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**PROJECT PAPER 5.**

***COLLABORATIVE MULTI-ORDER GOVERNMENT ACTIONS TO SUPPORT LOCAL CHANGE: A  
SUMMARY OF RECENT CONTRACTUAL APPROACHES IN SELECTED OECD ECONOMIES.***

***DUNCAN MACLENNAN***

***CHEC-CHRL,***

***McMaster University***

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## **1. Confronting the Canadian Housing Polycrisis.**

### *Defeating the Damaging Housing Polycrisis.*

Previous research for CMHC (Maclennan and Long, 2023) highlighted that Canada, like so many advanced economies (OECD, 2022; European Union, 2025) is encountering a deepening, multifaceted housing system polycrisis. Rising homelessness, high rental burdens and vacancy shortages in social and market rental sectors, and increasing difficulties in entering, and remaining within, homeownership are now, in some way, regarded as problematic by two out of three Canadians. There is a growing recognition that these adverse housing outcomes are frustrating government ‘missions’ to promote social justice and mobility but have recently recognised negative consequences for the attainment of the net zero, growth, and productivity aims of Canadian governments.

Within the domains of housing research and policymaking there is a dawning clarity that ‘business-as-usual’ policy approaches have, despite significant injections of policy support, been essentially palliative rather curative. The renewed Federal housing policy interest of the Trudeau government, after 2016, led to the National Housing Strategy that disbursed an additional \$90 billion of system support, but key housing outcome indicators continued to deteriorate as spending increased. Maclennan and Long (2024) argued that significant ‘disruptions’ were required in how housing was planned and produced, the functioning of the non-market sector, and how the housing policy system was governed, for better housing outcomes. Their work for CMHC highlighted the need to develop a ‘systems’ view not only of how Canadian housing functioned but how it might be better governed.

As in other countries, though with different weights in different across countries, they further noted that the difficult housing outcomes had two meta level causes, political budget choices and system functioning difficulties. In most, over decades, housing costs had risen faster than average earnings with the lowest income deciles facing the steepest increases in housing costs but securing the lowest real income growth rates. At the same time national investments in social housing, to meet widely agreed merit good needs, were widely falling as needs were rising. These were predominantly ethical/political choices. The assumption that housing markets were well functioning and flexible prevailed in much housing policy making despite recurrent evidence of market instabilities, disequilibrium and functional failures. In strongly market oriented housing systems much recent policy debate and lobbying has been directed to meeting merit good needs but it is a need to reshape the effective functioning on multiple local housing markets that impacts at least half the population.

### *A Systems Perspective on Housing Governance.*

This requires a ‘systems thinking’ approach to housing policy reform in addition to values based lobbying for non-market provision. Maclennan and Long (2024) argued that, at both Federal and Provincial levels, housing policy governance too often focussed on Housing Ministry budgets and actions. Although the integration of federal housing interests into the newly created Department of Housing, Infrastructure and Communities in 2024 has significantly improved government’s sense of the wider roles of housing outcomes there is still a very obvious failure to coordinate the major housing system effects of non-housing policy siloes, or indeed the recursive effects of housing outcomes on mission aims for these non-housing siloes. Within each order government there is no whole of government ‘housing policy’. In consequence, one of the major integrative systems for the economy and society is still primarily addressed as a (minor) element of social policy.

Housing is an inherently complex system that invariably has to be aligned with other areas of policy if it is to be produced efficiently and used effectively (and these arguments are explored in Project Paper 1, see Maclennan, Miao and Dunn, 2025). As the policy autonomies that impact these multiple production and consumption aspects of housing are typically, in advanced economies, spread across multiple orders of government, then effective housing governance always requires extensive coordination of multiple inputs and outcome goals. In multiple order systems, a single order of government is often assigned a core role in housing system supply and social housing system provision. In Europe, municipal governments have had strong housing policy roles. In contrast, in Canada and Australia, the provincial and state governments, have evolved (within changing constitutional interpretations) to be regarded as the key levels of government addressing ‘housing’ policy questions.

In the constitutional debates of the 1990’s the dominant housing policy mantra that emerged was that ‘Housing policy is social policy, and social policy is primarily a matter for provinces.’ The resources to support social and affordable housing policies were shifted from Federal to Provincial levels. The Federal government retained responsibility for the financially and strategically important Canadian Housing and Mortgage Corporation, but its housing roles and resources were greatly reduced, particularly between 2006-16. Municipalities were, essentially, ‘creatures of the provinces.’ In some, such as Ontario, some significant housing policy roles were devolved to municipalities but in some others, there was little devolution of housing roles to local authorities. Below the scale of larger cities many parts of rural and small-town Canada had no local/ municipal housing policy capacities (as discussed in Project Paper 4) until after 2024 and the advent of the Municipal Housing Accelerator programme.

