

The Bristol Method

how to create a vision for the city's future

In it for good



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Acknowledgements



Much of this paper is written based on KPMG's landmark Magnet Cities report published in 2014 and has been updated based on lessons learned since then through work with cities around the world. For the full report see <http://www.kpmg.com/uk/en/topics/magnet-cities/pages/default.aspx>.

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Introduction

As the world becomes more connected, cities are competing ever more fiercely for residents that will help the city prosper. People are always attracted to the vast opportunities offered by global capital cities such as London, New York and Hong Kong. This module shares ideas and experiences of how second cities such as Bristol can compete against these global players and attract and retain people in the long term.

Competition between cities is growing. Globalisation means cities are now facing international competition for residents, investment, ideas etc. This pressure is not even just from neighbouring cities but from all around the globe. People, particularly young high achievers, are increasingly willing to move to find the best opportunities. It is therefore up to individual cities to attract these people by providing offers that exceed those of the competition if they are to survive and prosper in the long term.

For centuries, cities have specialised in particular industries and processes, either due to easy access to rare commodities or technical expertise that gives their inhabitants a competitive advantage over those of other cities. People move to these cities, attracted by the local wealth and work opportunities. This enables these cities to thrive during periods of high demand.

This strong dependence on a single commodity or process encourages specialisation. However, what gives a city its edge can also be a weakness. A sudden decrease in global demand for a city's output has a dramatic effect on unemployment levels, dragging a city into recession. For example, Bilbao experienced rapidly rising unemployment when the 1970s oil shock reduced global demand for steel, iron and ships, which were the fundamental industries in its economy. Other cities, such as Detroit, faced competition from newer emerging cities that could manufacture goods better, cheaper and/or closer to growing markets. Long-term survival therefore, becomes a matter of diversification of a city's outputs to reduce dependence on particular industries. The city's economy becomes more robust as a result, with greater immunity to changes in global markets, and therefore more sustainable.

A city should only be considered sustainable if it can demonstrate strong future performance indefinitely. Many of the concepts in this paper have been seen in cities that are demonstrating short-term sustainability covering the next 10-30 years but the methods' long term robustness (>30 years) is still to be proven. Time will tell.

A clear vision is vital to being a strong city

It is important first to understand how cities behave in the modern world. Cities are like magnets, in that they can either attract or repel new residents, visitors and business investment. To achieve a strong magnetic pull, these cities need to make conscious decisions about who, when and how they want to manage the migration of people, ideas and investment to and from the city. This can only be achieved if they have a clear vision implemented by strong, inspiring leadership. Without it, they risk becoming victims of other forces.

If second cities can attract a certain profile of person that is in line with their vision, particularly one of young creative thinkers, local businesses will relocate to the area to work with those people. The city then grows a reputation as being the 'place to live' for particular industries and lifestyles. The buzz about a city then explodes into national, and sometimes global, mass consciousness.

Countries need strong and healthy second cities as they can offer a different pace and quality of life to the hustle and bustle of global cities. Acting as regional centres of commerce, they are key to spreading wealth and employment throughout a country. Their accessibility results in increased diversity and stimulates innovation.

Yet today, many second cities act as negative magnets compared to the opportunities and overwhelming pull of capital cities. This lures top talent and investment away from the second cities, reducing their opportunity to compete further, which can create a downward spiral. City leaders must act now to halt this exodus of people, energy and resources from second cities.

Bristol is reputedly the only second city that is a net contributor to the UK exchequer. Some commentators feel that Bristol, as a growing affluent city, has already bucked the trend and is competing effectively against London but it is absolutely vital to its ongoing sustainability that it continues to hold on to a clear vision of its future.

The solution is not to lessen the pull of larger cities, but to strengthen the attraction of second cities such as Bristol. City leaders need to determine the type of people they would like to live and work in their cities, as well as the businesses that they would like to invest there, and then take decisive, consistent and coordinated action to attract them. Following this vision will keep and enhance a city's character and set it apart from its rivals.

KPMG's Magnet Cities report¹, identified a set of seven guiding principles that we believe show how cities can become more attractive. Where possible, we have given examples of how Bristol and other cities are seeking to do this.

¹ <http://www.kpmg.com/uk/en/topics/magnet-cities/pages/default.aspx>



A History of Visions in Bristol

Bristol has certainly not been short of vision. Over the last few decades, many groups have come together to develop an image of a future Bristol. Some have focussed on specific areas of interest such as the built environment, energy or food. Others have sought to outline the role of the Council, future growth of the economy or set a vision for the whole city. Timeframes have also varied from a decade or less, up to 40 or 50 years, depending on the topic and the level of ambition of the group producing the document.

Rather than discuss each vision in detail, we have included some high level reflections about the lessons learned from them and then provided links to a variety of city plans and visions. This is by no means a comprehensive list.

1

Decide on your priorities: geographically, demographically and thematically

Remember that these areas are not isolated from other initiatives. Interactions with other areas may support or hinder your plan. For example, if you are working on energy then don't be tempted to get too involved in recycling of waste or national energy policy but never forget the impact these can have on your approach.

2

Ensure you have consulted widely and repeatedly on the plan

Too often city visions fail because people don't feel like they have ownership of it.

3

Give the key decision makers and influential stakeholders a seat at the table

We have seen a number of plans in cities fail because the most influential stakeholders are not at the table. For example, where campaign groups and business may come together to set a plan for the future of the city but not involve real estate owners, transport providers and the council.

4

Know where the money is coming from

Some plans can be so aspirational they lose sight of realism. However, a long-term plan does not need to be fully costed as it is possible for synergies between early projects to kick start further investment. Our Bristol Method Module on finance talks more about innovative finance mechanisms.

5

Focus on practical projects and actions that can be taken

At times what can seem lacking is the conversion of ideas into a practical plan of action. A good vision will help make this conversion easier.

6

Once launched, stick to the plan for several years before revisiting it

In large, dynamic cities, especially with many stakeholder groups, there is a temptation for constant reinvention of plans and policies. Sometimes though this can be a distraction and time is spent on planning which could be spent on implementation.

7

Review progress against the plan regularly and adapt your course

Sticking to a plan does not mean following it blindly. Select the right KPIs (see the Bristol Method Module on Measurement for more on this) so you can monitor the input, output and impact of the plan.

We have included some examples and links to Bristol visions for your reference.

