



# A CENTURY FOR CITIES

The priorities for future success  
of the Core Cities in England



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# WHAT IS THIS DOCUMENT FOR?

“The 21st Century will be the century of cities. For the first time, over half the world will live in cities – in Europe the figure is already over 75% and in the developing world it will shortly reach 50%, whereas two decades ago it was 29% worldwide.”

*Charles Landry:  
The Creative City;  
Comedia 2000*

Core Cities is a network of England’s major regional cities outside London. Its members are Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield.

*A Century for Cities* explains: why the Core Cities are important to the success of their regions and country; why they need to respond to challenges differently to other cities; and what additional support they need from Government and other partners to achieve more of their potential.

We speak in this document on behalf of the Core Cities, but are aware that some of our proposals can only be meaningfully delivered over wider surrounding territories – the city-regions – and through partnerships with regional agencies. Although there is a sound and growing evidence base about the importance of city-regions, we also acknowledge that there are alternative views on the roles of towns, cities and regions in increasing economic performance, for example in *Evolution and Devolution in England: How Regions Strengthen our Towns and Cities* (Balls, Healey and Leslie, NLGN 2006).

We are not looking to completely reassess current arrangements. Our priority is for immediate action, working within established regional structures, building a framework of delegation that provides us with greater freedom to help deliver accelerated economic growth. We are clear that success can only be achieved through joint leadership and consensus building with a wide range of public and private sector partners.

This document is one further step in a growing debate and will be followed by others that explore a finer level of detail, gathering evidence, generating new thinking and proposals.

It sets out the eight priorities of the eight Core Cities, recently agreed by their Leaders, and explains why we think they are important. We propose new ways of working or suggest how progress can be made in each of the following priority areas.

- 1 Transport
- 2 Supporting Innovation and Enterprise
- 3 Skills, Worklessness and Social Inclusion
- 4 Placemaking
- 5 Climate Change
- 6 Financial Freedoms
- 7 Governance
- 8 Core Cities and London – the Big Nine

Some of these are not new; Core Cities have been working on issues like transport for some time and we have specific ideas. Others, like climate change are more recent challenges that we think are critical for the future and where we want to stimulate debate and action.

The Core Cities have a track record that clearly demonstrates the virtues and positive outcomes of effective local government, with scores of examples of significant achievements. Here, we set out a small fraction of them in case studies. These are not prescriptive: each of the Core Cities have achievements in all of the areas covered. They demonstrate our leadership role in bringing together the components of a successful place and the partnerships to deliver them.

The audiences for this document are: Government and its agencies; our regional and local partners; other local authorities; private and voluntary sector partners; skills and higher education institutions; research units and policy think tanks; and specific agencies relevant to each priority area. This is not an exclusive list and we hope others will also read the document which is available on-line at [www.corecities.com](http://www.corecities.com).

We want to: engage in a robust debate with Government and other partners; create further awareness of Core Cities; and greater understanding of our needs and priorities. We would welcome responses to this document that can inform our future work and help us to regularly review our priorities.



# WHY ARE CORE CITIES SO IMPORTANT?

Core Cities are important because of their size and location. They sit at the heart of travel networks, surrounded by towns and rural areas that are economically dependant on each other and across which people travel to and from work; the city-regions. They are major centres of business and wealth creation that in turn power the economy of the surrounding region; this is supported by Government research and analysis<sup>1</sup>. They:

- are leaders in the knowledge economy;
- are the source of much of England's creativity and innovation;
- contain many of our top educational institutions;
- are important retail centres;
- contain a large share of high value employment;
- are the location of many of our most important businesses;
- are the location of many of our greatest cultural assets;
- have very diverse and vibrant communities; and
- despite all this, are still the setting for much of this country's disadvantage.

Recent evidence (State of the English Cities Report ODPM 2006) shows that the success of the national economy depends on the competitiveness of the Core Cities and city-regions internationally. There is no European example of a successful city-region with an unsuccessful city at its heart. Therefore the success of the Core Cities means success for all.

People increasingly live city-regional lives having: work in one place; children's schooling in another; living, shopping and leisure in different places again. This activity rarely conforms to administrative boundaries, but needs to be reflected in future policy. Partnerships of different kinds

and stages of development have grown around the Core Cities that bring together local authorities and others to work to strengthen the systems and competitiveness of these enlarged territories.

