



3S RECIPE - Smart Shrinkage Solutions

Fostering Resilient Cities in Inner Peripheries of Europe

STOKE-ON-TRENT (UK) POLICY BRIEF #1 • Resilient Urban Economy & Municipal Finance

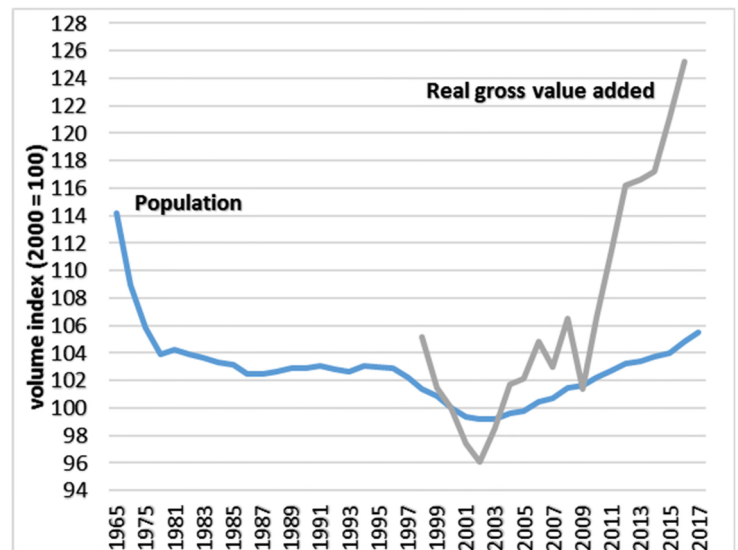
EXECUTIVE SUMMARY

This policy brief features a successful solution to low economic productivity through the **development of a Central Business District (CBD)**. This was achieved in the 2010s in Stoke-on-Trent – a medium-size polycentric¹ industrial city in central England, coping with economic restructuring and demographic decline. Building on local knowledge and the stakeholders’ experience in implementing this project, this brief demonstrates how to develop a solid evidence base, design and build a CBD that works effectively for the whole city. The key lesson learnt is that to build a CBD, one should utilise non-traditional co-production and experimental methods for managing a major project in an uncertain and risky environment, combining technical skills and expertise, whilst tapping into the day-to-day knowledge and experience of the local community. The brief offers a set of policy recommendations on enabling mechanisms for an effective CBD delivery.



INTRODUCTION

After decades of deindustrialisation and population loss, the city of Stoke-on-Trent and the wider Potteries urban area have recently been able to generate significant economic and employment growth, registering higher growth rates than the UK as a whole (StokeStaffLEP 2018). Between 2002 and 2017, the city’s economy **expanded by 29.2%** in real terms, and **recovered 6%** of the previously lost population (see chart on the right). This economic success is attributed to a prolonged output uplift in manufacturing, inward investment, skills and job creation. Yet despite the overall economic growth, the city’s relative productivity has lagged behind, hovering 19% lower than the national average. The reliance of Stoke-on-Trent’s economy on job-rich but low productivity sectors, including transport, storage, distribution, and logistics, is the primary reason. To accelerate the urban productivity dynamic, Stoke-on-Trent partners have now focused on spurring local innovation and attracting knowledge-intensive, high value-added, high-