*Housing: More than Local, More than Social.*

Two broad sets of changes in Canadian economic and social systems since the mid-1990's have undermined the relevance and efficacy of the 'housing is social, housing is provincial' mantra and exacerbated the polycrisis. First, housing systems are spatial systems and always have local level change drivers, emanating from local market and policy decisions. However local housing outcomes are also driven by regional, national, and global events and processes (note the last decade of concerns about flows of international capital and labour into metropolitan housing markets in Canada). They are also impacted by multi-level policy choices, most originating beyond the scopes and limits of Housing Ministries. Equally the effects of housing outcomes impact not only locally but regionally, nationally, and even globally. Poor housing that erodes the accumulation of human capital by young Canadians has national impacts. Equally, dwellings in my village emitting carbon have a global impact. Housing in consequence, is local but more than local in its drivers and impacts. And, housing outcomes are social, but so much more than that with critical environmental and economic system effects. Housing systems are understood differently from three decades ago. Housing, and the cognate infrastructure, that generates housing and neighbourhood services needs a multi-order governance, and that has to include 'local'. The old 'mantra' now misleads public action for better housing outcomes.

The second major set of structural changes that have precluded the evolution of a fuller bottom-up response to the housing crises lie in the structure of the assignment of tax powers to different orders of government. Housing is always, literally, grounded. Shortages, and their consequences are always manifested in local contexts. The economic growth processes that drive these shortages, manifested locally, also raise revenues across a range of taxes. In general, the tax base of municipalities (often predominantly local property taxes) is less elastic than for provincial and federal levels of government.

Growth usually means that it is the municipality that gets the housing and infrastructure shortage to deal with but from little expanded fiscal revenues. This generates two issues. First, whether and how federal/provincial governments will return investment support to shortage localities. Second, and not discussed further here, it incentivises municipalities to use their local planning and other regulatory powers to extract some of the economic rent accruing to property owners and developers in shortage settings. Miscalculations in that local bargaining process invariably diminish already sluggish supply side responses and become part of the dysfunctional housing system. Clearly cross-order spillovers of housing outcomes and intensifying vertical fiscal imbalances have made the accepted structure of Canadian housing system governance dysfunctional for this millennium.

In August 2024, Mr Trudeau, referring back to constitutional settlements of the 1990's, expressed regret that the Government of Canada had 'limited carriage' to deal with the nation's housing problems (despite having spent \$90 billion addressing them). Almost simultaneously, the Federal government was rapidly implementing the Municipal Housing

Accelerator programme, and the closely associated Canadian Housing Infrastructure Fund (Maclennan, 2025) to catalyse initial supply system changes. These initiatives were important in that they comprised direct contractual agreements between Federal and municipal governments regarding the performance of housing and infrastructure planning processes. Provinces were excluded from the negotiation/decision process. Their reactions have ranged from neutral to hostile.

#### *A New Governance for a New Government.*

Since the election of the Carney administration in mid-2025, with major goals to raise output, using more modern methods of construction, of market and community housing, that will begin to end the 'polycrisis', there has been action to begin to 'disrupt' housing supply and social housing provision systems in Canada. There has, as yet, been little attention to better housing governance within the Federal government and no coherent discussion of better integrated cross-order of government action to drive better collaborative solutions. The existential threats to Canadian jobs and communities posed by the recent actions of the US government have rightly commanded the bulk of the Government of Canada's time and attention. Changing the ways Provinces and the GOC organise key aspects of the economy, notably inter-provincial trade, have been important elements in aiming to raise Canadian productivity. It is however imperative that Ottawa develops a fresh governance of housing and local infrastructures that similarly embraces national resources, regional differences, and local capacities.

As 2025 ends the Government of Canada, and all sub-national and Provincial governments recognise the surprising depth and reach of the housing crisis. Equally, they all recognise that they do not have adequate resources and the range of powers required to address these difficulties by themselves. Resolving the existing fragmentation of housing system governance could be addressed by constitutional debate reallocating resources and responsibilities or by renegotiation of tax points and revised fiscal equalisation arrangements. That would take one or two Parliaments to secure change.

Securing sufficient scale change in housing output by 2030 requires a rapid change of both pace and local capacity to secure it. Governments in Canada increasingly understand 'they are all in this together'. With a shared view of the importance of the housing crisis this may be the time to modernise housing system thinking and governance and put in place collaborative, cross-order actions to address the national, and always local, housing crisis. Constitutional niceties inherited from a past era of how economic and social systems operated may have to be put aside to face the problems contemporary Canada faces.