Core Cities have improved their own economic performance over recent years and have been at the heart of a step-change in the way cities work and how we see them. England has moved quickly from puzzling over cities as dysfunctional problems to understanding them as vibrant economic and cultural hubs, key to regional prosperity.

<sup>1</sup> Our Cities are Back, ODPM 2004; Competitive European Cities: Where do the Core Cities Stand?, ODPM 2004; The State of the English Cities, ODPM 2006; Devolving Decision-Making: 3 – Meeting the regional economic challenge: the importance of cities to regional growth, HMT 2006.



# WHY IS FURTHER CHANGE NEEDED?

There has been significant success but we cannot be complacent. The economic performance of each Core City greatly influences the wealth of surrounding towns, cities and rural areas. Large cities and regions are looking for business internationally and the competition from other countries is fierce. For the English regions to improve their economic performance globally, our Core Cities need to be better equipped to compete.

Nationally, there are important differences between the economic performance of our regions, and Government aims to decrease these, creating more opportunity for developing skills, supporting enterprise and creating jobs in the most disadvantaged areas. The performance of Core Cities is crucial to decreasing the differences in wealth, worklessness and quality of life in the regions, and also to improving national economic growth.

Internationally, the picture is more challenging for our Core Cities. Great strides have been made in renewal, but our performance lags behind many of our international counterparts and still falls far short of our potential.

Core Cities want to increase their ranking in economic performance. We want to do this in order to: benefit all our communities for the long term; decrease worklessness and deprivation; increase skills and social inclusion; and enhance people's opportunities and quality of life. An agenda for change is needed to achieve these things.

*The State of the English Cities Report (ODPM 2006) compared the top performing 61 cities in Europe. London ranks 23rd, but only Bristol (34th) and Leeds (43rd) are also in the top 50, whereas France has 5 cities in the top 50, Italy has 6 and Germany has a staggering 15 cities in the top 20, despite its economic challenges.*

# WHAT KIND OF CHANGE DO WE WANT TO SEE?

This document proposes: increased freedoms and more effective partnerships; the streamlining of strategic planning and funding; and greater local empowerment. But this is not a call for devolution for its own sake, or just for increased local accountability and democracy, as important as they are. Core Cities want to achieve greater local financial control and the ability to plan in a more coordinated way over longer periods to grow their economies and those of the city-regions. In addition to benefiting our communities, these proposals will help us deliver core government objectives, for example to reduce gaps in regional economic performance and increase international competitiveness.

We are at a pivotal point in determining the future of our cities, with major shifts in thinking, interpreting spatial economic relationships in ways that could deliver more prosperity. Important new Government policy is on the horizon: The Local Government White Paper; the Comprehensive Spending Review 2007; and the Lyons Inquiry into local government.

New policy can take account of fresh evidence about the importance of Core Cities and city-regions to the national economy and how we can make them more successful. This includes: *The State of the English Cities (ODPM 2006)*; *A Framework for City Regions (ODPM 2006)*; *Devolving Decision making: 3 – Meeting the Regional Challenge – the Importance of Cities to Regional Growth (HM Treasury 2006)*. The OECD review of Newcastle also provides a sound international basis which can be applied more generally across a range of other similar cities.

The table below (*England's Core Cities: why financial freedoms would drive improvement; Tony Travers, 2006*) shows that less than 5% of all tax revenue in the UK is collected by local government, the remaining 95% being determined by central government. This means that although Core Cities are strong economic hubs, generating tax revenue for the country, they have little direct control over that revenue and must look to the decisions of Whitehall for the majority of spending. In many of our

European and North American counterparts, financial control is much more decentralised to regional and city levels of government.