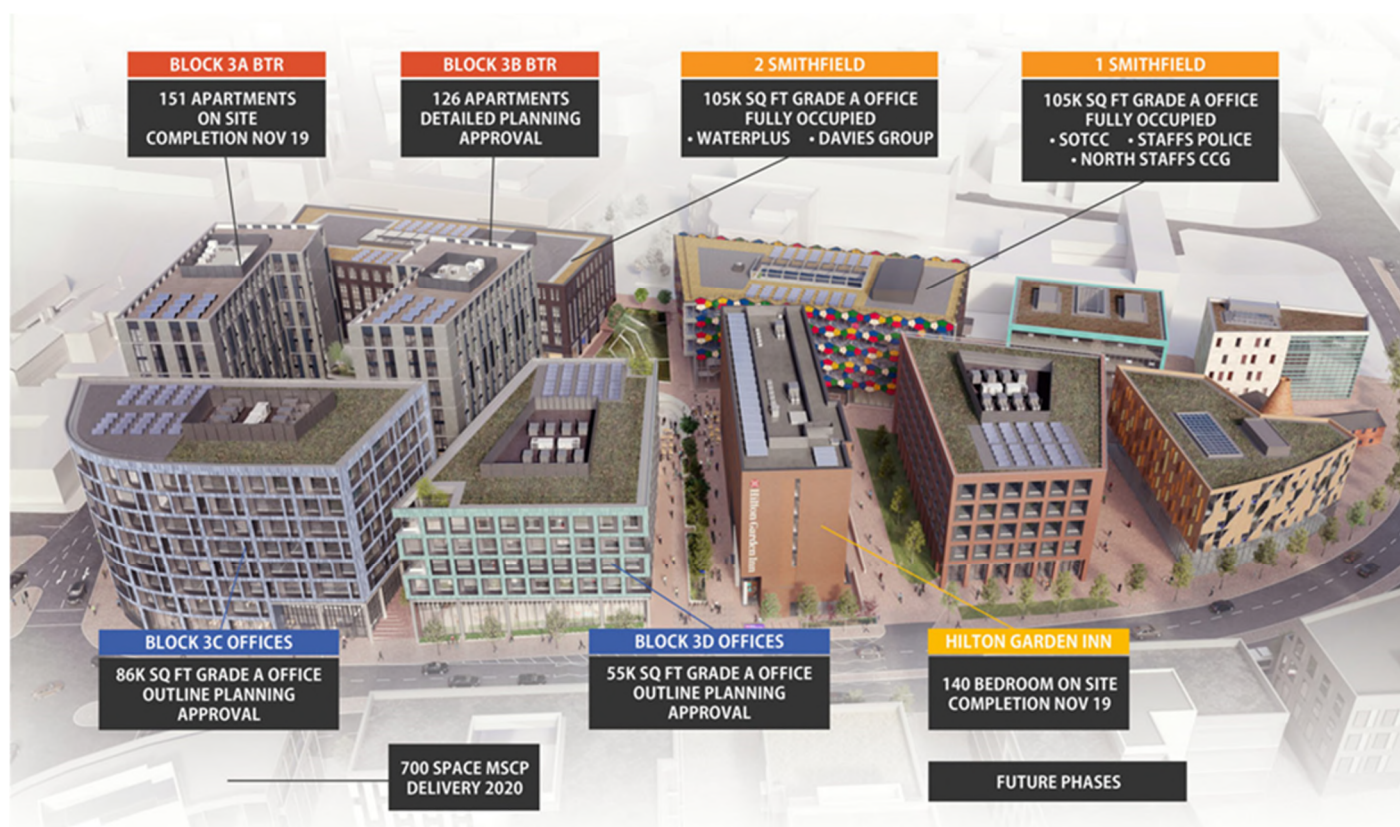


¹ Stoke-on-Trent (pop. 255,833) is a local authority created in 1910 through federation of six historical towns – *The Potteries* – including Tunstall, Burslem, Hanley, Stoke, Fenton, and Longton, with an area of 36 square miles [93 km²]. The municipality was granted city status in 1925 by King George V during a personal visit to emphasise its importance as the centre of the china and pottery industry.

pay businesses into the city. This ambition has called for a large-scale **city centre investment** into the attractive modern working environment – homes, office space, retail and leisure facilities, hotels, and up-to-date infrastructure – suitable for highly productive employers and their high-skilled employees.

DELIVERING SMITHFIELD: A KEY MECHANISM FOR REFRESHING THE CITY CENTRE

As a key ingredient of its regeneration agenda, the local authority had an ambition to deliver a new business quarter for the city. Genr8 Developments, a small Manchester-based property developer, were selected to deliver this vision on the site of the original **SMITHFIELD** bottle works [ceramic factory] in **Hanley Town** – the designated ‘city centre’ of Stoke-on-Trent. The result has been a £200 million mixed-use CBD quarter for Stoke-on-Trent. The Smithfield development needed to focus on bringing the polycentric Potteries together and using its advantageous location in the heart of Stoke-on-Trent to provide a link between both new and existing areas of the city centre. When fully completed (see image below), this new urban quarter will comprise 111,500 m² [1.2 million sq. ft.] of office, retail and hotel space. Smithfield is currently home to over 1,700 workers with 151 apartments and a 140 bed **Hilton Garden Inn** hotel, providing the office accommodation for **Staffordshire Police**, **National Health Service North Staffordshire** Clinical Commissioning Groups, **Stoke-on-Trent City Council**, and corporate headquarters of **WaterPlus** [business water supplier and water retailer], and **Davies Group** [insurance agency]. This new CBD quarter is adjacent to the city’s Cultural Quarter, which is home to the **Potteries Museum & Art Gallery**, the **Regent Theatre**, and the **Mitchell Arts Centre**.