Title	Summary	Link
The Bristol 2020 Plan	Developed by the Bristol Partnership, this vision seeks to set out Bristol's Sustainable City Strategy to put Bristol within the top 20 cities in Europe through sustainable prosperity, improved equality, stronger communities and improving the aspirations of young people.	http://bristolpartnership.org/partnership/reduce-inequality/
Bristol 2050: High in Hope	Published in 2012 through collaboration between Business West, this gives a clear statement about the jobs, housing and infrastructure requirements to grow Bristol as an economic power house.	http://www.davidlock.com/wpcontent/uploads/2012/02/2050__High_in_Hope_final_web.pdf
Bristol: Inspiring Change	This 2011 book sets out one of Bristol's first plans for being a European Green Capital but it also some visions of the future of the city.	http://www.sawdays.co.uk/bookshop/worldwide/bic/
Building a Positive Future for Bristol after Peak Oil	Supported by Bristol Partnership and the Bristol Green Capital Partnership, this report talks about the transition Bristol needs to make to cope with the anticipated global decline in the availability and acceptability of fossil fuels.	http://transitionbristol.net/wp-content/uploads/2013/03/Peak-Oil-Report_01.pdf
A Good Transport Plan for All	Developed by Bristol Green Capital Partnership, and stimulated by the 2015 year, this plan is being developed to set out the ambitions for transport in the city over the coming years.	http://www.sustrans.org.uk/sites/default/files/images/files/Change%20your%20travel/Bristol/Bristol-Good-Transport-Plan-Consultation.pdf
Future Bristol Low Carbon 2050	Not a detailed plan but instead an interactive vision of two possible futures for the city. Aimed at engaging with and educating the public more so than policy makers and business.	http://www.futurebristol.co.uk/
One Planet Bristol	Building on WWF's concept of One Planet Living, this project has specific plans round particular elements of Bristol's future including manufacturing and living.	http://www.oneplanetbristol.com/

Bristol City Council has convened stakeholders from across the city during 2015 as part of the city's year as European Green Capital to lead a discussion on the sustainable future of the city. This is closely linked with Bristol's status as a Rockefeller Resilient City. A resilient city is also a sustainable city.

We hope to include more on this work as this module is updated during 2015.

KPMG Viewpoint



Cities must put people at the centre of their vision

By Caroline Haynes

There is nothing permanent about a city. Like a living organism, cities are in a constant state of flux. A city in decline needs a clear purpose and vision of its future identity, with people at its heart, to turn it around.

In the past, many city leaders have focused on the businesses or industries they wish to attract. However, my experience with KPMG's [Magnet Cities](#) project has shown me that cities quickly need to shift that focus towards the type of *people* they want to attract. It is they who create prosperity, start businesses and build communities.

There is a stark contrast between the fastest growing urban areas, which are all in developing countries¹ and the fastest shrinking – many of which are in Europe². In the UK, London is a super-conductor of talent – drawing people in from all over the world. However, in 2014 more people aged 25-35 left London than moved to it for the first time in over 20 years³. In many cases, they are not leaving for other parts of the UK, but to foreign cities seeking the same demographic and offer similar opportunities – like Hong Kong, Dubai or Berlin.

Cities that have a clear identity, which offer a good quality of life and which have the amenities demanded by their target demographic can move ahead of the competition. Pittsburgh in the US, Bilbao in Spain and Malmö in Sweden have all successfully dragged themselves from bust to boom

Circumstances will be specific to each city, but once city leaders have identified who they are trying to attract – entrepreneurs, young families or creatives – they can build accordingly. There is a city in Korea that is specifically looking to attract ex-pat families, so the city authorities are designing and targeting the entire city to appeal to that cohort.

Getting representatives of the target group to input into the planning process is the next step. If you want to attract 25-year-olds, you need 25-year-olds to tell you what they want. Second-guessing what might appeal to them in five or 10 years' time when the vision is realised is unlikely to work.

The most successful projects come about when city representatives hand over the planning to end users. Designing their own space allows people to identify with their city and their environment.

The city vision needs to be comprehensive, covering everything from public facilities to accommodation to sewage systems. If you are looking to attract families who care about the environment then you need to support that vision with everything from solar-powered apartments to a grey water harvesting systems.

Time is the biggest barrier to the successful realisation of any such vision. It takes terrific political tenacity to stick with a plan, particularly if it involves creating a city for people who do not yet live there. It takes 8-15 years to change the population and dynamic of a city. That does not sit easily with political cycles.

In some cases the push for change has to come from beyond the political system. In Pittsburgh, it was university leaders who sought to build on the city's heritage as a steel town to become a centre for innovation. In other cities, it may be business leaders or other representatives of the local community.

Whoever creates the vision, they need to move fast to turn around declining in income or population. I strongly believe many cities must work now to identify who they need to drive their economies. Once they have a clear picture of who is in the future of their city, they can set about creating the environment to bring them there.

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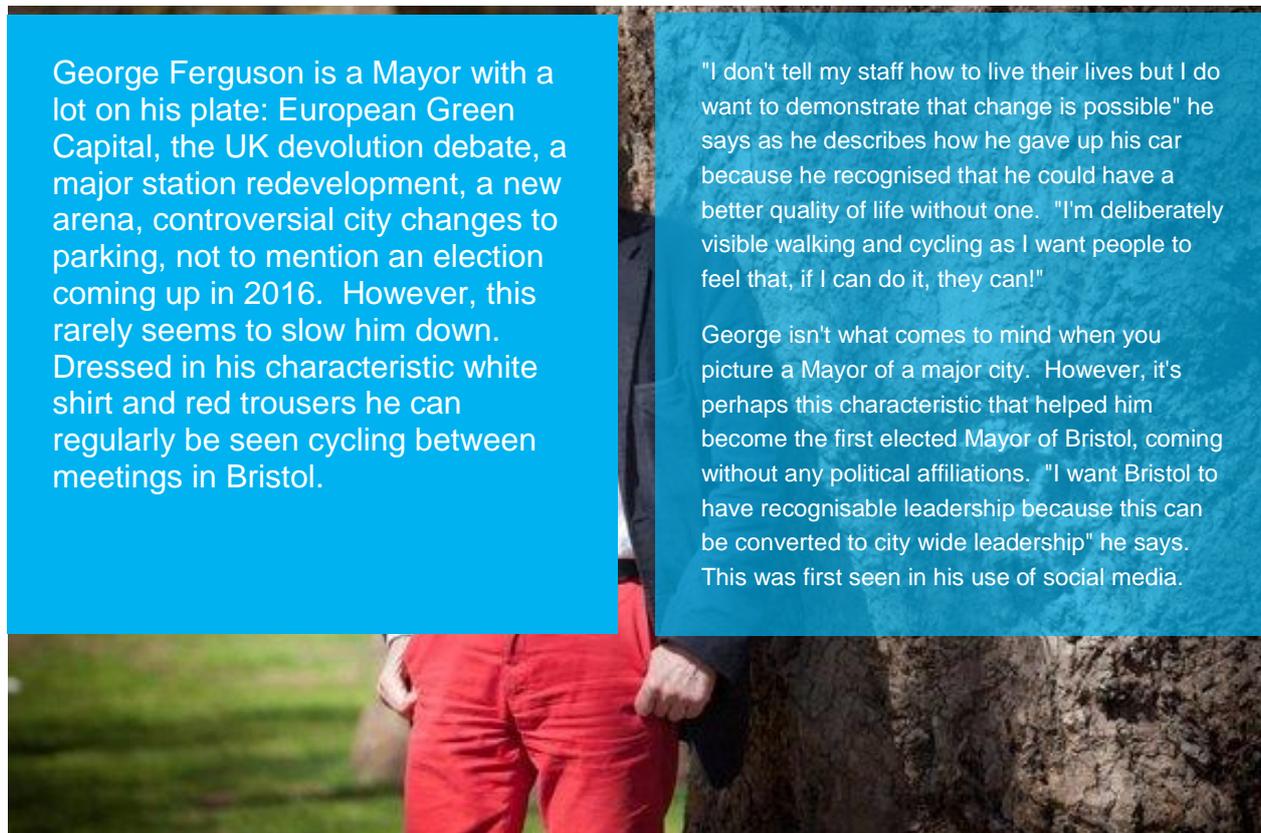
¹ http://www.citymayors.com/statistics/urban_growth1.html