Tax revenues by sub-sector of government as a percentage of total tax revenue				
	Federal/central	State/Lander	Local	Social Security
Canada	44.8	37.9	8.6	8.7
France	39.4	0	10.3	49.4
Germany	30.2	21.6	6.8	40.5
Italy	53.4	0	16.9	29.5
Japan	35.8	0	25.7	38.5
Spain	37.0	0	28.2	34.4
Sweden	55.0	0	32.7	11.6
<b>United Kingdom</b>	<b>75.5</b>	<b>0</b>	<b>4.8</b>	<b>18.5</b>
United States	38.8	20.2	14.7	26.4

(Source: Revenue Statistics 1965-2004, OECD, Paris: OECD Publishing, Table 132)

The inability of our Core Cities to control their own destiny is the single biggest barrier to future regional economic performance because it can result in:

- a mismatch between strategies for spatial planning, economic development, housing and transportation at the local level;
- cities using valuable resources to bid for formula-based funding with uncertain outcomes;
- overlap and duplication between agencies;
- greater bureaucracy and delays in making decisions;
- less local accountability;
- potentially inefficient allocations of resources; and
- timing of funding streams not matching up and leaving funding gaps.

“Although there are differences, the trend in continental Europe is to decentralise and regionalise decision making, placing powers at the lowest level. Continental cities typically have more diverse forms of local revenue and more buoyant tax bases, which make them less fiscally dependent upon the national state and more proactive in their development strategies ... the evidence does suggest that where cities are given more freedom and autonomy they have responded by being more proactive, entrepreneurial and successful.”

*The State of the English Cities, ODPM 2006*



Without decentralisation, we will continue to fall behind European counterparts, risk being overtaken by up and coming cities like Warsaw, Leipzig and Prague and, in a few short years, those in emerging economies like China, India, Russia and Brazil.

We are all committed to empowering local people as agents of change. Devolution to the Core Cities and city-regions will mean devolution to our communities, through structures already in place like Local Strategic Partnerships as well as through improved neighbourhood governance.

There are many similarities between the Core Cities, but also important differences. Cities are unique and complex organisms that require individual approaches to their development, as opposed to mechanisms where the same science can be applied in all cases.

This is an exciting but critical moment in the evolution of England's cities. Our future success depends on skilfully meeting the challenges set out below together with Government, regional and local partners.

These are our priorities for progress.

“... we need to have a coherent approach to devolution and this means doing the right thing at the right level – regions, city, local authority and neighbourhood. So, at the centre, Whitehall departments, such as my own, must be looking not only to devolve but to be far sharper at setting priorities and at reaching agreements with cities as equals rather than as the recipients of central diktat.”

*Speech by Ruth Kelly MP,  
Secretary of State for  
Communities and Local  
Government, on 26 June 2006  
to the Core Cities Summit*



**OUR PRIORITIES  
FOR PROGRESS**



# 1. TRANSPORT

Greater self-determination in transportation issues is the top priority for the Core Cities and their city-region partners. Transport planning and delivery cannot be limited by administrative boundaries. To create real value from investment in transport, plans need to be linked closely to current and predicted future economic activity across city-region territories. We know that there is strong public support to see strategic integrated powers and funding that is close to arrangements in London, but currently, “expenditure per head on public transport is three times more in London than in the six English regional Passenger Transport Executives” (*Delivering Public Transport Solutions, pteg, 2006*).

Effective transport is essential to economic success and to social inclusion, linking people to employment hubs by our road and rail networks and through our regional airports. Distance and travel time from major centres of population to employment markets and business activity are important determinants of productivity. Connectivity between deprived areas and economic centres is crucial.

Buses are the main mode of public transport in all Core Cities. It is vitally important that their increased use is encouraged, but existing transport frameworks are not fit for purpose. This is because responsibility for transport in the UK is fragmented, lacking coordination and making transport solutions increasingly difficult. We are however mindful that any changes should build on existing institutional arrangements.

Strategic planning for transport should be more closely aligned with spatial, housing, economic and climate change strategies, anticipating increases in demand and working to address congestion and increase access to jobs, training and services.

## CASE STUDY 1

### Leeds City Region Transport Vision

In common with many other city regions, poor transport connectivity is the biggest constraint on present and future economic growth in the Leeds City Region. To function as a ‘single economic space’, the strategic links both within the city region and to other city regions must meet a minimum level of capacity and quality. The Leeds City Region Partnership of eleven local authorities is seeking a comprehensive and long-term solution, beginning with a *Transport Vision for the Leeds City Region*. This Vision articulates clearly how connectivity needs to be improved across the city region over the next 25 years to deliver a transport system which enables national, regional and local aspirations for economic growth, sustainable development, the environment and social inclusion. The starting point has been to assess the quality and capacity of current links across all modes of transport. Economic growth, development and regeneration plans have then been superimposed to highlight where transport currently (or will in the future) act as a barrier to delivering our wider objectives.



