



REPORT

Levelling Up and Sustainable placemaking

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Introduction

The Royal Institution of Chartered Surveyors (RICS) supports the levelling up agenda, and its potential to create a more just economy with a more even spread of opportunity throughout the UK. This needs to be a national policy priority that successive governments will commit to and periodically measure, not only until the year 2030 but for several decades to come.

As a leading professional body in land, property and construction which works to serve the public interest, RICS stands ready to work with government to help deliver on its strategic vision, and to explore the ways that the built environment can be an enabler of sustainable placemaking as well as 'placekeeping'. The built environment can play a crucial role in helping to foster a sense of pride, identity and emotional attachment to places while also supporting the long-term economic prosperity and resilience of local and regional communities.

In order for levelling up to be truly transformative, it will need to be underpinned by high levels of private investment, a thriving commercial real estate sector, a planning system which will enable rather than hinder positive development, a renewed sense of pride within local communities, as well as increased productivity across UK cities, too many of which lag behind some of our European counterparts.

It will also require a strategic approach to sustainable placemaking that will serve the long-term economic, social and environmental interests of people across the UK as we adapt to digital changes and new ways of working, and as we respond to the threat of climate change.

Attracting people to live, work and invest in disadvantaged areas of the country, and giving them compelling reasons to stay living, working or investing in those areas, will ultimately be fundamental to the success of levelling up.

This paper sets out 10 overarching policy recommendations for the UK Government. The first two are policy asks which we would like the Government to take forward. The final eight are policy areas where we are keen to collaborate. In setting out these recommendations, RICS wishes to work with you on a joint plan for engagement across the sector under RICS's public advantage remit to support a strategic approach to sustainable placemaking in pursuit of levelling up.

RICS' 10 policy recommendations for the UK Government

1. The 12 levelling up white paper missions should be binding statutory commitments

- RICS supports the 12 levelling Up missions identified through the Levelling Up White Paper being placed on a statutory footing through this bill, but we believe that these should be fixed as binding targets for 2030 as originally stated in the white paper.
- Clause 4 of the Levelling Up and Regeneration Bill currently enables Ministers to change the mission progress methodology, metrics or target dates. We believe that if there is to be meaningful accountability around the levelling up agenda, these dates should not be subject to change through the Bill itself as this undermines certainty in the projected progress of levelling up.
- Transparency and accountability through regular progress updates and a commitment to clear objectives will provide much-needed certainty for individuals, communities and investors.

2. The levelling up agenda should be aligned with the UN's Sustainable Development Goals.

- As the Government seeks to spread opportunity throughout different regions of the UK, the Sustainable Development Goals provide a superordinate policy framework for realising this ambition in a way that fundamentally promotes the public interest.
- While we fully support the need for the commercial sector to increase its awareness of ESG performance, such ESG measures are a subordinate and more subjective corporate interpretation of sustainability than the Sustainable Development Goals.
- The success of the levelling up agenda should be assessed within the wider policy framework of the Sustainable Development Goals as well as reporting against the 12 'missions' set out in the levelling up white paper.

3. Employment-led regeneration should be the initial driver of levelling up within a UK settlement strategy.

- While significant strides are being taken to reduce the environmental impact of the residential sector through the delivery of greener housing, the co-location of new housing developments with job opportunities will be significant in the context of both economic regeneration and national carbon reduction efforts.
- Housing developments which are not located in close proximity to employment opportunities as well as other essential services such as schools and GP practices

could increase carbon emissions and decrease the fundamental attractiveness of such areas by encouraging residents to commute long distances.

- Strategic decisions on where to allocate employment land should be taken in advance of housing provision in accordance with local or regional need, but the immediate focus should be to revive existing areas rather than building anew.
- Beyond land and building use, employment-led regeneration must be deeply rooted in digital transformation as ways of working continue to diversify in the digital age. We are pleased to see that the expansion of digital infrastructure forms one of the 12 missions of the levelling up white paper, as this will expand more job opportunities to all.
- The creation of a UK settlement strategy based on sustainable transport will be fundamental to the proper stewardship of land too, and the ways we manage our natural resources. To deliver better opportunities for all, the concept of levelling up must be applied to our rural communities as well as urban ones, and for our towns as well as our cities.

4. Addressing the UK's national housing shortage must remain an essential element of the levelling up agenda.

- We are supportive of the Government's plans, as set out in the levelling up white paper, to deliver high-quality homes, including through the application of the Decent Homes Standard to the private rented sector for example.
- The number of homes that are being built across the UK will need to keep pace with population growth and with demand across all tenures, as the current lack of housing supply is only likely to exacerbate affordability pressures for tenants and first-time buyers.
- While national housing targets should not be the sole measure of success, it is notable that the Levelling Up and Regeneration Bill does not currently contain any provision to boost housing output. This issue of housing supply is likely to continue to have an impact on affordability, which goes to the heart of levelling up and the notion of tackling economic inequalities.
- Housing need should be objectively assessed as part of a national settlement strategy which ensures that housing is situated in the right places. This should involve setting realistic ambitions, whereby local planning authorities are required to identify suitable areas to accommodate housing through a properly functioning planning process. Sophisticated data modelling that captures and shares information on completed developments and calculates both current and projected local and regional need will be an important element in managing land allocation. This will require careful scrutiny as the necessary and welcome drive towards greater digitisation of planning increases.