² UN report: State of the World's Cities 2012-2013

³ Office of National Statistics Focus on London moves - ONS

An interview with George Ferguson, Mayor of Bristol

For use in the Bristol Method Vision and Leadership Module
October 2015



George Ferguson is a Mayor with a lot on his plate: European Green Capital, the UK devolution debate, a major station redevelopment, a new arena, controversial city changes to parking, not to mention an election coming up in 2016. However, this rarely seems to slow him down. Dressed in his characteristic white shirt and red trousers he can regularly be seen cycling between meetings in Bristol.

"I don't tell my staff how to live their lives but I do want to demonstrate that change is possible" he says as he describes how he gave up his car because he recognised that he could have a better quality of life without one. "I'm deliberately visible walking and cycling as I want people to feel that, if I can do it, they can!"

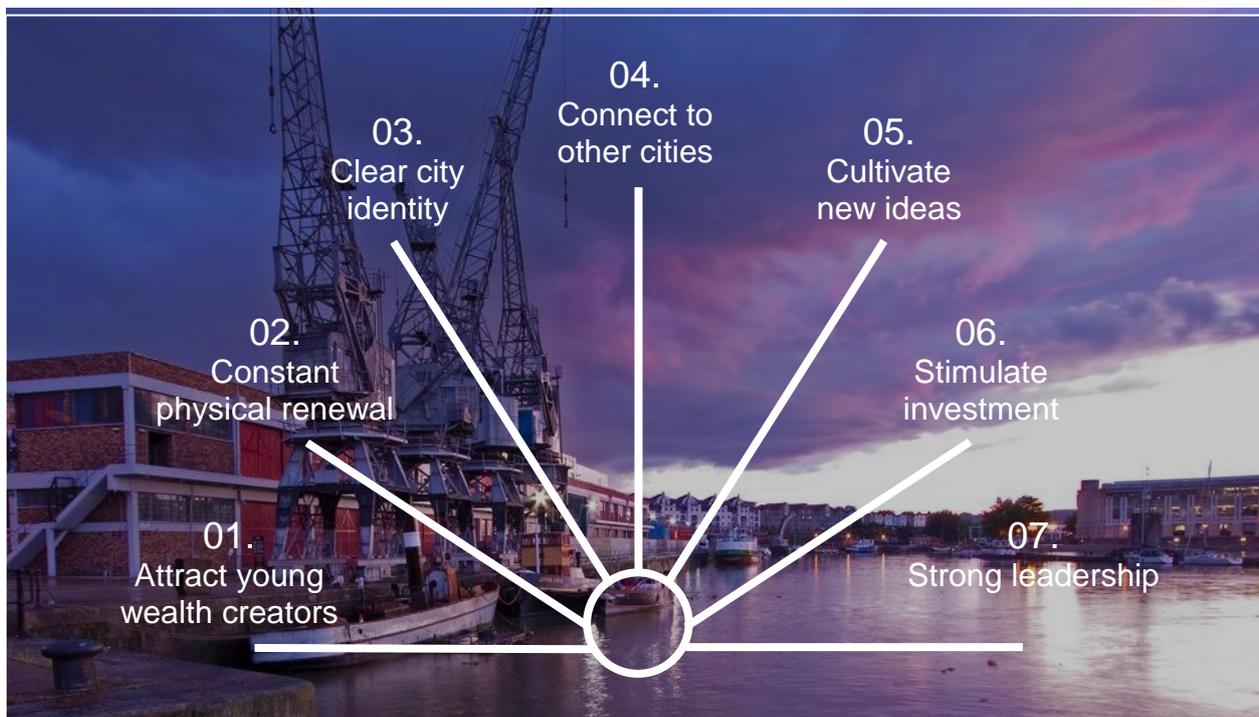
George isn't what comes to mind when you picture a Mayor of a major city. However, it's perhaps this characteristic that helped him become the first elected Mayor of Bristol, coming without any political affiliations. "I want Bristol to have recognisable leadership because this can be converted to city wide leadership" he says. This was first seen in his use of social media.

It set him apart and showed a recognition that city leaders need to reengage with the public in a very different way to the hustings debates of the past. . "I say that I'm not the mayor of the Council, I'm the mayor of the city and people in

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Seven Principles For Sustainable Magnet Cities

When creating a vision for the future city, KPMG believes that city leaders should ensure there is a strong focus on these fundamental principles that we have identified as the factors that underpin magnet cities.



Over the rest of this report, we have provided further explanation of these principles set against the context of Bristol. As the purpose of the Bristol Method is to transfer knowledge to other cities, we have not sought to give a comprehensive overview of Bristol's activities but instead we have used examples to highlight how the seven principles work in practice. We would welcome contributions from other cities and discussion around these principles, whether anything else could be added.