## OUR PROPOSALS

**Direct representation for the Core Cities on key decision making bodies**, nationally and regionally to ensure transport solutions that match current and future needs. This should include representation on the Regional Transport Board (with needs then specifically identified in Regional Transport Strategies), the Strategic Rail Authority's investment programme, Route Utilisation Strategies, and Regional Planning Assessments.

**Greater influence and control over bus, rail and highways infrastructure and networks** within a framework for transport across city-regions, including a stronger commissioning role and the ability to specify networks and grant operating rights, creating a comprehensive approach to integrated delivery. This should include coordination with the Highways Agency.

**Integrated strategic planning and targets** to reflect our future transport needs more fully and link them to economic growth. For example, through better alignment between strategies for spatial planning, economic development, housing, transport and climate change, and through PSA targets taking account of transport needs across and between city-regions.

Improving the way we appraise transport needs will help, giving more weight to the economic potential of transport infrastructure investment.



## 2. SUPPORTING INNOVATION AND ENTERPRISE

The Core Cities already have a strong role to play in supporting innovation and enterprise, but more coordination is required between national, regional and local initiatives.

We recognise that a central role is played here by the RDAs and Core Cities want to work with them to build a stronger link between public investment in our economies, the responsible agencies and the long term needs of business, particularly through the Chambers of Commerce.

Higher education and research are vital to our knowledge economy and we need to build capacity through our universities, yet the majority of Government research funding for higher education goes to Oxbridge and London. The eight Core Cities contain many of our best universities and we want to increase interaction between learning and research institutions and the private sector.

Our creative economies are growing in importance. Local government is England's main investor in its cultural life and many of our greatest cultural assets exist in the Core Cities. This includes a raft of major capital cultural facilities that have led to increased investment by the private sector and a shift in image and identity. The Core Cities, together with London, could take a leading role in uniquely positioning England as an internationally important creative economy by creating better links between our cultural assets and our creative industries.

But economic development is not just about high-end industry and the knowledge economy, it is also about tackling worklessness and social inclusion, synchronising the responsible agencies.

### CASE STUDY 2

#### **Newcastle Science City**

Following the Chancellor's "science city" designation in December 2004, Newcastle Science City was born. This flagship programme is a unique integration of science and technology research and development, and its application, with spatial planning and urban development. It will provide a significant new opportunity to boost the economic and social development of the city, the region, and the North as a whole. Newcastle Science City will build upon recent successful activity in the North East through policies that bring together science and innovation with physical regeneration. It will develop projects that use the city centre environment as a focal point for concentrated science-based development, contributing significantly to economic prosperity and growth. This prosperity and growth will be generated by scientific research and teaching, the application of science, supporting services, and extensive and intensive interaction between these various elements.



## OUR PROPOSALS

**A tighter framework** is needed to combine efforts of the relevant agencies with industry and learning organisations to direct investment for innovation and enterprise in Core Cities and where agreed locally, city-regions. This should comprehend and align the roles of national, regional and local agencies toward common goals and pay particular attention to increasing social inclusion by working with and through local agencies.

**Further opportunities for public private partnerships.** For example extending the model of Science Cities into other industry areas. Five of the Core Cities have Science City status; a partnership between local authorities, the university's and private sector, providing support services to assist in the creation and growth of technology-based businesses.

**A more equitable regional spread of research and innovation funding** and simpler allocation will help build innovation in Core Cities and city-regions. This should be based on both opportunity and need.



# 3. SKILLS, WORKLESSNESS AND INCLUSION

The Core Cities have reinvigorated their economies but are still the site of much of England's deprivation. The issues of skills, worklessness and social inclusion are closely linked: access to work and a route to individual prosperity means access to skills, often for groups who may feel excluded from learning environments.

We want to combine our intimate knowledge of local deprivation with our strong local links to business and the learning sector, to ensure that the learning offer meets market demand and expectation in a way that is taken up by excluded groups. We also need to grow complex skill sets in our workforces to compete internationally.

The Department for Work and Pensions City Strategy Pathfinder status programme, which operates in some Core Cities, is a stride forward in this area. However, investment in skills needs to be coordinated and focused at the correct spatial level within city-region territories and public agencies need to adapt their delivery to achieve this alignment. It is currently difficult for responsible agencies to tailor their interventions, either by nature or by intensity, in a way that takes full account of the spatial relationship between economic development and deprivation within city-regions.