To identify the practical mechanisms driving Smithfield’s success, we have used a distinctive in-house **Urban Futures Method** designed to facilitate stakeholders’ collective reflection on and learning about this solution, its benefits, and necessary conditions for effective urban regeneration and smart shrinkage practices (Lombardi *et al*, 2012). During a special workshop on 9 March 2018 hosted by Staffordshire University, actors involved in or affected by Smithfield highlighted the importance of setting realistic project objectives reflecting shared local priorities. In particular, the local stakeholders have collectively stressed the need for six **intended benefits**: (1) **connectivity**, better connecting different parts of Stoke-on-Trent and consolidating local government functions in the CBD; (2) **diversity**, producing new, quality and dynamic public space, accommodating diverse commercial and leisure activities for a richer work/life experience; (3) **attraction**, creating an attractive city for external investment, business, and employment; (4) **productive use**, repurposing abandoned land and trimming down brownfields; (5) **sustainable transport**, minimising the need for individual transport across the CBD, and (6) **cost saving**, creating one-stop shop for council services. Consequently, according to the local stakeholders, there were five sets of **necessary conditions** (see below)

to create the enabling context for the new CBD quarter - the smart shrinkage solution - to deliver its intended benefits.

Outcomes	What are the necessary conditions that make it happen?
1. Collaborations	A collaborative design and planning process that engages potential users, 'buying in' [gaining support] from local residents, and actively seeking political acceptance of large-scale investment by the other five towns
2. Leadership & Appetite for Risk	Political stability and/or strong leadership (wanting/capable of taking charge of the situation); a local authority with an 'appetite for risk', eager to demonstrate success. The city council control over the project's design is vital, if delivered by private companies, with extra incentives for delivery
3. Desire & Aspiration	Encouraging people into the city centre by providing a viable alternative to nearby cities (e.g., Manchester), with visible arrangements for leisure and tourism. Developing a safe environment for families. Ensuring broad support for external investment. Demonstrating economic growth potential to attract retail and households. Not being driven by the 'lowest cost/quickest speed' considerations
4. Market	Motivations for investors, buyers and developers. Ensuring the attractiveness of the city profile for new higher income city-centre residents. Creating a local pool of well-educated workforce for modern firms
5. Connectivity	Ensuring the site fits into the wider city picture, is connected to other activities, and joining with other key developments across the city. Showcasing success, mobility, and movement around the urban area

RECOMMENDATIONS: LEARNING FROM SMITHFIELD

➤ Engage a wider community of stakeholders into the design of a CBD to develop the right outcomes

Making a CBD solution effective in tackling complex urban shrinkage problems depends on the willingness and capacity of decision-makers to take up the co-production of the project by local public authorities, interest groups, and individual users as a way to maximise the locally available technical expertise, gather strong evidence, and reduce uncertainty. This approach should result in greater innovation, better targeting of resources, and an increasingly shared feeling of the ownership of the project and its outcomes.

➤ Local government should uptake experimental methods and have an appetite for risk

Developing a CBD and generating better outcomes for a place with complex socio-economic, administrative and political challenges requires a strong leadership with an ability to explore, experiment, and try things out, to take risks, to invest, and to learn from 'failures'. Experimentation helps to improve learning, fill the knowledge gap and explore potentially novel solutions without allocating a great deal of time and resources. Experimental attitude can help transform the uncertainty of the practical context into manageable risk by defining possible measurable outcomes and by developing and describing the qualitative risk factors at play.

➤ Create a 'big picture' view of a CBD project

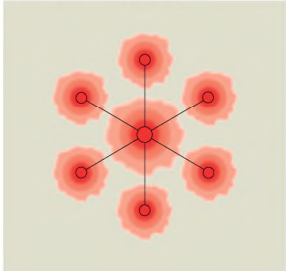

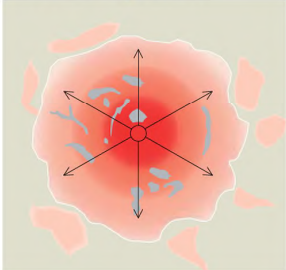
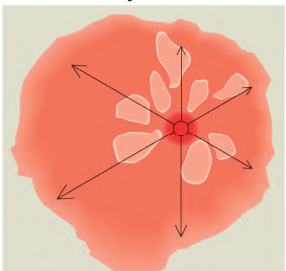
In today's complex urban settings, making the right strategic decision is more important and more difficult than ever. Cities must continuously adapt to various challenges – globalisation, regulatory change, technological disruption, and transport advancements. To make the right strategic decisions, local authorities must look at their actions more comprehensively – seeing the big picture, defining the big risks and opportunities, and evaluating strategic options under alternative scenarios whilst choosing the best solution. The decision-makers should consider how the proposed CBD site interacts with the wider urban environment and local stakeholders in order to lay a firm foundation for the project design, to evaluate potential strategic alternatives, and to manage the project effectively.

