless, there is one point where public innovation differs from private innovation and that has to do with the value that is produced through innovation. Hence, whereas private sector innovation tends to produce private value in the sense of value that is produced and appropriated by private firms and commercially protected by patents, public sector innovation aims to produce public value that benefit society at large and is spread deliberately throughout society and the public sector so that as many as possible will benefit.

Multi-actor collaboration as a driver of innovation

When public employees have used lean-technologies to rationalize the work processes, enhance interagency coordination and correct the obvious design faults in the procedures in public service production, it is difficult for them to continue to improve efficiency without rethinking the service design including the goals, the service content and the role of the involved actors. Hence, innovation is a necessary tool in the search for 'radical efficiencies'. Innovation can also advance efforts to deal with wicked problems that are unique,

complex and tangled and, therefore, can neither be solved by available standard solutions or through increased public spending. Last but not least, the political and professional attempt to satisfy new or hitherto unmet social needs and popular demands in times of austerity calls for innovative solutions that may

give us new and better services for less or the same resources. Now, the question is which strategy to choose in order to enhance public innovation.

Roberts compares authoritative, competitive and collaborative strategies and concludes that collaboration is superior to both competition and authority when it comes to creative problem solving. Authoritative strategies appoint a particular group of experts or sovereign decision-makers to define the problem on the basis of the available knowledge and to formulate a matching solution. This is an efficient strategy, but the solution might be inadequate or wrong since the decision makers fail to benefit from processes of knowledge sharing and mutual learning involving the relevant and affected actors. Competitive strategies engage relevant and resourceful stakeholders in a zero-sum game in which the winner takes all and gets to define the problem and solution by resorting to an authoritative strategy. While the advantage of this strategy is that competition stimulates the search for innovative solutions and challenges the dogmas of the formal power holders and ruling elites, its downside is that a lot of resources

are wasted on rivalry and conflicts and that the exchange of knowledge and creative ideas among the competitors is limited. By contrast, collaborative strategies permit the exchange of knowledge, competences and ideas and thus facilitate mutual learning that helps improving the understanding of the problem and developing new and innovative solutions. In fact, collaboration does not only facilitate knowledge sharing and idea generation. It also enables the integration of ideas, the selection of the most promising ones, the sharing of risks and benefits of innovative solutions, the reduction of implementation resistance through the construction of joint ownership, and the diffusion of innovative ideas through the recruitment of a large number of ambassadors.

Top-down authoritative decision making and market-based competition may indeed spur innovation, but collaboration is the only strategy in which it is not formal institutional and organizational boundaries that decide who are involved in the production of innovation, but rather the possession of relevant innovation assets in terms of experience, knowledge, creativity, financial means, courage, organizational capacity, etc. The problem of both public organizations and private firms is that they tend to create innovation in-house and thus prevent themselves from tapping into the resources, knowledge and ideas of external actors. The formation of strategic alliances, governance networks and public-private partnerships can help to strengthen external collaboration and thus to promote innovation.

It should be noted in passing that collaboration does not necessarily involve tiresome and time consuming attempts to forge a unanimous consent. In fact, a total consensus that effectively eliminates all dissent is often predicated on the actors agreeing on the least common denominator, which in most cases will not be very innovative. By contrast, collaboration should be defined as a process through which multiple actors aim to establish a common ground for solving multi-party problems through the constructive management of difference. Hence, we collaborate with other actors because they bring a different set of resources, views and ideas to the table, and rather than seeking to eliminate these differences, collaboration aims to manage and exploit them.

Collaborative innovation can now be defined as the process through which relevant and affected actors aim to develop and realize innovative solutions in and through collaborative processes that allow the actors to share, explore and build upon each other's ideas and work across formal boundaries to select, test, adjust and implement new and disruptive solutions to emerging or deep-seated problems. It is often difficult to bring together the relevant and affected actors, hard to get them to collaborate with each other and far from always that collaboration leads to the development and implementation of innovative solutions. Nevertheless,

deliberate efforts to build trust, facilitate and support collaboration and encourage the actors to think out of the box may help to foster and exploit innovations developed through multi-actor collaboration.

Leading collaborative innovation

The challenge for public leaders who aim to lead and manage innovation is to stimulate processes of future emergence through proactive actions rather than reacting to the past performance of the organization and its employees. Since innovation challenges and problematizes existing habits and identities and is always accompanied by uncertainty and risk, public leaders must build supportive innovation alliances and manage and negotiate potential risks vis-à-vis the potential benefits. The challenge for public leaders who are acting as boundary spanners bringing together public and private actors in processes of collaborative innovation is both to identify the relevant and affected actors, to facilitate a constructive management of differences and to align the ideas and aspiration of active citizens with the overall policy objectives of the public sector. A further challenge arises when top- and middle-level managers are experiencing the loss of control that tend to emerge when frontline personnel are solving public tasks and create innovation in close collaboration with civic actors and more often than not develop a stronger loyalty with the project partners at the horizontal axis than with the administrative leadership at the vertical axis. Meeting these challenges calls for the development of a new type of public leadership that is more proactive, horizontal and integrative and that recasts public leaders as conveners, facilitators and catalysts of collaborative innovation.