#### *Searching for Fast, Feasible Frameworks for Change.*

Over the last decade, multiple national governments have addressed not only local and regionally variable social and economic outcomes but also diverse governance, strategy formation, and delivery practices that they regarded as less than effective in improving

growth and wellbeing. These have, in selected countries, taken the form of contractual agreements (or deals) over specific activities, geographies and time periods by multiple orders of government. Often, they are referred to as 'City' or 'Growth' deals. Traditional national/federal policies to support regions, cities and neighbourhoods have evolved but usually remained in place over the period that these new arrangements were introduced.

The remainder of this paper, with a reshaping of strategic housing and related infrastructure programmes for Canada in mind, reviews 'city deals' in a range of countries to highlight the kinds of opportunities and difficulties that a new approach might entail and whether particular approaches appeared more effective than others. Detailed Case Study Papers of UK and Australian City Deals and the Canadian Municipal Housing Accelerator Fund have already been completed, and they are not further reviewed below.

## **2. Evolving Contractual 'City Deals' for Housing and Infrastructure.**

### *Scope.*

Reviewing international experience of economic and social policy 'problems' and 'solutions' is an important aid to national and local policy thinking. And similar remarks apply to assessing past national experiences. However, such work does not, as a rule, result in the revelation of hidden gems for fast and easy policy transfer. Ready-baked ideas, usually result in half-baked policies. Reviews across space and time suggests ideas and questions that need to be rethought for any new policy context. The aim of this section, therefore, is to use evidence that poses questions that point towards potential answers for improving Canadian housing/infrastructure governance.

Multi-order cooperation and collaboration have been important aspects of, broadly defined, national urban policies since the 1970's. Indeed, such experiences have underpinned, and facilitated, European development of City Deals (in the UK, France, and the Netherlands-see below) but have waxed and waned in significance in other countries with intermittent interests in urban policymaking (such as Canada, Australia, and New Zealand-see below). The potential significance of metropolitan scale policies has been recognised across Canada from Vancouver to Halifax (see Bradford, 2017: Harcourt, 2005) but few integrated metropolitan governance arrangements, with Urban Development Agreements (focussed supporting poorer places) ending after 2010, have survived for long and none operate with the central/local vigour of the currently different approaches referred to above. Arguably, in the wake of the Harcourt Review for the Prime Minister of Canada (that argued for devolution from Ottawa to the Provinces, and from Provincial Capitals to municipalities and metropolitan governments) Canada has fallen behind other OECD countries by failing to shape governance arrangements for, particularly, growing metropolitan areas. Recently, growth related tensions are, for example, pulling apart the collaborative approach of municipalities to metro-planning (Metro Vancouver) that has, in large part, successfully managed growth in the Vancouver metropolis.

In this millennium, and particularly the last decade, national level governments, long concerned about the outcomes for lagging metropolitan neighbourhoods and the concentration of poverty in poorer places (see the French Contrat d' Ville (CdV), for example) have also become concerned about raising growth and productivity. A number of countries have labelled such approaches as 'City-Deals' and most attribute their origins to the UK City Deals, introduced after 2012, that replaced prior national policy for cities.

Despite the common nomenclature, the scope, scale and aims of city deals vary considerably (not only, and intendedly, within countries) across different countries.

### **Origins, Governments, Goals, Geographies and Durations.**

#### *An Early, Lasting 'Contract' Approach.*

The French Contrat D'Ville programme represents a useful contrasting starting point from which to explore the differences of City Deal approaches. The Government of France, after an early pilot programme for thirteen cities, have evolved the Contrat D'Ville as an important element of city and regional policy since 1992, with the most recent significant policy changes in 2014. Although it has embraced notions of raising city productivity and sustainability it represents an early central-local contractual approach to spatial policy that is more neighbourhood than citywide in focus. In many regards it is more directly comparable to the Single Regeneration Budget for England approach that was scrapped prior to the introduction of UK City Deals after 2012.

The CDC comprise contracts between the Regional Departments of the national government and local authorities. The local authorities are not generally individually supported but are funded as part of a multiple municipality Public Establishment for Intercommunal Cooperation (EPCI). The EPCI combines local citywide (metropolitan) actions with a top-down led integration of national government department (siloes) interests that are aimed at improving social cohesion, housing and neighbourhood living conditions, and local economic outcomes and performance. In consequence CDC's support a wide range of sectoral programmes, including infrastructure and housing but by no means limited to them. Hard and soft policy sending coexists.

Unlike other City Deal approaches they are primarily neighbourhood rather than metropolitan area oriented. At that scale, the EPCI coordinate urban planning and economic development across communes, and manage shared services such as waste collection, water supply, and transport. Management at a metropolitan rather than municipality scale is a key goal for CdVs. Initiatives funded as part of CdVs are integrated into wider city, regional and metropolitan authorities by local entities.