## OUR PROPOSALS

**An overarching agreement** between each of the regions, city-regions and Core Cities, and between agencies responsible for skills, worklessness and inclusion will more closely align economic opportunity with decreasing deprivation.

**Devolution of some procurement responsibilities**, for example to City or city-region Skills Boards or other partnerships with Learning and Skills Councils, will avoid duplication in post-16 learning, enabling delivery that takes fuller account of local need, area by area.

## CASE STUDY 3

### Strategy for Worklessness in the Birmingham, Coventry and Black Country City-Region

Birmingham, Coventry and Wolverhampton were invited by the Department of Work and Pensions to express an interest in the City Strategy model for tackling worklessness. The three local authorities came together with the other five local authorities in their City Region partnership, and with the Learning and Skills Council, to compile and submit a joint City Region expression of interest and bid in July 2006. The submission to the DWP encompassed 55 target wards representing 480,000 individuals, 17% of the City Region population. The bid was approved by the DWP in August 2006. The City Region's pathfinder status will allow new approaches to tackle high unemployment, social exclusion and child poverty. The City Region's consortium plans to pool resources and expertise in order to tackle the specific problems that have stopped people from getting into work in some of the City Region's most deprived wards. The government has made £5 million available to get the plans off the ground, with additional funding to follow.

# 4. PLACEMAKING

The Core Cities have pushed forward the boundaries of placemaking, creating environments where people choose to live, work and in which to spend leisure time. High quality public space, physical regeneration, new approaches to housing and cultural facilities are evident in each of the cities.

There is a great deal more to do. These achievements are not those of the Core Cities alone, but have relied on complex partnerships between public and private sector agencies. The funding to make this happen and strategic planning are often controlled at the national and regional level, leaving the Core Cities and their partners to weld together programmes and funding streams that have differing objectives and timescales.

Regional spatial, economic and housing strategies are not currently aligned in a way that plays to the strengths and needs of the Core Cities or surrounding city-regions. We need to have more of a voice on important investment decisions, create more local accountability for them and do so within spatial strategies which streamline investment. The Lyons Inquiry into local government offers an opportunity to review current arrangements for strategic planning at this level.

Recent growth in the economy and attendant rises in house prices suggest that the current focus on housing growth in the South East needs continual assessment. This affects rural areas as well, but the Core Cities have a role to play in helping to determine growth patterns, investment in affordable housing, ensuring maximum value from Registered Social Landlords and creating sustainable, mixed and balanced communities.

Design quality, the animation of public spaces, maintenance arrangements and high-quality local services are fundamental to sustainable communities. We want to work in a more coordinated way with Government agencies, through our planning processes, to drive up quality and create continuous improvement.

## CASE STUDY 4

### Liverpool One

A new brand for Grosvenor's £920million retail-led regeneration of Liverpool city centre, the Paradise Project will create 3,300 construction jobs and 4,400 permanent jobs for the local community, provide training for young people and opportunities for local businesses. Liverpool One will re-establish the city as a top five UK retail destination, contributing to the Liverpool First aim of creating a premier European city. The development will repair the urban fabric of the city centre, linking the existing retail area with Ropewalks and the Albert Dock, one of the north's most popular visitor destinations and currently isolated from the rest of the city centre. Liverpool One will buck the trend of homogenous mall developments by retaining the historic street pattern and strengthening the city's reputation for architectural excellence with each of the individual sites having its own architect. Liverpool One comprises six distinct districts, 30 individually designed buildings, 1.6 million sq ft of retail space, a 14-screen cinema, 230,000 square feet of restaurants, cafés and bars, together with more than 450 new apartments, two hotels, offices, a revitalised five acre park, and new public transport interchange.

## OUR PROPOSALS

**Integrated Strategic Planning** is needed to pull regional spatial, economic, housing and transportation strategies into alignment, requiring these to collectively contribute to climate change targets. Where agreed locally, this should happen across city-regions to match economic growth closely to housing, transportation and other needs.

**Simple, timely, sustained investment** with more local control and single-pot funding will get better results by being tied to long term, locally owned strategies which align and synchronise cash flows, avoiding funding gaps and time lags, for example between housing growth and the procurement of educational, health and community facilities.

