

Building a grounded city region

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Foundational thinking and building the grounded city

- **Foundational Economy** = book + website
foundationaleconomy.com = a new way of thinking
- **FE changes how we see, what we do in a city like Liverpool**
- **FE adds vision: grounded city** (not competitive city or developer led regeneration)
- **Identifies challenges** before (re) building can start
 1. Find **new metrics** of liveability
 2. Develop a new **foundational planning**
 3. Master **political alliances**



The FE vision of a grounded city

*Foundational
vision:
the grounded
city*

- *Grounded city takes responsibility for the well being of its citizens:*
- *eg Vienna: travel pass for 1 euro a day, 50% of housing is social + “fair rents” are enforced*
- ✓ **Collective provision of affordable, everyday essential goods and services for all citizens:**
 - housing + transport
 - material infrastructure of utility pipes and cables
 - providential services of health, education and care
- ✓ **Manage social conflicts over land use which take various forms in different cities eg**
 - Brussels: developers vs city centre builders’ yards, car repair shops etc;
 - Barcelona out of control tourism feeds short term lets via airbnb

policy frame:
the
competitive
city

- *Competitive city captures jobs and growth through business friendly policies*
- *eg Liverpool's "knowledge quarter" or the competition for Channel 4 HQ*
- **Capture mobile investment** gain high VA activity; GVA/GDP as the metric of success
- **Tradeable, competitive industries** are the basis; hi tech, creative industries are valuable
- **Agglomeration is the internal dynamic;** privileges big cities
- **Policy = improve** transport infrastructure and skills

Outcome: developer led regeneration

- **When business friendly reaches city planning:** developers get permission to build what's profitable with little payback for the majority of citizens
- **What's profitable varies by city** eg in London, Thames side flats for the rich; in Northern UK cities it is 1-2 bed buy to let flats for 25-34 year old professionals
- *eg of DLR in Liverpool:*
 - ✓ *2002-15 Liverpool city centre population 9,800 to 25,800 and nearly 10 k were young professionals with 1 bed flats at £750 per month*
 - ✓ *Monoculture ex more of the same with little section 106 compensation; symbolised by Baltic Triangle development of 500 flats in 4 towers of 8-18 storeys with £1.4 million of section 106 funding waived because Lacie was providing open space. At a time when the city council is facing yet another accumulating funding gap.*
 - ✓ *NB Salford research shows little connection or spill-over from islands of prosperity; and outer Liverpool like Huyton?*

Lacie's Baltic
Triangle 18
storey tower:
shiny, shiny





Huyton town
centre
7 miles and a
world away

How do we (re) build the grounded city ? (defeat competitiveness + developer led regen)

**Meet three challenges/
establish the prerequisites
for change**

*(1) Map the city with new
metrics*

*(2) Get expertise behind the
foundational agenda*

*(3) Manage foundational
alliances*



**Going beyond conflicts eg
about the Mayor's
borrowing of £200 million
for road repairs**

**Next steps after successful
re-municipalisation of bins;
park services; IT, HR +
payroll ; highways services**

(1) new metrics for
foundational liveability
(old = GDP and GVA)

Old metric:
GDP and GVA=
Liverpool's
failure (by a
dodgy measure)

- **GDP + GVA adds up everything** according to market value; bigger is better per capita, growth is good
- **Liverpool is unsuccessful + not closing the gap** : GVA per capita fairly steadily around 75% of UK average
- **Dodgy measure in two ways:**
 - ✓ **Breaching planetary limits** : with consequences from global warming to NoX + particulates in city air
 - ✓ **“Adding up apples and pears” economic outputs are heterogeneous**; well being critical + essential outputs like health care vs fast fashion; inescapable first charges on income eg housing and transport

New metric:
**foundational
liveability=
economic and
social**

Foundational liveability has econ and social dimensions

(1) residual household income measured by subtraction of essentials

- gross income – taxes = disposable
- disposable – housing and transport = residual