Participation in a CDC, like City Deals, is voluntary. The CdV's have a strong top-down emphasis despite their local collaborative intent. The national level determines the priority

districts for which Contracts will be developed. City contracts are based on a 6 year period and are signed by the state, municipalities and other relevant inter-municipality bodies and stakeholders. Contracts may cover more than one priority area. In 2017 there were 425 signed city contracts (covering 5.5 million households). City contracts are integrated into wider existing strategies (at the scale of inter-municipal organisation).

### *City Deals after 2012.*

The CdVs reflect a mid-2010's evolution of an older, top-down driven approach to, primarily, reduce inequalities and promote social inclusion. In that regard they constitute a marked contrast to UK City Deals, launched in 2012 and their subsequent 'descendants' introduced later in Australia (2016) and New Zealand (2024). Like the CdVs they were voluntary, sub-national governments could choose whether or not to participate. However, the 3 Anglocentric systems all emphasised the growth performance of cities and raising private and public sector productivity rather than areas of disadvantage within cities (at least until post 2016 Deals). Bids for support emphasised potential productivity impacts of infrastructure, including housing, and skills investments. The clear emphasis was on infrastructure investment and in improving the modelling of, planning for and delivery of metropolitan (or regional) economic growth strategies. Later UK Deals did include social inclusion and net zero arguments.

Although there was a top-down emphasis on improving project processes (modelling, evaluation, planning), as national governments were sceptical of the efficacy of local capacities, official and academic research reviews suggest that, within broad national guidelines, priorities were chosen at local scales. City Deals had a bespoke character and strong local dimensions. In the UK, Deals were not awarded to single municipalities but coalitions of adjacent councils that formed well defined functional areas reflecting the geographies of housing, labour, and transport systems. In effect, the programme re-engineered policy geographies for governing metropolitan economic and infrastructure policies by placing functional rather than administrative boundaries as the context for investments.

Although more recent plans for City Deals in New Zealand (after 2024) are broadly similar to UK approaches, Australian city deals differed from their UK counterparts. They were an explicit, important element of the post 2016 Smart Cities strategy. They had a stronger top-down feel and were not aimed at devolving significant power from Federal to local, municipal scales. They widely failed to engage with municipalities in selecting strategic projects but relied heavily on them in delivering change. States and other public bodies influenced the design of bespoke investment programmes. The selection of places for support was regarded widely as heavily politicised (criticisms that CdVs and UK City Deals avoided). All of the City Deal programmes were faster to implement and deliver than the more traditionally, bureaucratically structured CdVs.

The Anglocentric descendants of the UK city deals show important similarities and differences to the UK model. Developments in European 'cousins', with both Finland and the Netherlands (after 2015) adopting a City Deal approach show marked differences but starting from the same aim of raising city productivity and performance. Policy choices made in Finnish and Dutch contexts highlights the commonalities and contrasts that occur under the 'city deal' label. Both countries, as members of the European Union are, in many senses, three level countries with integration of EU, national and municipal sector policies required at local scales. Both countries have a strong tradition of urban policy, and the government of the Netherlands Government has a longstanding tradition of and spatial planning and local government that is both decentralised and collaborative. Similarly, in Finland, strong commitment to ideas of place based development and a tradition of collaborative governance led to a strong emphasis on municipal leadership and participation processes within City Deals. In both countries there was national civil service interest in developing network governance structures across a range of governments, businesses, civic institutions and communities to facilitate co-creation of new investments and approaches.

After 2015, Finland developed the use of City Deals as it picked priority cities for national investment strategies. In the Netherlands, City Deals became the major policy instrument within the overall Agenda Staad. In common with the UK the primary aim was primarily to raise local/metropolitan productivity and growth and there was a recognition that aligning municipal and national ambitions and strategies could make investments transformative. Albeit the means were different, but the growth of digital/data economies in Edinburgh and Helsinki, and the transformation of the older industrial economies of Tampere and Glasgow into growing centres for innovation and advanced manufacturing, demonstrate the validity of that approach.

Participation, by municipalities, in the Dutch and Finnish Deal programmes is voluntary, and City Deals are multi-municipality (but, in contrast to the UK, Dutch deals are nested within a wider National Spatial Strategy).

An important commonality of the Netherlands and Finland with the UK is that the content and structure of City Deals are primarily driven by groups of municipalities. This is unsurprising as Dutch City Deals were adopted to replace a top-down, one-size-fits- all approach with a collaborative approach to pursuing locally chosen, focussed initiatives. Dutch City Deals, again like the UK, are flexible in design and 'bespoke' in nature. In consequence, Deals (as in Finland) involve collaborations of national and local governments, businesses, civil society, and knowledge institutions. Individual Dutch Deals, whilst recognising the variety of activities supported across the programme as a whole, are typically quite specific and with clear measurable objectives and usually have a duration of 3 years (much shorter than UK, allows initiatives to change but less likely to develop local brain?). Currently there are just over 50 City Deals in the Netherlands. Further, and again like

the UK approach, in contrast to France and Australia, devolving choice and capacity to 'functional' areas was a key programme goal.