**A statutory duty on delivery agencies** and local authorities to coordinate investment in Core Cities to achieve the above and to consider the unique balance of opportunities and needs in Core Cities, ensuring integrated delivery, for example coordinating housing growth with economic growth. Where appropriate, this might also take place at the city-region level.



# 5. CLIMATE CHANGE

Taking climate change seriously and championing measures to deal with it is a manifestation of our civic leadership role. Climate change is a global issue which needs to be tackled in part at the local level. The Core Cities have initiated a Climate Change Working Group to further their role in addressing this serious challenge. Addressing climate change at the local level relates closely to the changes we would like to see for Transport, Placemaking, Innovation and Enterprise.

We are uniquely positioned to lead local communities to contribute to Government targets for climate change and to pass on best practice to other local authorities. Climate change is a threat, but it may also bring economic opportunity and we will work with industry to grasp this.

As well as reducing environmental impact, we need to prepare for anticipated climate change and further work is needed to understand what adjustments cities will need to make for example in healthcare, housing, open space, waste and water management, and the financial implications of this.

This issue is important for every town and city, but for Core Cities there are two specific considerations. Firstly, a direct correlation can be made between how climate change is addressed and future economic performance, underlining the importance of progress at this level. Secondly, because of their size the Core Cities are major energy consumers and so bear a responsibility to look to a sustainable future that does not impede economic growth.

## OUR PROPOSALS

**Placing climate change at the heart of strategic planning** is vital to achieving an integrated approach across transport, economic development, housing, land use, waste and water management in Core Cities. Future alignment of these strategies should consider their combined climate impacts.

### CASE STUDY 5

#### Nottingham Declaration on Climate Change

Local authorities are important civic champions, but any one council can only do so much about climate change. Local government around the world acting collectively can make a substantial difference. This was the thinking behind the **Nottingham Declaration** on Climate Change – an initial commitment for councils in the UK. It was launched by the City Council at a local government leaders' conference in Nottingham in October 2000 as a high-level, broad statement of community leadership that any council can make about tackling climate change in its own area. The tally of signatory councils reached 100 five years later at a further Nottingham conference where the Declaration was re-launched with the endorsement of two Government ministers, the backing of four Government agencies, the LGA, IDeA and ICLEI, the worldwide association of local governments for sustainability. The Council and its partners formed the Nottingham Declaration Development Group to provide improved support to signatories and to double the number of publicly committed councils within a year. Angela Smith MP, DCLG Minister, launched a one stop source of information, an online action pack ([www.nottinghamdeclaration.org.uk](http://www.nottinghamdeclaration.org.uk)) in July 2006, by which time some 150 councils had signed up. A series of regional launch events will take place during the autumn to raise the profile further and maintain the momentum that has been generated over recent months to get climate change on the agenda of the majority of councils.

**Wider ownership of the climate change agenda** can be led by Core Cities, engaging local residents, incentivising business and applying controls that ensure we remain competitive.

**Changing procurement** and behaviours across public agencies in the Core Cities will have a powerful positive impact, which could be incentivised nationally.

# 6 INVESTMENT AND FINANCIAL FREEDOMS

As important economic centres, Core Cities are well positioned to lever additional investment and raise finances to improve services and deliver core Government objectives, as is shown by the dramatic urban renaissance in our city centres.

Private Finance Initiatives are an example of long term partnerships between the public and private sectors that provide public assets and services giving returns on investment over 30 or more years. Yet much local government financing is based on far shorter timescales. Increasing the range of long term financing opportunities, flexibility and private sector relationships will provide additional resources for the Core Cities; the Transport Innovation Fund is an example.

At present local government often needs Central Government funding to kick-start a programme, whilst central Government needs assurances that their contribution will be cash limited.

Core Cities believe that they have a special case for additional financial freedoms for local authorities, both in their own right and through city-region partnerships; raising the level of investment in infrastructure to support growth is a particularly pressing need. The Core Cities and city-region partners have strong leadership, skills and know how, robust private sector partnerships and the experience to make new arrangements work.

