



Soft Infrastructure and Regional & National Development: A Discussion Paper

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UK2070 Context

A core proposition of the UK2070 Commission to develop a new economic base for the UK is the need to create UK-wide global centres of excellence based around networks of world-class institutes. The First and Second Reports of the Commission therefore included the MIT(N) proposal seeks to do this in the field of Innovation, Research and Technology (IRT).

The report also recognised that similar arguments apply to the creative industries. The creative sector is likely to become an increasingly important part of our life and economy, especially as machine intelligence and robotics automate a wider range of current productive activity. In this context the UK is well placed. However, the UK provision for culture and sport has a very strong London bias, reflecting the main location of BBC production and editorial control, the existing infrastructure of galleries, museums and orchestras and related educational provision.

However, as with the research there are many undervalued national cultural assets embedded across the nation that could help delivering a rebalanced economy. There is a real opportunity to rebalance this as part of a wider spatial strategy, building on the examples of decentralisation and local success (e.g. in Salford and Glasgow) in the last few decades. This report therefore develops the proposition for the development of global centres of excellence based on cultural, natural and sporting heritage, the soft infrastructure of the nation.

Hard Versus Soft Infrastructure

Spending on **hard infrastructure** is part of the stock in trade for regional development – roads, bridges, railways, high speed railways, trams, tunnels, ICT infrastructure, skills, sewers, drains, flood defences, power supply and generation. It is a long list and has long been the beneficiary of financial support from government, the EU, and not least the European Investment Bank (EIB).

By contrast, spending on what might be termed **soft infrastructure** is something of a poor relation. By soft infrastructure is meant the arts, culture, sport, media, heritage and the environment. In part it might reflect the dominance of cost benefit analysis as an investment evaluation tool. Calculating the net present value of a new piece of railway is simple and the techniques are tried and tested. It is more difficult to apply the economist's tool kit to investment in cultural heritage, for example.

Yet in the context of a knowledge economy and the growth of the service sector, soft infrastructure can be of central importance. Tourism, for example, is one of our fastest growing economic sectors, projected to be worth £257bn. by 2025. It is currently worth over £100bn. to the UK economy, with inbound tourism alone accounting for 9% of UK GDP. Tourism development rests squarely on the UK's arts, culture, heritage and environment – people do not visit Britain for the weather. And it is widely accepted that Britain's soft power assets and its strongest and most competitive economic sectors are in services, such as education, creativity, tourism,

music, literature, fine art and the media generally. For services like these, access to concerts, conferences and theatres is more important than access to motorways. There is another reason why soft infrastructure matters. Soft infrastructure, both cultural and environmental, helps to attract and retain talented people, who are the bedrock of 21st century economy. There have been some startling success stories of regional development based on soft infrastructure assets, not least the relocation of several of the BBC's commissioning agencies to Salford as part of the media city development or as part the Clyde Waterfront renewal partnership in Glasgow, bringing many content producers in tow. This development was led by the developers Peel Holdings, with strong support from the former Northwest Development Agency. It shows what can be done to disperse media and cultural activities, reducing costs and injecting economic development into provincial communities.

Liverpool's Culture and Environment Led Revival

Liverpool is another example of successful regeneration led by soft infrastructure investment. Over the last 40 years Liverpool has built a huge conference and tourism business from scratch. In the 1970s no one would have dreamt of spending leisure time in Liverpool and indeed when the idea was put to the Callaghan Government Cabinet, Ministers fell about laughing, making jokes about the Costa Del Scouse. Today Liverpool's tourism and conference industry is worth £4bn. and employs 50,000, and Liverpool is the UK's sixth most visited city.