Although the UK and Dutch governments shared growth and productivity goals and broad programme structures, they had a radically different emphasis in achieving economic goals (whilst UK deals retrofitted sustainable development aims they are included from the outset in Dutch Deals). As explored further below, the Dutch approach was not focussed on major new tranches of investment funding but were designed to foster innovation in city/place policy design and delivery. In relation to housing issues, that are an important element in Dutch Deals, increase supply is a major focus (with agreements to build specific stock numbers by 2030) a key action is to bring housing and spatial planning actions much closer together to raise the pace and volume of housing starts.

This 'innovation' emphasis was based on the belief that dealing with 'wicked system' issues, with multiple policy inputs and siloes required for progress, will only be innovative and effective if it creates governance spaces and vehicles that become non-hierarchical networks of informed cooperation. Informed networks of cooperation and innovation, the Dutch government believe, do not evolve readily between hierarchical policy siloes and across different orders of government. The Case Study review of UK City deals reinforces this view. Although, in contrast to Dutch Deals, UK City Deals did not have this ex ante system learning view/aim, however the evidence is that some UK Deals have evolved smart, innovative delivery entities that have, in some instances, delivered investment and productivity benefits in excess of their investment funding!

This is an especially important observation, and approach, for dealing with multi-level spatial problems including housing and infrastructure in nations with significant vertical fiscal imbalances. Federal/Provincial siloed structures may have the resources and willingness to address local problems but to deliver solutions they have to have local presence and collaborate in ways that breakdown, and replace, their conventional silo control and accountability processes. These challenges remain in the Netherlands and the UK, but they have started processes of governance change towards innovative local housing and infrastructure policy systems. With the exceptions of the Municipal Housing Accelerator Fund and the Canadian Housing Infrastructure Fund, Canada has not.

The Dutch approach is to ensure that when effective policy innovations occur locally they are rapidly and extensively transferred to other localities. The key role of national government is seen as facilitator, bringing together coordinated support from national siloes and bringing different ministries together to remove obstacles to local change and then, locally involved, function as a key supporter to locally led actions to pursue contractually agreed aims.

Finnish Deals have similar local innovation aims but also had some commonalities with the UK approach and additionally funded not just Deal processes but infrastructures to promote smart mobility, energy efficiency improvements, and digitalisation in four major cities.

## **Financing Change.**

The details and rationale of the financing of City Deals in the UK and Australia, that are broadly similar are described in Project Papers 2 and 3. All the orders of government are, in essence required to 'have skin in the game' with more local governments taking the risks of overspend. Both the UK and Commonwealth Government of Australia provided additional funds for City Deal policies and over time a broadly matching total of leveraged private finance has matched public investments. At the outset of 'dealing' there was much interest, and concern, in Deals 'earning back' invested expenditure by raising output and tax revenue but over time the ex post difficulties of identifying programme effects have marginalised that criterion. Government borrowing underpins the bulk of investments in deals.

Finnish Deals, with both orders of government investing in deals and seeking private sector leverage of public investments have more complex financing arrangements. At the core of deals, as in the UK, is the negotiated central-local package of funding agreed, contractually, to deliver selected projects. Municipalities may inject additional finance by borrowing from the Ministry of Municipal Finance (usually subsidised via loan guarantees) or by selling municipal bonds. They have also been adept at securing additional support from EU programmes. To a greater (proportionate) extent than the UK they have used PPP approaches to support infrastructure investments to create new patterns of financial competence and public-private risk sharing and use emerging private sources of green finance.

Dutch financing of City Deals is quite different from UK and Australia. There is no separate national funding pot for Deals. Deal partners commit their own resources of time and expertise to realign their existing budgets with those of Deal partners. The major role of national government ministries is to help unlock and accelerate existing funding and remove regulatory constraints. In contrast to the UK, and as noted above, they emphasise non-funding collaborations.

The funding of the CdV in France, contrast sharply with the City Deals, and especially the Dutch approach. Many of the larger EPCI have their own fiscal powers, and those that do not are financed by member communes and their tax powers. These powers vary by commune size and type. So local contributions to CdVs have a very complex tax structure. The widest powers exist at the Metropolitan scale where business, waste and mobility taxes may be collected.