WOULD SMITHFIELD DELIVER THE SAME BENEFITS WHATEVER THE FUTURE BRINGS?

A smart shrinkage solution may be strategic (e.g., designing a CBD) or detailed (e.g., expanding parking space at a park & ride railway station). Whatever the short-term effect of a given solution, policy-makers must adopt a longer-term perspective to ensure its **continued performance** throughout its intended lifespan, despite changing conditions. The question to ask is, thus: Will today's smart shrinkage solutions deliver their intended benefits over a 40-year regeneration cycle, typically used for planning investment and development proposals? During this project, we have tested the likely future performance of each urban development and regeneration-related 'smart shrinkage



solution-benefit pair' – that is, actions taken today in the name of sustainable urban development – in a series of possible future scenarios for the year 2060. If a proposed solution delivers a positive legacy, regardless of the future against which it is tested, then it can be adopted with confidence. Four **plausible but distinct** future scenarios were included into our analysis (see Lombardi *et. al.*, 2012: Table 2). A summary of these four global **urban future scenarios** is provided below:

New Sustainability Paradigm (NSP)		Key driver: Equity and sustainability
Settlement pattern 	Description An ethos of 'one planet living' facilitates a shared vision for more sustainable living and a much improved quality of life. New socio-economic arrangements result in changes to the character of urban industrial civilisation. Local is valued but global links also play a role. A sustainable and more equitable future is emerging from new values, a revised model of development and the active engagement of civil society.	Philosophy The worldview of the <i>New Sustainability Paradigm</i> has few historical precedents, although John Stuart Mill, the nineteenth century political economist, was prescient in theorising a post-industrial and post-scarcity social arrangement based on human development rather than material acquisition (Mill, 1848).
Policy Reform (PR)		Key driver: Economic growth with greater equity
Settlement pattern 	Description <i>Policy Reform</i> depends on comprehensive and coordinated government action for poverty reduction and environmental sustainability, negating trends toward high inequality. The values of consumerism and individualism persist, creating a tension with policies that prioritise sustainability.	Philosophy In <i>Policy Reform</i> , the belief is that markets require strong policy guidance to address inherent tendencies toward economic crisis, social conflict and environmental degradation. John Maynard Keynes, influenced by the Great Depression, is an important predecessor of those who hold that it is necessary to manage capitalism in order to temper its crises (Keynes, 1936).
Market Forces (MF)		Key driver: Competitive, open global markets
Settlement pattern 	Description <i>Market Forces</i> relies on the self-correcting logic of competitive markets. Current demographic, economic, environmental, and technological trends unfold without major surprise. Competitive, open and integrated markets drive world development. Social and environmental concerns are secondary.	Philosophy The <i>Market Forces</i> bias is one of market optimism, the faith that the hidden hand of well-functioning markets is the key to resolving social, economic and environmental problems. An important philosophic antecedent is Adam Smith (1776), while contemporary representatives include many neo-classical economists and free market enthusiasts.
Fortress World (FW)		Key driver: Protection and control of resources
Settlement pattern 	Description Powerful individuals, groups and organisations develop an authoritarian response to the threats of resource scarcity and social breakdown by forming alliances to protect their own interests. Security and defensibility of resources are paramount for these privileged rich elites. An impoverished majority exists outside the fortress. Policy and regulation exist but enforcement may be limited. Armed forces act to impose order, protect the environment and prevent a societal collapse.	Philosophy The <i>Fortress World</i> mindset was foreshadowed by the philosophy of Thomas Hobbes (1651), who held a pessimistic view of the nature of man and saw the need for powerful leadership. While it is rare to find modern Hobbesians, many people believe, in their resignation and anguish, that some kind of a <i>Fortress World</i> is the logical outcome of the unattended social polarisation and environmental degradation they observe.