The important point is that this industry has been largely created by investing in soft infrastructure and in the institutions of soft infrastructure, in the massive improvements to the formerly derelict waterfront carried out by the Merseyside Development Corporation, and in new and refurbished cultural facilities, including Tate North, brought to Liverpool at the wish of a particularly influential Cabinet Minister, Michael Heseltine. Later Liverpool was the beneficiary of European Capital of Culture 2008, although in this case, as in the case of the Manchester Commonwealth Games, there was no special funding made available by Government - in contrast with Government spending on the 2012 Olympics (total cost £8.9bn.) and the new Wembley football stadium (total cost £798m.). Capital of Culture was supported, both financially and logistically, by the former Northwest Development Agency, but at a tiny fraction of the cost of the Olympics or the Wembley Stadium (funded by Sport England, DCMS, London Development Agency, and the FA).

These investments rested on three cultural and sporting foundations. First, Liverpool's 1960s creative explosion produced Mersey Beat and the Beatles. Beatles tourism remains a vital component of overall tourism in Liverpool, and the City Region Mayor has recently established a 'Music Board' to help develop new musical talent and tourism. Second, and perhaps of even greater significance, is football tourism, drawn by two Premier League football clubs, who are known throughout the world, with supporters clubs across Asia, and as well as Europe and America. The footballs clubs are a vital positive brand asset for Liverpool, and a surprising inheritance from the city's days as a great port and working class city. Third is Liverpool's remarkable inheritance of architecture, its Royal Philharmonic Orchestra, theatres, concert halls, Aintree racecourse, museums and galleries, and the Royal

Liverpool championship golf course. These too are an inheritance from the days when Liverpool was the greatest port in the British Empire and (for the wealthy) one of the richest cities in the world.

The Distribution of Arts Spending

In England, the distribution of government support for culture and the arts, through the Arts Council, has a familiar skew towards London and the south, both in spending and in the distribution of national assets, in institutions such as orchestras, galleries museums, ballet, and national sporting stadia. As one historian of London puts it:

‘In music, art, sport, religion, local government, hospital provision, business, London sails as a flotilla, with two, three or more flagships. For symphony orchestras Berlin has the Berlin Philharmonic, New York has the New York Philharmonic...in London five orchestras compete for primacy’ⁱ

The distribution of spending is driven, at least in part, not by deliberate strategy, but by the inertia and power exerted by those institutions: the V and A, the British Museum, the Design Museum, the Tate, the National Gallery, all the orchestras, the Royal Ballet, and so on. Even the green spaces of central London receive preferential treatment. They are managed and maintained by a special body – the Royal Parks – funded by a government grant from DCMS and commercial activities. Elsewhere managing such facilities falls to the hard-pressed budgets of local councils.

A report published in 2016 by the Department of Culture Media and Sport Select Committeeⁱⁱ examines support for the arts outside the capital, and while it welcomes signs of a shift towards the regions, it says more could be done. Too high a proportion of public funding is still going to London-based arts organizations and museums, which are in a far better position to increase revenue from other sources. Arts Council England is distributing a lower proportion of lottery money to the capital – 40% in 2014 and due to be 25% in 2018 – and it announced spending plans for 2018-22 that include an additional £37m to increase the proportion of spending outside the capital. But it still gives nearly half of its current £1bn grant in aid to London.

The report said: ‘While we welcome the fact that lottery funding is increasingly spent outside London, we remain concerned that 42% grant in aid currently goes to London’. MPs did not set a figure, but argued that the current spending is disproportionate and called for a better regional balance.

Case Study 1: The UK’s World Heritage

The UK has 32 World Heritage Sites, 28 of which are on the UK mainland. They are amongst the 1100 UNESCO sites inscribed world wide and are some of the most important places in the world. They include palaces, parklands, historic townscapes, prehistoric sites, places of worship, industrial heritage, castles, and cultural landscapes. Collectively they are a sleeping giant of cultural and economic potential – and a significant opportunity. They include many of the most important heritage assets, helping to spell out our island story, capturing Britain’s greatest global impacts

and offering significant potential benefits to the towns and cities where they are locatedⁱⁱⁱ.