## CASE STUDY 6

### **Metrolink tram system**

Manchester has worked hard over the past few years to develop innovative ways to fund further extensions to our highly successful Metrolink tram system. Whilst we have achieved a measure of success, to go further faster we need the kinds of borrowing powers currently enjoyed by London. Like Transport for London, we would like to be able to borrow against revenue funding from the Department for Transport and against future fare revenue. This would provide us with the flexibility to decide how we use resources to buy additional services and finance infrastructure investment. Currently this is not possible because we do not receive revenue funding from DfT. We are in the process of asking Government to allow us to borrow against future Transport Innovation Fund (TIF) monies. This would involve DfT, in effect, agreeing a revenue budget with us over a period of years against delivery of an agreed set of outcomes. Manchester believes that the certainty provided by such funding and the ability to borrow against it, would help us pull in still further sources of revenue to help secure investment, such as money from fares and congestion charging revenues. This would significantly enhance the ability of Manchester and other local authorities to deliver the combined investment and demand management strategies needed to keep our big cities moving.

## OUR PROPOSALS

**Freedom and resources to raise finances** from the market and through taxation will increase resources and improve economic performance in Core Cities, and evidence mentioned in earlier sections supports this. We fully recognise however that any obligation on industry (for example through relocalisation of the business rate) must be clearly rooted in a robust strategy, supported by the private sector, for the development of the business base.

**A strategy for local investment** developed with Government, regional agencies and industry will provide a joint framework with the private sector to develop the business base, achieve industry buy in and ensure resources are targeted to achieve common objectives.

**Greater flexibility to use ring fenced funds**, move money from capital to revenue streams and vice versa and to have Government support to undertake further public private partnerships will increase our ability to improve economic performance and service delivery.



# 7. CORE CITIES AND LONDON – THE 'BIG NINE'

London is a truly global city, something few countries can boast. The relationship between the nation's capital and the regional capitals, the Core Cities, is important. As with each of the Core Cities, there are areas where it is healthy to have competition, difference and diversity. But there are equally areas where commonality is stronger and collaboration will reap benefits.

Working together we can create a two-way flow of benefits: sharing best practice; economic development; tourism; festivals like Capital of Culture 2008, the London Design Festival and the London 2012 Games. When the world comes to England, we want to make sure that England comes to its major cities. We need to take mutual advantage of things that happen in the capital and the Core Cities.

## OUR PROPOSAL

**We should work jointly on important issues** like: international economic development; transport planning; tourism; international festivals; the London 2012 Games; and climate change.



# 8. GOVERNANCE AND LEADERSHIP

The Core Cities have each demonstrated transformation, applying what Sir Michael Lyons has termed 'place-shaping'; effective, strong, local government that delivers through partnership with public sector agencies and the private sector. Creating and sustaining these partnerships, and collectively focusing them on 'the place', is a key characteristic of successful local government. A debate on governance cannot just be a debate about local authority leaders, but should focus on these wider partnerships and how the most advanced of these, which exist within and around the Core Cities, can be incentivised.

Increased freedoms and resources require a robust system of accountability. We have initiated processes to develop transparent and visible leadership structures within city-regions that will be capable of achieving our ambitions. Core Cities do not support directly elected mayors for themselves or for city-regions; there is little appetite for this at any level and we do not believe it is currently deliverable. But it worked in London, so why not in Core Cities?

We recognise the success of London's Mayor, however the size and global status of the Capital require unique structures. There is a long historical identification with London as the overarching area by authorities, communities and businesses – more than a century – and there was a strong appetite for a directly elected Mayor before 2000. Whilst people usually recognise some shared heritage and interests across a city-region, this is not yet so strong as in London, and needs time to grow. The boundary for London is well defined, but a fundamental component of the city-region concept is that it cuts across administrations building partnerships, rather than trying to redraw boundaries and there are other options to be considered.

The arrangements for London however, do beg the question, 'what is it about our situation that is so different, that prevents a similar rationale for devolution being applied to the Core Cities within current governance

## CASE STUDY 7

### **Creative Sheffield**

In common with the other Core Cities Sheffield has developed a business case outlining progress made in the city and the city region, proposals for realising key ambitions, and the freedoms and flexibilities needed to achieve this. The business case sets out the rationale underpinning the decision to establish Creative Sheffield as a new 'city development company' to spearhead our efforts in transforming the city's economy. By integrating the functions of the existing urban regeneration company, Sheffield One, and the inward investment agency, Sheffield First for Investment, Creative Sheffield will become the single, successor organisation, providing the necessary leadership to deliver higher levels of economic growth and enhance the competitiveness of the city. The principal mechanism for achieving this will be through the development of an 'Economic Masterplan' for the city, to provide a unified strategic framework for the future economic and physical development of the Sheffield over the next 10-15 years.

frameworks?’ It can be argued that there may have been some leadership vacuum for London for a time prior to 2000, but this is not the case in the Core Cities.