The national budget contribution to the CdVs is significant (and has been for the last 30 years). The French State Budget allocated around Euros 425m for each year in the 2020's, though estimates including tax expenditure effects run at double that scale. At the same time, although State spending on the Contrat has been stable over the last decade spending on cognate budgets has been increasing so that the overall total spend on housing/social budgets, grants and tax expenditures has risen from EURO 7billion to 10 billion between

2014 and 2022. This implies the 'contract' element in spending is falling as part of overall city policy spending. This has also happened in the UK City Deals between 2016-24 as, discussed in Project Paper 2, Deals may have outlived their usefulness precisely because they have succeeded in their key decentralisation aims.

### **Governing Local Change.**

#### *Structures.*

The French CdV, that have undoubtedly delivered some significant achievements, again form a useful contrast with the post 2015 Dutch approach that reveal much about how the City Deal approach differs from 1990's programmes. The CdV reports to a Steering Committee that is co-chaired by the French State, intermunicipal structures and municipalities and may also involve multiple stakeholders, including Citizen councils (city contracts should be defined and implemented with a participative approach involving citizens).The Committee monitors, evaluates and approves CdV actions.

The Steering Committee is supported by a Technical Committee that involves technical/professional staff from the participating departments and organisations in informing the Steering Committee and organising thematic working groups around the key aims of each CdV. Theme working groups define the detailed objectives and plans for action to be considered, in the first instance, by the Technical Committee. Although the intermunicipal Steering Committee signs and is responsible for the city Contract, individual municipalities are responsible for delivering actions within their own territories. National policy stresses the importance of a participative approach in all aspects of designing and delivering the CdV. Evaluations have highlighted that the real influence of citizens and citizen groups (as in the UK City Deals) varies significantly within that framework. Some municipalities and intermunicipal bodies strongly embrace the approach in all their decision taking, and others minimise the roles of citizen councils and participation.

This is, whilst promoting local action and participation, an elaborate and top-down driven structure, with complex internal, hierarchical structures and strong national influences on local choices. In contrast to the City Deal approach there is a much greater presence of National Ministries and a lesser sense of a locally led and powerful delivery mechanism. Across City- Deal approaches, the Netherlands has developed the most stripped-down governance structures. Municipalities within the Deal, create a cross-deal governing entity, led by a municipal leader that involves (varying from place to place) key stakeholders. That governing entity is supported by an intermunicipal entity that may involve seconded municipal staff and colleagues from other local stakeholders. They are, in contrast to the CdV structure, relatively loosely organised and relatively easily formed and reformed. The decentralising aims, relatively short durations, and their knowledge mobilisation/innovation rather than programme spending emphasis allows that more nimble and locally controlled governance, in contrast to the CdV to emerge.

Across City Deals there is a spectrum of complexity/centralisation to simplicity/localisation. It reflects differences in programme scope and the willingness of national governments to trust in the capabilities of their subnational governments in designing and delivering programmes. Looking at these experiences it would appear that Canada, and possibly Australia (with the City Deals programme in abeyance because of the tainted politics of its formation, and despite some significant on the ground successes), both now have neither a coherent top-down Federal to municipal (city, region) housing and infrastructure support system nor MHAF and CHIF excepted any trust in the capabilities of municipalities to deliver significant change, and as revealed in Project Paper 4, Provincial support for municipal action is often entirely missing outside of major metropolitan areas.

#### *Performance.*

Since the 1970's national governments funding local 'partnership' have usually required, to satisfy finance ministry and government accounting/auditing requirements, both ex ante and ex post evaluations. With long duration, complex city/regional partnerships, like the CDC, there are often inconclusive ex post evaluations, even when programme objectives have been well specified and input and output/outcome data carefully collected. Broader socio-economic trends and exogenous shocks may mask, augment or undo programme effects. The City Deal approach, in all countries using the approach have placed much emphasis on monitoring and evaluating progress and outcome indicators. This reflects not just traditional government prioritisation and accounting but also the contractual nature of the Deal approach.

UK and Finnish Deal approaches emphasised the importance of progress monitoring so that the release of national government supports could be conditional on milestone goal achievements. The experience has been that Deal vehicles have developed modern, often GIS based, tracking of inputs and outputs and, in contrast to the past, developed more effective approaches for ex ante modelling and evaluation of programme effects. They have come to constitute, often working in collaboration with local research institutes and universities, important centres for understanding local change and potential policy innovations. Ironically, such positive vehicle/network creation were rarely considered/evaluated in evaluation frameworks for City Deals, though they may be more potent sources of long change than the physical investments that Deals were designed to make. In general, the evaluation frameworks, imposed by national governments, reframe project outcomes evaluation and reporting in the top-down silo framing that collaborative action reaches and networks beyond to create new solutions and ideas that create a new dynamic for places.