As signatory to the UNESCO World Heritage Convention the UK government has an international responsibility to manage and enhance the sites, so that they are protected for generations to come. Many of the sites (such as Blaenavon, New Lanark, Saltaire, Liverpool and Pontcysyllte) resonate with Britain's global role as a great power and shaper of world events, especially through the British Empire, the industrial revolution and the export of ideas for planning and environmental management. With careful management and protection they can all become the crown jewels of tourism in the UK, helping to regenerate local communities whilst reshaping the image of some of the less favoured parts of the country.

Although there is no overall coordinating national strategy for the Sites, some (such as Stonehenge, Kew or the Tower of London) are very well managed. Generally, these are the better-known sites in the ownership of government bodies like English Heritage, the Royal Palaces, or relatively well-endowed private owners, such as the Blenheim Estate and the National Trust. Some 20% of sites are managed by Government organisations and 30% by independent trusts, including the National Trust. But some 50% of sites are managed by local authorities or public partnerships, under serious financial pressure as a result of ten years of financial austerity. Many of the latter are outside the south of England and their management is patchy. Often the Sites are managed on a shoe string with low levels of interpretation, promotion and site management. They are less well known, appreciated or promoted as national tourist and cultural assets.

At the present time the UK is not turning the Sites to its advantage. Well-known sites are coming under visitor pressure whilst less well-known sites would often welcome and could accommodate additional visitors. World Heritage UK, the charitable body which represents all the Sites has asked for a national strategy and vision and a UK World Heritage Fund to put the future management of all the Sites on an enhanced and sound footing.

Case Study 2: National Parks

National Parks in England and Wales are largely located in the North and West, reflecting the distribution of mountains and of unspoiled and remote scenery. They are an invaluable resource for the great cities of the North and Wales, for recreation and as part of the high quality of life available in the north, especially for those with good jobs and incomes. There has only been one recent designation of a new National Park, the South Downs National Park, created in 2011.

In 2019 the Government commissioned a review of National Parks and Areas of Outstanding Natural Beauty (the latter are essentially protected landscapes where recreation is not encouraged). The review was carried out for the Environment Secretary Michael Gove and chaired by the writer Julian Glover^{iv}.

The report considered the case for additional National Park designations, which would bring with them higher standards of control over development and ring fenced resources for environmental management. The report acknowledged that there was

case for National Parks much closer to the big cities if not on their edge. It also noted the potential for recreation of the unprotected landscapes which lie in the Pennines between the Lake District, Yorkshire Dales and Peak District National Parks, very close to the edge of several large Northern city regions, including Leeds and Greater Manchester. But it did not recommend them for new National Park, instead commending the efforts to create a 'regional park' being made on a voluntary basis. Such a concept would not bring additional resources for development management and environmental management. Instead it chose to recommend a further new National Park in the South East of England based on the existing Chilterns Area of Outstanding Natural Beauty.

The Glover Review recommended the creation of a unified 'National Landscape Service', amalgamating the care and protection of both the National Parks and Areas of Outstanding Natural Beauty (with the latter heavily represented in the south of England). This could certainly bring much enhanced levels of management and care to the somewhat under resourced AONBs. However, in the event that budgets do not rise there is some risk of transfer of resources away from National Parks on the North and West, to the many AONBs in the south of England.

There is little evidence that the Glover Committee gave any consideration to the need for new National Parks to cater for and support the big cities, other than London, nor to address the wider regional issues posed, despite the benefits National Park designation can bring for tourism development.

This contrasts with the experience in other countries where the natural environment has been integrated into urban policy. For example, in Sweden through the designation of National Urban Parks. It has also been central to the approach to the strategic plans for cities such as Copenhagen, or the national plan for the creating a green heart to the metropolitan network in the Netherlands. The Peak District has been recognised as having such a de facto role for northern England but it is not reflected in policy and action. There are also comparable opportunities for the development of a strategic approach to the 'soft infrastructure in the Mersey, Don, Nene and Thames Valleys.