The Urban Future Method does not favour any particular scenario. Indeed, for a solution to be determined to be robust and resilient to future change, the necessary conditions to support intended benefits being achieved over time must exist in all scenarios. Drawing on expertise, experience, and **knowledge of the local context**, we have graded the likely performance of Smithfield's necessary conditions in the future as follows:

Urban Futures Method applied to the construction of a mixed use CBD quarter to promote economic vitality				
Necessary Conditions	New Sustainability Paradigm	Policy Reform	Marker Forces	Fortress World
Collaborative design – Project must be acceptable and co-produced with the local community, addressing their situation	Sustainability values are reflected in community collaboration. There would be a space for co-creation of objectives and means	Policy needs to be arrived at collectively to a set of parameters, but behaviour remain unchanged. There is no 'buying-in' (belief and support) from the local community under Policy Reform conditions	Limited opportunity as sustainability is not a core value. Market impulse – rather than local community – drives decisions, with private interest laying largely in land banking	A CBD needs to engage outside the fortress to seek external connections & investment. Co-production can exist but with a different outcome, based around the idea of the boundary between 'them and us', driven by elites, with no inclusion
Strong leadership with appetite for risk – A leader who wants/capable of taking charge of the situation must be in place	A local democratic consensus based decision-making process does not favour personalistic leadership	Highly unlikely because of the polycentric city's fragmented governance structure. A state interventionist context is characterised by frequent discontinuities and severe changes in government direction. It may just be about maintaining the <i>status quo</i> , not looking for risk	Risk-taking is highly acceptable, especially for short-term economic gain	High acceptability of strong leadership and a very stable political structure, underpinned by brute force
Desire & aspiration – A broader vision, a bigger picture must be developed	Social and environmental priorities drive policy and practice towards integrated settlements compatible with mix of uses. A shared vision of more sustainable living leads people to choose mixed-use developments for living and working. Local production-driven economy and sustainability ethos result in increased variety	Policy emphasises mixed use and 'city living' to achieve environmental and social objectives, supporting local retailers and public service providers; but market demand supports global brands and extensive consumption of space. Result is a limited variety of local retail and services	Laissez-faire policy provides no guidance for or against mixed use CBD. The stronger leader would make it work even against market forces, favouring a shift away from traditional city centres and local provision of services	Desire may be strong, though resolutely one-sided, based on a narrow vision for the rich, only benefiting their own fortress. The poor are constrained to local areas which necessitates high levels of vertical and horizontal mixing
Market – Project must be economically viable and profitable	A broader range of outcomes beyond the market value is well articulated and more important, allowing one to hold the project to a higher level of social accountability and inclusivity	Consumer values do not support local retail and services but policy emphasis on providing local public services mean these may be chosen out of convenience	Market forces favour profit making; but in case of an economic downturn midway through the project, private firms would pool out due to the lack of countervailing forces (government, community).	For the rich, CBD office spaces, local retail and services meet security and resource concerns; for the poor, they may become a necessity
Connectivity – Connectedness to local and outside drivers of growth must be achieved	Public attitudes shift strongly in favour of sustainable transport options including walking, cycling, public transport and railways. Road	Maintaining sustainable transport infrastructure is a governmental priority and enforced through policy. Notable increase in	Materialist and consumerist attitudes push public towards private vehicles and away from alternative	Strict control over mobility ensure that rich areas are disconnected from poor areas. Private vehicle



	construction for private vehicles and commercial haulage is restricted, hampering external trade	public transport supported by government schemes; use of private vehicles drops.	modes of transport, reducing connectedness. Transport infrastructure is linked to a direct economic benefit	usage likely to increase for the rich. Alternative forms of travel forced upon the poor out of necessity
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Key: ■ condition highly unlikely to continue in the future ■ condition is at risk in the future ■ condition highly likely to continue in the future

POLICY IMPLICATIONS

Clustering public services, local retail, and commercial office space with opportunities for tourism and housing into a shrinking city centre is a complicated solution, requiring a set of complex and costly necessary conditions to be achieved, and with much continuing debate on its ability to deliver smart shrinkage benefits. The results of the methodology reported herein indicate that a new, mixed-use CBD quarter will deliver most benefits where social and environmental priorities drive policy and practice towards integrated compact settlements with mix of uses (NSP) and where there is firm leadership with an appetite for risk and profit-maximising that can offset the lack of local community engagement (MF) and connectedness (FW). The effectiveness of a top-down delivery of the project can be undermined by fragmented local governance (PR). The same function of creating a new and attractive city centre would likely to differ in the four scenarios – in motivation (social equity in NSP versus security in FW), aspiration and delivery (exclusive and authoritarian in MF and FW, more inclusive and collaborative in NSP and PR), and connectivity (ranging from generous government funding in PR to heavy mobility restrictions in FW). Overall, this analysis supports constructing a new attractive mixed-use CBD quarter to facilitate future adaptation of a shrinking city to a changing world.

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