**(2) social infrastructure ie parks, libraries
community centres for free or cheap social
activity**

- revealed social demand of citizens in replies to our Swansea questionnaires

New metric:
changes gaps
+ problems
eg London vs
regions

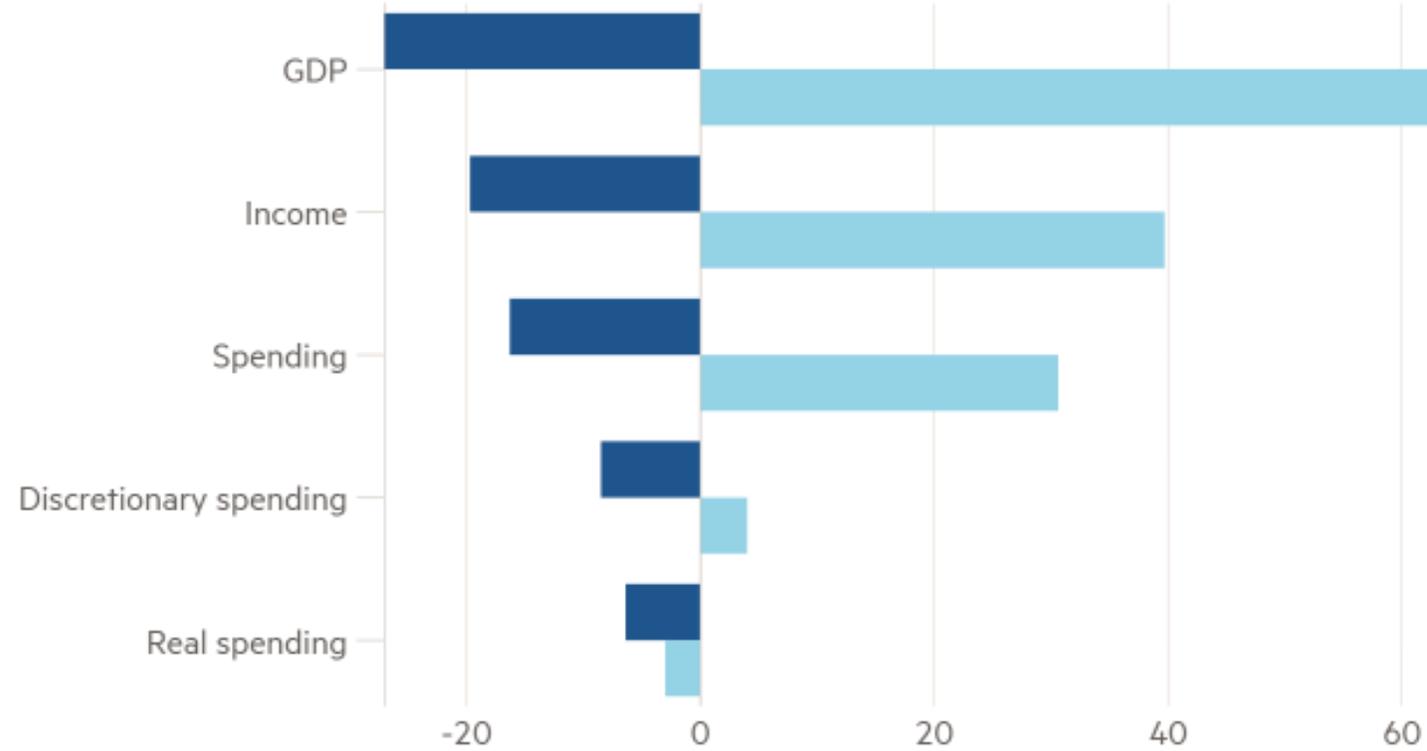
- ✓ **Residual income gap much smaller than gross income gap;** per capita Londoners spend £10k more than in West Midlands but £7k of that goes on more expensive housing
- ✓ **Household type + tenure is as or more important:** owner occupier vs private rented vs social plus age, one or two incomes, place in the income hierarchy
- ✓ **London is like Brecht's LA: heaven for the rich and hell for the poor** ex unaffordable housing; first time buyer households need income of £89k + £140k cash deposit to buy a £436k
- ✓ **Wealth effects are as important as income gaps:** mortgages buy an appreciating asset with no tax on capital gains; average price of London dwellings increases by £195k 2008-18 = the average owner occupier makes unearned nearly £20k per annum

How London and the North East compare

% above or below the UK average per head

North East

London



Discretionary spending excludes housing costs, real spending further adjusts for local price differences

Sources: ONS, FT research

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(2) New expertise:
foundational planning
with citizen
participation
(old = facilitating business)