Case Study 3: The Northern Ballet

Northern Ballet is a major northern cultural institution now in its 50th year, with a reputation for daring productions and its own purpose built dance centre in Leeds. According to its Chief Executive, Mark Skipper, the Ballet is hampered by inadequate funding levels, which reflect historic disparities between the north and southern England. The company gets only half the funding received by its London counterparts. Arts council England gives £3.1m to Northern Ballet which is recognised as part of its 'National Portfolio', but gives twice as much to the English National Ballet. The Birmingham Royal Ballet receives £8m a year^v.

The consequence is that Northern Ballet has to pay its dancers less and this, together with the perceived lack of Royal or National status means that the better performers go to the southern institution, including those who may have been taught up to the age of 16 in the Northern Ballet's own academy.

This has also made the organisation more dependent on external sponsorship for which the future currently seems less than certain. London based organisations have a much larger pool of well-endowed private sector organisations who may be willing to provide sponsorship.

Key Issues

Far more could be done to utilise 'soft infrastructure' as a vehicle for balanced national and regional development. The current tilt of public investment towards London and the south is a significant contributor to the relative weakness of the UK's English regional economies as well as the devolved nations, but it can be overcome. The potential for such a strategy was recognised in the First Report of the UK2070 Commission. This was seen as part a more spatially sensitive approach to climate change that could be embodied into National Spatial Plans, which has been little explored by conventional regional policy makers. This proposed integrating the national natural and cultural assets in helping not only to manage the pressure of growing urbanisation but also rebalance the pattern of economic development. This could be achieved through a package of action based around, for example:

- The creation of a network of national cultural flagship institutions building on the Tate experience;
- The designation of National Heritage Areas to pump prime a fresh approach to our designated World Heritage Sites and comparable assets,
- The creation of a network of national Urban & Greenbelt Parks.

The implementation of such approach requires the following issues to be addressed as follows in order to deliver better balanced funding of support for the arts.

1. The need for a new fiscal regime, for example the introduction of regional block budgets under regional control be an effective mechanism for clarifying the problems and identifying the opportunities.
2. Identifying the opportunities for the further redistribution of the activities of national flagship bodies, such as the V and A, British Museum, National Gallery, Tate, and so on.
3. What can be done to make more of disseminated music making and to develop this as a source of income, new creative talent and tourism development? Is the Liverpool City Region's innovative City Region Music Board a possible model?
4. What can be done to make more of Premier league football clubs as a driver for economic and community development and changing the image of provincial towns and cities?
5. Is there a case for developing a small number of new National Flagship Institutions in culture and the arts, based on existing provincial institutions which might be systematically grown in terms of scale and international quality?
6. Is there a case for National Park designations related to the need for a more balanced development of the UK:
 - a) A new National Park in the Pennines between the Peak District and Yorkshire Dales, encompassing many former industrial communities, and with a role in regeneration alongside environmental management and;

- b) A new component to the network of National Parks integrated with existing urban area, as either a 'Green Belt or Urban National Park', or focused on a major environmental asset like the Mersey, Don, Nene or Thames?
7. The designation of National Heritage Assets to pump prime a fresh approach to our designated World Heritage Sites and comparable assets, especially in the English Regions and devolved nations, as vehicles for tourism development and image changing?

References

ⁱ Hebbert, M (1998) London, Chichester: Wiley, p. 7

ⁱⁱ <https://publications.parliament.uk/pa/cm201617/cmselect/cmcumeds/114/114.pdf>

ⁱⁱⁱ Information in this section is drawn from UK World Heritage, Asset for the Future: A Review of the State of UK World Heritage Sites, World Heritage UK, 2019

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/833726/landscapes-review-final-report.pdf

^v <https://www.yorkshirepost.co.uk/news/politics/how-a-north-south-funding-gap-makes-it-hard-for-leeds-northern-ballet-to-keep-in-step-with-its-london-rivals-1-10132839>