Principle 01

Attract young wealth creators

Many cities that have generated a magnetic pull have done so by becoming highly attractive to a specific group of educated, ambitious young people. The energy, enthusiasm and engagement built by this group helps a city constantly renew itself and generate a city's image.

When young people move into a city, they not only take up existing jobs, but in many cases help to create jobs of the future— think of Mark Zuckerberg of Facebook or Evan Williams and Biz Stone of Twitter. This drives economic growth and leads to a city's future wealth. The increased variety of employment opportunities draws more people to the city and a positive cycle begins. They are therefore crucial to a city's continued success. These net additional jobs also secure a city against any decline of its existing industries.

There is strong positive correlation between high proportion of young wealth creators living in a city and the city's economic growth rate.

The most successful second cities focus on specific cohorts of young wealth creators, often this will relate to digital media. Cities have examples of cultural specialisms around everything from apps, artisan food, the arts, biotech, clothing and so on. Northern UK cities invested heavily in infrastructure developments to attract young people but still saw their economies contract despite population increases. This was because the investments made were not sufficiently focused on attracting a particular group of young wealth creators. As a result, the perception of these cities around the country did not change.

Groups need to feel like they would fit in if they moved there. Focussed investment can help create this natural affinity.

Who are these young wealth creators?

- 20-34 year olds
- Spin out from existing businesses
- Scientists, engineers, entrepreneurs, designers, artists
- Care about sustainability and environment
- Physical fitness, outdoor pursuits, tech-orientated, artisan food and drink

Examples from Bristol:

The Bristol 20:20 Plan is an initiative chaired by the Bristol Partnership to make Bristol one of Europe's top 20 cities. Global cities such as New York, London and Paris have their own identities, so what is Bristol's identity?

Bristol has defined itself as a diverse place. Its young and energetic population give Bristol an alternative feel, yet the different communities help maintain a 'village atmosphere'.

The Bristol 20:20 Plan focuses on what Bristol wants to be in 2020. Their approach is to capitalise on the city's diversity, as this gives it huge creative potential. Bristol's future lies in this creativity, as it drives residents' ability to innovate.

Each of these different communities has creativity at its core. For example, Bristol is a global hub for the production of natural history programmes, it's a centre for street artists such as Banksy and it has a vibrant arts and cultural scene supported by a number of national and international creative agencies including Aardman Studios and Codsteaks. It also has one of the most successful small business incubators in Europe at the Engine Shed, which helps these young wealth creators springboard from ideas to successful businesses.

Principle 02

Constant physical renewal

One of the reasons that global cities are so attractive is that they undergo constant physical renewal, which ensures they remain fresh and innovative, adapting for the future needs of citizens. Different areas of these cities fluctuate in popularity. Thus the feel and appearance of these areas is constantly changing as different demographic groups come and go. Old buildings are frequently knocked down and rebuilt in a more modern and profitable style by developers.

Second cities do not have such a cycle of physical renewal. The pace of change is considerably slower, and for the cities that have experienced years of decline, the need for physical renewal required can become comprehensive. Failure to evolve the city alongside its residents can potentially flip the magnet from positive to negative.

Of the city case studies KPMG explored in our Magnet Cities report, we identified that the state of a city's housing stock and urban cores were central to any physical renewal process.

It is not enough to create good quality homes and work spaces but this renewal must also generate gathering areas, public spaces, parks and iconic structures that help associate the city with an identity.

Housing

Young professionals favour housing in or close to urban centres, for easy access to work and leisure facilities. This also matches with growing trends for young people in many countries to want to avoid owning cars and instead use public transport, cycle or access pay-per-hour car hire. They also value the design and sustainability of their accommodation. Housing should be flexible to allow a range of choices and easy to adapt as individual's living situation changes. Cities need to cater for these preferences when trying to attract these people.

Urban core

A magnetic city has a strong and vibrant centre. It is the area that gives a city its identity. The energy created by a city's urban core permeates through the entire city.

Transforming a weak centre into a strong one may require city leaders to turn their backs on a city's heritage, such as demolishing old industrial areas and buildings to make space for pleasant social areas, as was the case in the regeneration of Bilbao.

A desirable city centre typically consists of large numbers of restaurants, bars and shops. This encourages people to travel to the heart of the city from the leafy suburbs for goods, jobs and socialising. But other factors such as pedestrianised areas, green recreational spaces and housing are becoming increasingly important to ensure the downtown remains the vibrant hub of the city. But, above all else, city planners must be prepared to close the door to parts of a city's past to make way for the new.

Examples from Bristol for housing

Levels of population growth and limited land supply mean that house prices in Bristol are very high relative to earnings. The shortage of affordable housing for low-income (particularly younger) households is acting as a brake on economic growth, and so this is being rectified.

The Bristol Housing Strategy 2010-15¹ was developed through work with housing organisations to increase capacity, increasing supply of housing through mixed development and encouraging good urban design of sustainable communities. It also included improving thermal insulation to reduce fuel poverty and CO2 emissions, bringing empty properties back into use and intervening in the private rental sector.

The Bristol Energy Company's work to provide solid wall insulation to 10,000s of houses in Bristol is also continuing this work.

¹http://m.bristol.gov.uk/sites/default/files/documents/housing/bristol's-housing-strategy-2010-to-2015_0.pdf

George Fergusson, the Mayor of Bristol has been keen to avoid building vast housing estates with no identity. Their local economies will not thrive because people will go elsewhere. Instead, he has proposed the creation of self-contained and well-designed neighbourhoods, with vibrant easily accessible local centres. He feels that these developments must be appropriate and sympathetic to the identity and culture of that area. The purpose of this is to ensure that housing is sustainable and will maintain its appeal for future generations.

Bristol's Affordable Housing Delivery Framework 2015-2020¹ replaces the Housing Strategy plan and highlights the importance of:

- Locking in housing land use and preventing affordable homes being lost to the market
- Bringing forward development opportunities in the council's ownership and encouraging the release of other public sector development land
- Aligning planning policy to delivery of affordable homes
- Council being a direct developer of new homes

¹ <http://www.bristol.gov.uk/page/housing/affordable-housing-%E2%80%93-information-developers-and-homebuilders>

Examples from Bristol for urban core redevelopment

Bristol benefits from having 450 green spaces – proportionately more than any other UK city. One third of Bristol is 'green and blue' open space (green spaces and waterways), and 87% of the population live within 300m of a public green area. Almost all construction is carried out on brownfield sites, and not on green spaces, although that is largely because Bristol has very little unused green space as it is a city with a small footprint. This all makes Bristol a very pleasant place to live and gives it universal appeal. Queen's Square and College Green are two popular parks that have been remodelled and updated. However, the lack of an ample supply of cost effective, available development land does present challenges as Bristol's population grows. Almost all development plans for Bristol involve creating better transport connections to neighbouring council authorities and building there.