- The provision of high-quality, energy efficient housing, through greener housing developments and a comprehensive programme of retrofitting, will be crucial in helping to drive down energy costs, to deliver a greater sense of pride in place, and to ensure the long-term viability of the UK's housing stock. The role that lenders can play in the context of mortgage availability should also form part of the wider conversation around access to affordable housing.
- The proposed expansion of Homes England's remit to encompass regeneration could be immensely beneficial in this regard, and we fully support their expanded role as part of levelling up.

5. Securing long-term strategic infrastructure investment will be critical.

- Strategic infrastructure requires years of planning and significant amounts of investment to support the creation of sustainable places for people to live and work.
- Public-private partnerships could play an important role in sustainable placemaking and drive a strong focus on community need and the delivery of viable places.
- The lack of long-term commitments for initiatives undermines confidence and adds risk for investors and developers which in turns diminishes the optimal use of land.
- As part of this, the Government should establish a framework that will support regional strategies to attract inward foreign investment for economic regeneration geared towards investors who are willing to finance long-term development with social value creation.
- The Government should also consider how it can best encourage 'market forces' through appropriate tax incentives, as well as the role that regulation can play, noting that investors can best be encouraged through the provision of certainty, the prospect of financial gain, and the scope to add broader social value.

6. The power of commercial real estate as an enabler of regeneration should be recognised and prioritised.

- The Government should consider the ways of ensuring that funding for the renovation of commercial assets that may otherwise risk becoming stranded could best be delivered.
- A strong focus on renovation could significantly boost the attractiveness of those commercial assets, providing both construction and commercial business opportunities, and contributing towards economic regeneration across the country.
- The levelling up agenda should look to promote a commercial real estate sector that is well-managed and sustainable for the long-term as this will provide high-quality spaces and the increased likelihood of further investment.

- In the meantime, it needs to be recognised that the nature of commercial property, and in particular the retail sector, is changing. Increasing numbers of commercial neighbourhoods will be taken up by individuals who are benefitting from new ways of working in the digital age. If high streets and town centres are to thrive, they will need to remain adaptive and responsive to the evolving needs and interests of consumers, underpinned by a planning system which enables alternative uses for retail spaces more quickly.
- In March, RICS published its Commercial Real Estate Impact Report. We would be keen to have further discussions about how the policy narrative of this report could be championed in alignment with the Government's levelling up ambitions.

7. A faster, simpler and more efficient planning system must sit at the heart of levelling up.

- The Levelling Up and Regeneration Bill must deliver greater certainty in the planning system, both for communities and for developers.
- We recognise that engaging local communities in plan making can be challenging, but we are broadly supportive of the core principles that the Government has set out of Beauty, Infrastructure, Development, Environment and Neighbours.
- It is critical that the Levelling Up and Regeneration Bill's planning reforms and its focus on community engagement will result in fewer delays within the planning process in practice.

8. Local and regional collaboration in strategic planning should be promoted, alongside clarity around the Infrastructure Levy

- While the ending of the 'duty to co-operate' is rightly intended to prevent individual areas from avoiding their own responsibilities, the fact remains that some planning and development decisions will have implications for surrounding areas and cannot therefore be viewed wholly in isolation.
- As the Government's levelling up agenda seeks to enable greater devolution and further strengthen regional decision-making, it is critical that some form of cooperation across boundaries is still encouraged through the Levelling Up and Regeneration Bill if it is to deliver greater spatial coherence around strategic planning and development. Structural plans for a city should be country-wide, not city-wide, and they should be coordinated strategically from a national point of view as part of a connected ecosystem.
- The time that it will take for the Levelling Up and Regeneration Bill and subsequent regulations to come into effect, followed by pilots, means that it will also be several years before the Infrastructure Levy is rolled-out and a new functioning system is

fully in place. In the meantime, local planning authorities will be operating transitional arrangements with inadequate resources.

- The Government will need to formulate a clear assessment of how success will be measured in relation to the levy pilots in order to ensure a timely and successful rollout.

9. Alternative dispute resolution (ADR) should be encouraged through the Levelling Up and Regeneration Bill

- The Government's stated desire is to make planning less adversarial and more cost effective. The aim is to create an efficient planning system, which has for too long been hindered by backlogs with applications and appeals, too many of which end up in costly and lengthy official processes.
- RICS believes that greater understanding and utilisation of alternative dispute resolution (ADR) by local authorities, developers and consumers would significantly reduce time and costs and ensure publicly funded administrative bodies do not spend excessive amounts on legal costs, unless it is unquestionably necessary. ADR, moderated by impartial subject matter experts, facilitates fair and transparent negotiations between parties and can achieve quick, mutually acceptable, outcomes.
- Given the experience of RICS in this area and the expertise of many of our members, we would be happy to provide advice to the Government on the ways that ADR could best be embedded into the bill and into the planning system more widely.

10. The Government should take immediate steps to upskill and expand the construction workforce

- Construction output is currently being hampered by steep price rises, and shortages of materials and labour. Some of these shortages have been further complicated by the war in Ukraine, the coronavirus pandemic and the impact of Brexit.
- Given the long-term trajectory of the levelling up agenda and its focus on the future, the Government should take active steps to encourage more people into the construction sector, through the education system, by tapping into the domestic talent pool and by seeking to attract more workers from overseas.
- Upskilling and expanding the construction workforce could also enable swifter renovations of commercial assets, further boosting the potential of the commercial real estate sector in helping to drive regional regeneration across the UK.