*20th century
expertise:*
**1940s town
planners
+ 1990s business
facilitators**

- **Town planning 1940s-70s = public employees do 2 dimensional zoning;** housing + shopping + employment adapted for cars eg modernist British New Towns
- **By 1990s expertise means facilitating business** as corporate business is released from its social duties and gains rights:
 - ✓ public employees in “economic development” and “regeneration” find out what business wants and make it easier eg inward investment;
 - ✓ most lawyers, accountants + urban planners are privately employed to help firms avoid social obligations

*21st century
expertise:
foundational
planning as a
public service*

- **Liveability is not enough;** because residual income + social infrastructure could encourage a socialised version of the right wing line about low taxes + money in your pocket
- Needs back up of **expert foundational planning:**
 - ✓ **3 dimensional environmental planning** about air, water, energy, housing and food
 - ✓ **Innovative new foundational services** eg care for an ageing population
- **Foundational planning like PEMB is starting with Barcelona 2020.....**

*Not more
technocracy:
foundational
planning with
citizen
participation*

- **Expertise with a new kind of citizen participation;** not more town hall planning but a new model of engagement with bottom up needs and wants
- **Foundational service challenges now are different** from electrification or free hospitalisation where technocrats rolled out networks and branches eg
 - ✓ **Negotiate on services like older care** where we have to balance bio medical and social needs
 - ✓ **Legitimate services used by minorities** eg public transport in smaller towns formatted around car use like Swansea where 85% have access to a car and 40% never use the bus

A Swansea citizens jury on care



(3) New politics of
foundational alliance
(old = capturing power)

*grounded city
in 20th
century:*
**red cities +
the organised
working class**

- **20 th century “red cities”** 1920s Vienna , 1970s Red Bologna + heroic towns eg 1930s Llanelli + Ebbw Vale
- **Red political base in organised working class:** social democrats/communists/ labour = unions + mass party win electorally + as permanent party of government press foundational agenda through state action
- **Echoed faintly in the Labour dominance of major UK cities:** 75 of 90 Liverpool City Councillors are Labour; but with volatile electorate eg Labour won in 2010 from Lib Dems who in 2007 had 51 seats

*Limits on UK
local
authorities*
logic of
foundational
alliance

- **Hostile environment ex continuing financial squeeze:** austerity cuts + uncertainty on post 2020 funding; Osborne plan for LAs from 80 % locally funded to 100% self funded; hurting Liverpool and other cities with a limited business rate base
- **Loss of LA management capability** to design, build, operate and maintain complex systems; with stock transfer, academisation + outsourcing of care, LA officers are paid more to do less
- **Ferment in civil society:** weaker working class + new rainbow coalitions of progressives, ngos + autonomous institutions (amidst justified doubts about whether government is benign or competent).
- **We need a new politics of foundational alliances; recognising that** permanent parties of government which do it all are in the past

Foundational
alliances?
public civil
partnerships
= PCP

- **the big idea of local authority as the partner state**
eg the greens in Ghent; beyond binaries of state or citizens and of state vs market
- **PPP = a disaster** as gov. loses control of services with PLCs and fund investors targeting high returns + providing inflexible services
- **PCP = the challenge** of managing without top down control; enlisting citizen initiatives + autonomous organizations about activities in the local park or what kind of adult care with public funding.
- **And civil society includes grounded small business:**
if the state builds care homes, why shouldn't mom and pop firms run them? NB our objection is to financialised providers with 10% return targets i.e. Amey and all the rest

So, what can Liverpool
do?

Others are
now moving:
Barcelona,
Ghent, Wales

- **Grounded city is like a fruit machine;** nobody has lined up the three lemons but we can learn from those who have one or two lemons up
 - ✓ *Barcelona strategists are doing foundational planning*
 - ✓ *Ghent greens are doing public civil partnerships*
 - ✓ *Welsh Assembly is talking the talk + allocating £1.5 million for experiments*
 - ✓ *Vienna is asking what next after resisting de-municipalisation*
 - ✓ *FE academic collective has presence in UK, Italy, Austria, Belgium + new measures coming up?*
 - ✓ *and, Liverpool?*

Twin track:
analysis
+ engagement

- Can you meet the 3 challenges?
 1. Can you map the city with new metrics to guide policy?
 2. Can you mobilise foundational expertise + citizen participation?
 3. Can you engage by sponsoring public civil partnerships?