Bristol has also seen significant redevelopment over the last few decades. The redevelopment of Bristol's harbourside and Cabot Circus (shopping destination) have helped rejuvenate the historic city centre and other developments are focussed on revitalising the surrounding neighbourhoods. Major infrastructure schemes, such as the development of a new Arena,

a new sports stadium and the creation of a new business district centred around the redevelopment of Bristol Temple Meads train station.

The thriving cultural scene is also strong pull for young people. The mayor introduced the 'Make Sunday Special' programme, leaving streets traffic-free for markets, street performers and food stands. A large number of festivals attract residents and visitors to the city centre, such as the Bristol Harbour Festival and Mayfest. The historic streets often form the backdrop for festivities.

Bristol's 2050: High in Hope High report contains a history of Bristol's infrastructure, current development and ideas on visions for the future of the city both around housing and infrastructure.

Renewing Bristol's Public Transport

Other modules of the Bristol Method focus on public transport. However, it also links to the constant renewal in cities. Over the last decade in particular, the Council have tried to encourage people out of their cars by improving the alternatives. Bristol has suffered from historic underinvestment in public transport, and the city has recognised that young people demand quick and reliable ways of getting around a city, both for work and leisure. An ineffective transport network isolates peripheral communities from contributing to the vibrancy of the city. It also means those coming into the city from elsewhere struggle most to access what the city has to offer.

To help with this renewal and make the city more appealing to new residents, visitors and investors, Bristol has invested heavily in transport infrastructure improvements, two projects of which are explained below:

Greater Bristol Bus Network (GBBN) – this £80 million project produced 10 'bus corridors' in the Greater Bristol area. These corridors have priority bus lanes, traffic lights, better bus stops with seating and real time information and higher quality, and more accessible buses. This has improved the service to residents dramatically, with faster journey times, more reliable and frequent bus scheduling and greater capacity.

MetroBus – £200 million has been invested in a new generation of rapid transit buses to improve journey times across the Greater Bristol area, with the project due for completion by 2016. Three new interconnected routes will be integrated with MetroRail and bus services, complementing the other forms of travel in the city.

For further information, see www.bristol.gov.uk and the Bristol Method Transport Modules.

Principle 03

Definable city identity

A city's identity reflects the values, interests and skills of its residents. If this identity is unique and resonates with a particular group of people, many within this group will be attracted away from competing cities.

Cities need to have a clear identity before potential young residents can understand what it stands for and whether they are attracted to it. Having a means of promoting this identity through media outlets also helps. Manchester has done this successfully through the popular music culture of the 80s and 90s, New York and LA have films and the culture, or subcultures, of other cities have been immortalised in books and TV series.

Successful second cities have proven it is possible to refine, re-establish or entirely reinvent what a city is known for. The loss of what made a city stand out previously, does not have to result in that city becoming a magnetic push. Without a clear identity however, it is difficult for future residents to clearly understand what a city stands for and whether they're attracted to it.

Many cities make conscious decisions to invest in the creation or reinvention of a new identity to combat the pull of surrounding cities and make themselves competitive. This is particularly true following a disaster, negative press or economic decline in one of the traditional sectors. One such place is Oklahoma City. Its identity was one of tragedy and decline after the 1980s oil price collapse and the bombing of a major Federal office building. After significant investment in new sports teams, stadiums, health campaigns and bicycle trails, the city became known as a wholesome, outdoorsy, sports-mad city that many young people identified with. Christchurch in New Zealand is facing similar challenges to reinvent and regrow itself from an almost blank slate following the earthquake in 2011.

Global cities have clear identities

"New York is vibrant

London is cosmopolitan

Paris is chic"

Bristol 20:20 Plan

Bristol Identity - A city with many aspects

Bristol itself has a great many identities but the one that stands out is the way it is an 'alternative lifestyle' city, much like Austin in Texas. Rather than being famous through film and television, although it certainly has had its roles, much of Bristol's reputation seems to come from its connection to the arts and through the grass roots community movements linked to sustainability. From the Bristol Pound to an independent mayor and thriving culture of independent shops, Bristol holds itself up as alternative city that lives life a little differently to the rest. This culture has evolved somewhat organically without central intervention, perhaps promoted by the proximity to tourist hotspots such as Glastonbury and Stonehenge.

Bristol is also a city that seeks to be part of innovative movements. It labels itself as a smart city, a playable city, an innovative city, a resilience city, a fair trade city, an open city, a future city, a maritime city, a natural history city, a city of driverless cars, a laboratory for change and more. Whilst from many perspectives this plethora of labels can seem schizophrenic, it is also a sign of a city that is actively trying to engage in discussions about the future, of ethics and of lifestyles that are a little different. Each label may apply to a slightly different demographic group, but it helps create a city that is a melting pot of ideas and cultures that are close enough to create bridges.

However, the city also faces challenges. Whilst there is a strong core of residents and business who are actively engaged in these agendas and identify with the image of Bristol, there are still many groups, particularly in the less affluent areas of the city that are not engaged with the city or their neighbourhoods. Much of the Bristol 2015 year, and the work of the City Council, has been to reach out to these more isolated groups and areas to draw them into it. We hope to be able to report more on this at the end of the year and other modules of the Bristol Method share how we have done this.

An example:**Bristol as an active travel, cycling city**

Linked to Bristol's year as European Green Capital, the Mayor wants to transform Bristol into a cycling city. This is because the combination of clean air, less traffic congestion and a cheap and easy way of getting around the city makes the city an appealing place to live for young people.

The £22.8 million investment in cycle lanes, provision of bicycle loans and cycling training and general promotion of cycling has resulted in Bristol having the highest rate of commuting on foot and by bike of any local authority in England and Wales. This success has brought a further £8m regional Cycling Ambition Grant from the government to improve links between the north and south of the city, and Bristol is now the government's 'go-to' city for cycling innovation.

There is a Bristol Method module that specifically talks about how various stakeholders in Bristol are working to make the city become more active.



Principle 04

Connected to other cities

The importance of strong connectivity between cities must not be underestimated. Strong transport links can help a city's businesses grow due to a larger labour pool and cheaper exports and imports. This can develop into a positive cycle creating more job opportunities for residents.

Due to ease of access, more people will visit the city from elsewhere, increasing income for local businesses and attracting a new generation of residents. Visitors will witness the improvements the city is undergoing, and will spread the word about a changing city.