Cities often quoted as mayoral successes, like Barcelona, have indirectly elected mayors and systems that are not dissimilar to the Executive Boards proposed for city-regions in England. Outside London, directly elected Mayors have a mixed history; placing such authority in the hands of one individual has not always worked. Two things are clear.

- Firstly, Core Cities already have systems and leadership that can ensure democratic accountability, broker new arrangements and understand what works.
- Secondly, we cannot afford to linger on this issue and need to embark now on a process of double devolution through a structure that is deliverable.

The examples in this document and elsewhere demonstrate that the Core Cities already have strong leadership, capable of taking tough decisions and driving forward change. Local government reorganisation is neither necessary nor desirable in order to deliver our proposals, or those of the city-region business cases recently put to Government. It would in fact prejudice our ability to deliver progress across a wide range of urgent agendas. Solutions need to be about what will work now and form should follow function to deliver enhanced economic performance.

## OUR PROPOSALS

**Good local government is the solution;** it is already happening in the Core Cities through partnerships that focus public sector agencies and industry collectively on ‘place shaping’. We are urging Government to help us maintain continuity and build on success; we have never had a stronger platform on which to build.

**Multi-area agreements** between Government, the Core Cities and where appropriate city-regions could help to develop an evolutionary rather than revolutionary process leading to individual solutions fit for all our purposes, but beginning the process of devolution now.

**Understanding how Core Cities and city-regions work** more fully is vital to making informed decisions that will lead to economic success, through data mapping, benchmarking and analysis.

## CASE STUDY 8

### Partnership boosts Bristol city-region

Bristol city-region is one of the most prosperous outside of London, and faces many opportunities and challenges, including the pressures of rapid growth in jobs and population, and areas of severe disadvantage. The West of England Partnership was formed in 2004 to respond to these challenges. It comprises Bristol City Council, Bath and North East Somerset Council, North Somerset Council, South Gloucestershire Council and social, environmental and economic partners. The partnership has set clear direction and priorities and has joined up key investment and social programmes. Achievements so far include:

- Agreeing – through extensive public / stakeholder consultation – a twenty-year vision for the city-region: Vision 2026.
- Drawing up a sub-regional spatial strategy, outlining plans for managed growth of some 6,000 jobs and 4,625 dwellings per year over twenty years and the creation of more mixed and balanced communities.
- Submitting a highly praised Joint Local Transport Plan, which has attracted substantial funding from government in support of its integrated and sustainable approach to city-region transport solutions.
- Establishing ‘Homes West’ – a delivery vehicle in partnership with the private sector. It aims to achieve a 25% increase in the supply of affordable homes by 2010.

For further information, please see [www.westofengland.org](http://www.westofengland.org)



# CONCLUSION

In conclusion; in order to understand the Core Cities it is important to recognise that we have much common ground, but also a rich diversity of character, identity and need. Therefore a one size fits all solution in respect of the issues raised here is certain to fail. We accept that there needs to be a division of labour and responsibility at regional, city-region, Core City and neighbourhood levels, and new arrangements will need to respond to three important issues:

- firstly that the needs and roles of Core Cities and city-regions are properly understood and that this is better reflected in policy;
- secondly that there is a more integrated approach to strategic planning across the board and that Core Cities are better able to influence its outcome;
- thirdly, that Core Cities – working with city-region partnerships where appropriate – offer a unique opportunity for devolution, piloting new ways of working with Government to boost UK PLC.

We want to begin a new dialogue with Government, regional and local partners that will write the next chapter in the long history of our Core Cities, building on success and creating a new 'Century for Cities'.

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**The Core Cities  
Group comprises**

**Birmingham**

**Bristol**

**Leeds**

**Liverpool**

**Manchester**

**Newcastle**

**Nottingham**

**Sheffield**

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