Dutch Deals, in most respects, avoid this difficulty. As their Deals create structures for innovation and knowledge mobilisation, that receive limited national funding support, to better use existing programme funds, the Netherlands government does not impose detailed ex post reporting criteria for Deals.

Where intermunicipal groups lead Deals then there are continuing concerns regarding democratic accountability and variations in the capacities of such groups to implement change. The involvement of non-local orders of government in supporting and monitoring Deal projects can trigger support to raise capacity and raise Deal performance in provincial/state and national government contexts. So careful, sustained multi-level attention to Deal progress is required. UK, Finnish and Dutch Deals all have mechanisms for resolving cross-order tensions that may emerge and that can collaboratively review any changes to programme content and deadlines should major shocks (the UK leaving the EU, the Covid pandemic, the Ukraine War, Trump Tariffs) imply a reasonable adjustment of programme timelines or expenditures. City Deals, in many senses, create major 'missions' for places that, with long durations, may require collaborative 'Re-Missioning' capacities. It is not for National/Federal departments to 'Fund and Forget' place 'Deals' but to both sustain and learn from their experiences. In this regard collaborative, but locally led, deals or other programmes require some continuing regional/local presence of the national or federal government. In the English context, the presence of Local Economic Partnerships (a UK government network) and the English National Housing Agency provided a local, well-informed set of channels from Whitehall to all of England. Trusting, collaborative and innovative networks do not evolve in online Rooms. They do in a shared presence trying to resolve the problems of places that matter to all orders of government.

It is clear from all the nations pursuing City deals that National/Federal orders of government have learned much about 'what works' to deliver better local outcomes from collaborative, locally led programmes and Deals.

### ***What do Ex-Post Evaluations Say?***

Notwithstanding the difficulties and limitations of ex post evaluations of complex, long-term city and regional projects, there are some general evaluation findings reported in official and academic literatures. The CdV, with almost 30 years in place (albeit changing) has attracted more extensive, credible ex post evaluation. For City Deals, most implemented after 2016 and still delivering their programmes there are few, complete ex post assessments. But there are conclusions from interim assessments.

The Cours de Comptes (2020) evaluation of the CdV programme reported some key negative outcomes, that are not atypical of large scale programmes directed at improving social and economic outcomes in poorer neighbourhoods. They reported that, despite substantial spending over the previous decade, neighbourhood quality had barely improved, the image of poorer places had barely improved, there was persistently poor economic performance and residential mobility remained low. Much the same was said of similar UK programmes scrapped to make headroom for City Deals. Yet these outcomes were unsurprising in that social exclusion, and the relative disadvantage of poorer Europeans generally was increasing through the 2010's. The key questions, unanswered by evaluations, was how much worse these outcomes would have been without the CdV.

A more recent review (2024) by the Assemble Nationale, focussed more on the conduct of policy than overall outcomes. They believed that the broad structure of the programme could work but that it lacked continuity, required more resources to work, and needed a much clearer (from the top-down) budgetary and policy framework. More locally it felt Prefectures had not enforced local evaluation requirements, that there had been weak mobilisation of mainstream (national) services and that citizen involvement was weak and diminishing.

This 'from the top' assessment appeared to emphasise local inadequacies to operate within top-down structures and seemed to have little regard to local collaboration models emerging elsewhere. There is better territorial integration of multiple national and local siloes but, in effect, cooperation across different orders of government remains uneven and siloed, national government approaches dominate the provision of major public services. Evaluation has been used to tick performance boxes rather than learn and drive collaborative innovation.

Halfway through the lifetime of the CDV Nichol and Phillips (2008) wrote that, for the CdV, *'the outcomes of 'associationalism from above' in France have largely been unintended. State officials operating in good faith sought to foster partnerships that would generate benefits for the state and the associational sector. However, as state officials, they were obliged to impose a bureaucratic infrastructure to co-ordinate complex partnerships and ensure a degree of uniformity across France. Associations found that they not only had to conform to new bureaucratic requirements but also, they had to respond to an increasingly political funding system. Thus, bureaucratisation triggered the politicisation of the associational sector, compelling associations to professionalise, politicise, and individualise their practices'.*

It would appear from evaluations in the 2020's at national and local scales that the dominance of top-down approaches continues and collaborative approaches at local scales have not thrived. The contrasts with the Netherlands and Finland are compelling.