Young people will be more inclined to move to the city if they know they can easily visit friends and family back home. A city that is not so easily connected will find it difficult to attract the younger generation.

Bilbao

Originally, the city was only accessible using slow local trains. Although an international airport helped to bring in tourists, this did not encourage the locals. Investment in a high-speed train link between Bilbao, Madrid and Barcelona dramatically improved access to the city, which boosted numbers of both domestic and foreign tourists.

Bristol

It is no surprise that the operators of Bristol's airport, port, bus and train¹ services are sponsors of the city as European Green Capital 2015. All of these organisations recognise the significance of being the European Green Capital, as well as their role in ensuring the city remains competitive and sustainable into the future.

However, Bristol faces long-standing challenges in connectivity. There is currently no high-speed rail service to London or Europe and the new high-speed rail plans connect other second cities in the UK including Birmingham, Manchester and Leeds. However, future city visions, such as the 2050 High in Hope plan do include the concept of HS3 connecting Bristol and Cardiff to London. In the meantime, the mainline services from Bristol to London are being electrified as part of central government's investment plans to improve journey times between the cities and reduce noise and carbon emissions.

Temple Meads

At the heart of the Temple Quarter Enterprise Zone master plan, is the redevelopment of Temple Meads station, which connects Bristol to London and several other large cities in the UK. Situated on the edge of the city centre, this large project will reduce travel times, double the number of services and open new lines as well as becoming a world-class gateway to the rest of the UK. The station will boost investment and economic growth in both the Enterprise Zone and the rest of Bristol. Part of this development is funded by a loan against the improved retail revenue

Trains to London

The investment in and electrification of the London to Bristol main line will increase the frequency of services between London and Bristol up to 4 trains every hour, cut journey times by more than 20 minutes and improve reliability. This modernisation improves the connection between London and Bristol for the huge number of London residents and businesses. One challenge the city will need face is the risk of Bristol becoming a commuter outpost of London. It needs to work to ensure that businesses see the value of being based in the city and look to draw businesses out of London, by emphasising a better lifestyle and more affordable housing for employees. Industries that have already relocated to Bristol have enjoyed more employee stability and therefore better staff retention.

¹ Bristol Airport, Bristol Port and First Group

Principle 05

Cultivate new ideas

It is important to cultivate a city culture that encourages and takes pride in new ideas. KPMG's work on Magnet Cities identified that one of the most effective methods of driving this culture is to have a well-performing university based in the city.

The availability of a strong education sector, including universities, colleges, schools, community courses and apprenticeships, means a high proportion of residents will be skilled and ambitious. This attracts similarly driven and able people to move to the city to work with them. Bristol itself is still a net exporter of graduates. Hopefully, it will be able to reduce this 'brain drain' in the future by making the city more attractive to young people, and through attracting more industries that employ graduates as well as providing more support for start-ups.

Many spin-off companies that can lead to a new identity for a city originate from universities, typically specialising in research and emerging technologies. For example, in Pittsburgh, the university chose to specialise in computer science and robotics. The city built a large commercial building for both companies that grew out of the university and technology firms like Google. An investment fund was put together to provide funding to emerging technologies developed by researchers. The city is now a global centre for medical robotics.

It is important to remember that universities are not the only means of cultivating new ideas. This is especially the case, if you want to consider diversity and how to engage with the entire population of a city. In Tel Aviv, as part of the mandatory army training, many Israelis join the Intelligence Services. The knowledge gained from this experience helps them to develop communication technologies. As a result, the city has supported the growth of these businesses by holding an annual Start-Up week, allowing young entrepreneurs and investors to meet.

Bristol

Bristol is lucky enough to have two universities, with students making up around a tenth of the population of the city. Both universities have been heavily involved with the year as European Green Capital. The University of the West of England, for example, has sought to get every one of its students volunteering during the year. Between them, the student population exceeds 40,000 and there is a huge pool of young talent that attracts businesses to the area.

Bristol is home to world-class academic research, business activity and technological innovation. This gives the city potential for increasing economic investment through science and advanced engineering. There is a particularly significant cluster of activity around aerospace, information and communication technology and creative technologies. This attracts a highly skilled young workforce that results in further innovation and productivity. Like-minded companies have relocated to Bristol including HP Labs, STMicroelectronics, Nokia Siemens Networks and Oxford Instruments.

Bristol Temple Quarter Enterprise Zone

A large 70 hectare urban regeneration project in the heart of Bristol that was completed in 2012, Bristol Temple Quarter Enterprise Zone is now home to over 300 businesses, many of which are rapidly growing clusters of small and start-up businesses, particularly in the creative, digital and hi-tech sectors. Estimates suggest that it could create 17,000 new jobs over the next 20 years.

The Enterprise Zone was set up to drive local growth and create jobs. It offers a range of incentives to businesses including business rates relief, low rent incubator units and simplified planning procedures. Being developed with businesses in mind, this means that investors can benefit from superfast broadband and good transport links to the major road, rail and air networks. The government is also allocating funding for infrastructure improvements in and around the Zones.

For more, see www.bristoltemplequarter.com and <http://www.setsquared.co.uk/news/201503/engine-shed-adds-%C2%A38m-bristol-and-west-england-economy-after-1-year-operation>

Engine shed

This is a collaboration between Bristol City Council, the University of Bristol and the West of England Local Enterprise Partnership in the Temple Quarter Enterprise Zone. Its purpose is to stimulate long-term economic growth by supporting businesses, inspiring young people and showcasing the local opportunities to the public and potential investors. The Engine Shed has kick-started growth in the Enterprise Zone, and has become a sustainable thriving hub for enterprise.

Housing 18 businesses and supporting 44 more, the venue provides an exciting hub for activity where entrepreneurs, business leaders, academics, students and corporates can collaborate and inspire. It has the potential to create 5000 new jobs over the next 15 years. Estimates put the Engine shed's contribution to the local economy at more than £8m after being in operation for only a year¹. This success can be attributed to the combination of talent, ideas and support through mentoring schemes with established businesses that the Engine Shed provides.

The Bristol region is brimming with innovation. Engine Shed showcases this rich diversity, focusing on science, technology, low carbon and creative and digital industries to demonstrate how the innovation happening in Bristol is affecting everyone's lives and how many opportunities there are in these industries for entrepreneurs, potential employees and investors alike.

The Engine Shed is actually so popular that demand for space is outstripping supply and funding for "Engine Shed 2" has now been granted.

www.engine-shed.co.uk

¹ <http://www.bristol-business.net/new-report-shows-value-of-engine-shed-innovation-hub-to-brisstols-economy/>

Bristol and Bath Science Park

The success of the Engine Shed has been demonstrated by the unveiling of plans for a new global automotive research facility at the Bristol & Bath Science Park in July 2015. The facility will comprise 55,000 sq ft of space for growing businesses and new training provision for companies working with cutting edge composite materials.

A grow-on space will provide offices, workshops and laboratory space for growing businesses, accompanied by a £50 million innovation centre led by the University of Bath that will bring the talents of academia and industry together to deliver world-leading research in car engines.

The proposed further extension of the National Composites Centre (NCC) to include a skills facility will establish it as an international centre of excellence in the research, development and commercialisation of composite technologies and products.

This will enable Bristol to capitalise on high-growth industries, building on its reputation as a major centre for science, technology and engineering.

www.bbsp.co.uk



Principle 06

Stimulate investment

A key role of city governments is to act as fundraisers on behalf of the entire city. We have dedicated a whole module of the Bristol Method to innovative approaches to finance and so only discuss this in brief here.

There are various ways of acquiring the necessary funds:

Private investment

The business community can be persuaded to create investment vehicles for emerging technologies and start-ups.

Financial support from national government

This is often needed to finance large infrastructure projects.

Direct taxes

Can be imposed on local residents and businesses, such as the 1% sales tax levy voted for by Oklahoma City residents to pay for investment in the city.

Levies

Can be placed on the service users or beneficiaries of a service (these are not always the same groups), which can be used to repay loans or bonds.

Assets can be leased or sold

To enable investment elsewhere.

To become a magnet city, it is fundamental that the city embraces a spirit of financial self-determination. This involves offering their own risk capital to attract investment and reducing reliance on investment from national governments. In the age of austerity faced by many UK and other cities, there is an increasing realisation that cities cannot rely on central government funding to deliver services. Devolution of fiscal and other powers in the UK, potentially to bring us closer to models seen in the US and elsewhere, is only going to increase the need for cities to become masters of their own financial destiny.

Being self-reliant enables a city to make high-risk decisions without permission, and significant changes can be implemented quickly and efficiently. The residents of the city have much greater control over the decisions that affect them. It allows the cities to decide on policies and priorities that are right for them in implementing their vision.

In many ways, it also makes the raising of finance easier because residents and businesses are less likely to object to increases in taxation or fees when they can see that their money is going to be spent directly on the benefit of the city.

Most second cities are likely to be struggling to meet budgets, particularly if they are magnetic push cities that are losing residents. Fortunately, Bristol is a relatively affluent second city compared to others in the UK but, given the significant cuts to public spending in the UK since 2008, it is still facing financial challenges with very little budget to invest in future assets. The most effective way to source funds is to utilise their typically high-value assets.

For example, Malmö in Sweden, borrowed funds to clean up and install sustainable infrastructure into brownfield land. This land was subsequently sold to developers, with sufficient profit generated to cover the debt and start a second phase of investment. In the city of Incheon, an entire city-sized plot of land was sold to a consortium of developers and construction companies to finance and build privately. The result was a new district developed and paid for. Several cities in the UK have negotiated city or growth deals with central government where historically low interest rates can be used to borrow large sums of capital to invest in infrastructure that will create growth and jobs in the city. The increased tax revenues can then be used to repay the capital.

An example from Bristol

Many of the city visions for Bristol, particularly the Bristol 2050 Vision, have recognised that an investment plan is required to achieve the city's ambitions. The vision suggested the city, pools resources across the region, including with neighbouring authorities and uses a combination of public sector land banks, drawing down government funds and convincing the private sector to invest. It would therefore be vital that businesses have a say in how and where these funds are invested in order to generate the private sector jobs.

Principle 07

Strong Leaders

Creating a city that has a clear magnetic pull to new residents inevitably requires strong city leaders who feel compelled to turn their cities into a beacon for others, rather than prioritising politics and short-term goals. Bristol is the first UK city outside of London to have an independently elected Mayor, an idea rejected by many other UK cities until it was made part of the criteria for cities increased powers to be granted devolved to them.

KPMG's Magnet Cities report clearly identified that leaders of strong, successful cities need to be capable of making controversial decisions such as refocussing the city's heritage or forcing business and homeowners to relocate, and have the courage to face the criticism that comes with this. Bristol's introduction of residents parking permits throughout the city, and pushing through the development of the Metrobus scheme, despite having to put a route through some much loved allotments, are two examples of where its Mayor, George Ferguson, has shown clear leadership.

In many cities, the projects invested in typically benefit one social group or another, sometimes at the expense of other groups. For example, a project to develop old housing in the city to create new living space for young wealth creators might support the young middle classes, at the expense of the city's workers who are left vulnerable to increasing housing prices. Any intervention therefore needs to be balanced to try to manage public dissent. However, it is also important that the city leaders, such as Mayors, are strong and stick to their vision even when faced with hostility because compromises risk creating a bland city without any true identity. It is about finding a vision that delivers a better quality of life for all of the residents and work to distribute benefits fairly.

"Mayor George Ferguson insists he was right to introduce residents' parking schemes and the feedback is becoming increasingly positive.

In a speech during the annual meeting of the city council yesterday, Mr Ferguson said he had to "grasp the nettle" over RPZs because the issues of air pollution and congestion were among the biggest challenges that the city faced.

He admitted that the parking schemes had led to some "very real hostility" but added: "I am delighted that increasingly as these schemes bed in, the feedback has become more positive as Bristol begins to experience the benefits of a package of transport measures we are adopting."¹

¹<http://www.bristolpost.co.uk/Bristol-Mayor-grasp-nettle-residents-parking/story-26576149-detail/story.html>

"The city must not succeed only for the benefit of the few, at the expense of the many."

**George Ferguson,
Mayor of Bristol**

KPMG Viewpoint



City leaders – Keep Your Eyes on the Horizon

By Stephen Beatty

City leaders need to remember why they are there – as custodians, building future success. It is easy to focus on short-term gains and lose sight of the potential to make long-term changes. A good city manager may be in post for ten years, but he or she has the ability to affect the lives of its population for the next 50 years. It is a long game.

Legacy is important – everyone wants to be remembered. But vanity projects are not the answer. As with Maslow's hierarchy of needs, city leaders must provide the basics for their populations first – access to clean water, safety and security, accommodation, transport, healthcare and so on. A successful city is one that goes further and creates a sense of belonging and purpose.