The PBL/Netherlands Environmental Assessment Agency made a preliminary assessment of Dutch City Deals (Hamers et. al., 2017). They rather glibly asserted that Dutch City Deals were 'only similar in name' to UK City Deals, summarily dismissing that UK, like Dutch and Finnish, Deals all shared key goals of decentralisation, collaboration and innovation. The important differences, and strengths of Dutch approaches have been discussed above. They evaluated 11 Dutch City Deals in detail (there are now 35 Deals) and looked at effects on vertical and horizontal collaboration/coordination, and innovation as City Deals, stressing that they are a protected space from prevailing bureaucratic processes. They concluded that innovation had been moderately enhanced in 'the protected space', however there was need for more guidance in forming and delivering Deals, the collaborative relationships evolving were helpful but needed to be stronger, and more attention paid to learning

processes. It will be interesting to see how these collaboration and innovation processes develop over more than a few years in operation.

### **So What?**

It would have been helpful to have been able to draw upon a cross-country array of official evaluations and rigorous academic reviews of City Deals and similar initiatives. They do not exist. However, the detailed UK and Australian case studies revealed some consistent beliefs from experienced practitioners and policymakers about pros and cons of the approach. Reviewing international literature, which is essentially restricted to the Dutch, Finnish and French contexts, although Deal-like approaches are emerging elsewhere, for instance in Portugal and New Zealand, tends to reinforce the detailed case studies.

There is a broad case to make that a more coherent Canada needs to emerge to deal with problems and opportunities that emerge within complex local social and economic systems that are both driven by and recursively impact multiple orders and siloes of policymaking. Federal Canada is not just about Borders and aggregate entities such as Canadian GDP growth, overall carbon emissions, or shifts in net immigration. These aggregates arise from the actions of people and producers in city streets, town halls, and village stores. The introductory section of this paper argues a strong case that housing, and the connected infrastructures that make it a core shaper of these outcomes, make households, places and the nation thrive (or not). The housing polycrisis matters to and is influenced by every government, regardless of order and scale, in the country. With Federal, Provincial and Municipal governments all concerned to improve housing outcomes, this is a time for all Canadian governments to come together to shape a more cohesive and more innovative approach to governing and delivering housing.

There may be a wider case to connect Housing-infrastructure-Community (place) actions to other unsystematically distributed Federal actions with other sub-national government actions. In this project the focus is upon potentials to have integrated, collaborative working across the Housing-infrastructure-Community (place) portfolios of Federal Canada. There are, at present, quite significant fractures in the way these portfolios integrate at different levels in Canada. Often it is the larger metropolitan areas who address these issues in a more integrated fashion than either Federal or Provincial governments. But the functions are missing or fragmented in many smaller municipalities.

How can this change? This review was focussed on a first step of exploring how other advanced economies have worked towards more collaborative cross-order actions at the scale of metropolitan areas, cities and functional regions of towns and rural areas. In many senses City Deal is a misnomer, and since 2016 the UK has used conceptually similar approaches to driving collaborative investment strategies in remote and rural areas as well as major conurbations. All of Scotland, for example, is now covered by City and Growth Deals.

Project Paper 6 outlines a potential agenda for action that brings together reflections from across this (limited) international review, project research on municipal experiences of the MHAF, and the UK and Australian Case studies. Ten key findings from this part of the project that require rapid questioning in Ottawa policy processes are that:

- 1) *By international standards, Canada has in place relatively weak, fragmented approaches to integrating multi-government, multi-silo actions to change local outcomes for the better. There is much to learn from other OECD experience of the last two decades.*
- 2) *City Deals, with an array of choices in the way approaches are structured and financed, can be an effective way to align all orders of government and their multiple silos to address issues that have an important local/grounded/place presence and impact.*
- 3) *City Deals should be a voluntary, locally led process informed by Federal and Provincial support and guidance and they should be framed to align governance boundaries with real economic geographies and not old municipal boundaries.*
- 4) *City Deals need to have clear objectives and definitions of roles and responsibilities, be contractual in nature with all partners with 'skin in the game.'*
- 5) *Federal/national governments should be intentional, and determined, in shaping effective (multi) municipal leadership of place based changes, creating effective leadership capabilities and innovative delivery vehicles.*
- 6) *Federal and Provincial governments require a supporting rather than virtual presence in Deal delivery and innovation networks. Collaboration needs to be in place and not online to develop trust based innovation for 'One Canada' to become a reality.*
- 7) *Deal networks and Delivery vehicles require some space from relentless 'top-down' oversight, and this is difficult idea for Federal silos to grasp, but this space for innovation has been an obvious positive attribute of Dutch (and some UK) deals and its absence in the French CDV a constraint on productive collaboration and innovation.*
- 8) *Deal Delivery Vehicles should prioritise high quality and fast monitoring and develop a capacity to model change proposals and processes, so that progress to milestones is measured and delays and reprioritisations understood as shocks unfold over time.*
- 9) *Effective levels of citizen/business participation are important.*
- 10) *Fast Design and roll-out of Pilot City Deal projects are not only feasible but desirable.*

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