A city has arrived when people identify with it irrespective of nationality or ethnicity – they become Bristolian, New Yorkers or Muscovites. There is no template for these 'higher functions' but I would suggest that each municipality needs to build on its strengths – a sense of place and community are essential.

City leaders face different challenges, but they all need the ability to inspire, communicate and perhaps most importantly to listen - both to their colleagues and to the public. I have spent my whole career helping people build and lead big infrastructure projects – everything from transit systems to hospitals, schools or airports. In my experience, project leadership and project management are among the biggest single determinants of success or failure.

An uninspired leader will create an uninspiring project. If you want people to go beyond the everyday, work harder and strive for excellence, then you need to be able to inspire them. Interestingly, I have often found that inspiring leaders are also the best listeners: people who can take information and feedback coherently to either the populous or their staff.

Some of the biggest leadership challenges are around having a clear vision, and being able to communicate it effectively. The vision ideally should be a consensus, derived from listening to the public, reading the trends and responding to what they need. The current financial environment means it is more important than ever to be able to build a consensus between civic authorities, developers and the public.

Staying in touch with the original vision, while consistently bringing projects in on time and on budget with the expected benefits is the hallmark of a truly effective leader. There are a few examples that spring to mind – people like Sir Howard Bernstein in Manchester, or David O'Brien in Mississauga who have delivered solid financial management and growth over 20 years.

Having said that, creating the infrastructure that is required in a successful city is so complex that it cannot be the work of one individual. Making promises to the public and then delivering on them require very different skillsets.

Delegation is key. A good leader rarely breaks a sweat. Fundamentally, the leader's job is to empower his or her people to do their jobs while keeping their overview of the entire project. If one individual holds too tightly on to every detail, it has the effect of slowing everything down, which is ultimately bad for the city.

Maintaining momentum is part of the leader's mandate – many of these projects will take years to deliver and decades to pay back on investment. Continuing to justify a project over the time it takes to come to fruition will be an ongoing challenge. I can foresee municipal leaders having to make the same justifications repeatedly – but then cities are not built in a day, a year or even a single lifetime. Leaders need to hold on to their purpose and keep their eyes on the horizon.

Stephen Beatty

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Case study: Malmo, Sweden

Malmo has transformed from an ageing industrial city with a diminishing population and high unemployment to a global centre of sustainable technology that attracts young entrepreneurial minds and businesses from around the world.

To support the knowledge transfer part of the Bristol Method, we have also included an abbreviated case study of another city besides Bristol in this report. For more details, see KPMG's Magnet Cities report.

Initial problems

The city was hugely dependent on the Kockums shipyards, leading to high levels of unemployment when Kockums ceased to trade.

The city lost its industrial heart and with that its identity. Young people left in droves to find opportunities in larger cities. The tax base shrank so the city got into financial difficulty.

A new vision was required to establish a new identity and transform the city from magnetic push to magnetic pull. However, this new identity had to be sustainable in the long term.

Mayor's vision

The mayor let go of Malmo's old identity. A new city-defining industry was not chosen to replace ship building as history had proven this to be very risky.

With the help of residents, the mayor decided that Malmo should become the global capital for sustainable living. This would transform the city into a magnet for the entrepreneurial and young.

Objectives and actions taken

- To prioritise residents' wellbeing over short-term profits for companies - the mayor rejected the government support package that gave tax breaks to companies that moved operations to Malmo. To encourage young creative thinkers to move to Malmo and remain in the long term - they were attracted by the brand new university that the mayor commissioned.
- To have an identity of sustainability:
- Converted the polluted industrial waterfront into an international showcase for sustainable housing.

- Offered up large testing grounds in the city for prototype testing of new cleantech and sustainable technologies, turning Malmo into an urban laboratory.
- To improve access to and from the city and create a larger labour pool for businesses to grow - the Oresund Bridge was constructed, linking Malmo with Copenhagen. To boost visitor numbers and raise awareness of the city - Malmo started holding major international events such as Eurovision.

Challenges

Unforeseen levels of immigration burdened the education system, and newcomers to the city struggled to find employment so required significant ongoing financial support.

The influx of young people has caused a baby boom, with many new schools being built to meet increasing demand.

The vision for the city contrasted with its industrial heritage, with many local residents and workers opposing the changes. The mayor stood firm in the face of locals' dissent to fulfil his plan and achieve his vision for the city.

Lessons learned

The audacious rejection of the support package by the Mayor was criticised but secured a more stable future for Malmo's residents.

A totally new identity can be established for a city if its old identity is lost.

A growing city can become a victim of its own success, with population growth putting stress on social services.

Key recommendation

To attract young wealth creators, a city needs a clear identity. Young wealth creators moved to Malmo when it became known as a hub for sustainable technology. To convince young people to relocate, the identity must appear genuine and so should pervade throughout the entire city.

ABOUT BRISTOL 2015

European Green Capital is a prestigious annual award designed to promote and reward the efforts of cities to improve the environment. Bristol is the first ever UK city to win the award.

European Green Capital is run by The European Commission, recognising that Europe's urban societies face many environmental challenges – and that sustainable, low-carbon living is vital to the future of our cities and our people.

The award was first won by Stockholm in 2010. Since then, Hamburg, Vitoria-Gasteiz, Nantes and Copenhagen have carried the torch. Bristol will hand over to Ljubljana at the end of the year.

ABOUT KPMG

KPMG LLP, a UK limited liability partnership, operates from 22 offices across the UK with over 11,000 partners and staff. KPMG is a global network of professional firms providing Audit, Tax, and Advisory services. We operate in 155 countries and have more than 162,000 people working in member firms around the world. Our vision is simple - to turn knowledge into value for the benefit of our clients, people and our capital markets. Our innovative spirit inspires what we do and how we do it, providing valuable benefits for clients, employees and stakeholders. Constantly striving to be better lies at the heart of what makes us different.

KPMG member firms' sustainability and cities teams employ hundreds of people around the world who help business, government and society consider the opportunities and the risks emerging in our changing world. We help them ensure we have a more sustainable future.

THE BRISTOL METHOD

The Bristol Method is a knowledge-transfer programme aimed at helping people in other cities understand and apply the lessons that Bristol has learned in becoming a more sustainable city, not just in 2015 but in the last decade.

Each module of the Bristol Method is presented as an easy-to-digest 'how to' guide on a particular topic, which use Bristol's experiences as a case study. The modules contain generic advice and recommendations that each reader can tailor to their own circumstances.

The Bristol Method modules are published on the Bristol 2015 website at www.bristol2015.co.uk/method

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