



2005 PARTY CONFERENCES: C4C FRINGE EVENTS

We held four fringe events at the Liberal Democrat, Labour and Conservative party conferences – all with The Smith Institute. Three were on “Working Cities” and one was on “What to do with British Towns?” Here are the key points.

Working Cities – Labour, 27 September

Ed Balls MP:

- Inequality within cities, and between cities and surrounding towns.
- City-regions make economic sense, but are politically very difficult. Regions are better for governance and decision-making.

Ken Livingstone (Mayor of London):

- Need more devolution. Central government (esp. civil servants) needs to let go. Blair, Brown and Prescott all agree on devolution. Everything devolved has worked better. Devolution allows for local policy innovation, e.g. US mayors. Let’s push for maximum devolution now.
- London needs a range of local taxes, so can alter balance across business cycle. Don’t tie cities to council tax. TIF wouldn’t make a big difference in London.
- Referendums are bad. North East wasn’t offered anything worth taking.
- London LSCs are terrible – London needs more Level 3 skills, LSCs focusing on Level 2.
- Crossrail – big row going on. London businesses will tolerate an additional 3% on their rates, but no more. Would increase fares to pay for the rest, or any cost overruns.

John Healey MP (Financial Secretary to the Treasury):

- Real markets don’t – and never will – match local authority boundaries. So local authorities and agencies need to collaborate across boundaries.
- HMT has moved on fiscal devolution, e.g. prudential borrowing. But concerned about macro fiscal impact of too much devolution.
- Private rented sector has a lot of bad quality housing stock.
- Core cities need another 500k jobs to bring them up to national average.

Cllr Richard Leese (Leader, Manchester City Council):

- City-regions are the way forward. They exist already, so current debate is partly misdirected.
- Cities should mix and match on mayors, city-regions – some but not all cities will go for them. Greater Manchester going for Executive Board model.
- Skills are the biggest single issue for Manchester. Low skills base will hold back regeneration, stop the city succeeding.

- Devolution – successful cities have control over their own affairs. Cities need a basket of tax raising powers, devolution on skills, anti-social behaviour, health etc. Local government needs the space to make mistakes. Can't grow great cities without taking risks.
- Current policy is too centralised, e.g. Home Office targets on policing do not align with local priorities.

Tristram Hunt (Historian and Author):

- Stop urban sprawl. 17.5% VAT on brownfield development is wrong – Gordon Brown has to push for change to EU rules.
- Secondary schools in inner cities are bad.
- Wal-Mart not good for cities.
- Thames Gateway could be a disaster – too much social housing.
- Devolution works. But post-war nationalisation destroyed civic autonomy, so cities now lack capacity.
- Be careful about tax-raising powers. US cities are too reliant on local sales tax, which encourages out-of-town retail and urban sprawl.
- City-region model is very exciting. Regional agenda doesn't work.

Ken Dytor (Urban Catalyst):

- Shortage of business premises in cities, they are being squeezed out of key locations.
- Good design and densification helps cities. A sense of place makes cities work better.

British Towns – Labour, 27 September

John Healey MP (Financial Secretary to the Treasury):

- Government's goal is to narrow regional disparities and raise regional growth.
- England's biggest 20 cities contain half of total employment.
- Economic growth is not aligned with local authority boundaries. Need to improve alignment, collaboration and leadership – if we're not going to impose new units of government.
- Need to better understand local economies, properly co-ordinate action and put new policies in place to help this happen.
- Need to re-emphasise the connection between productivity gains and social justice – economic growth helps eradicate child poverty etc.
- Non-government voices are important – Centre for Cities has an important role to play.
- Retail has contributed to the growth (and decline) of towns.
- Big fan of Business Improvement Districts (BIDs) – they are helping to bring local authorities and businesses together. But they are underdeveloped, and currently confined to more buoyant areas.
- Small cities, large towns need to forge their own identity and make economic links to bigger cities.

Martin Winter (Mayor of Doncaster):

- Doncaster is reinventing itself – new airport, “education city”.
- Population is rising from current 300k to 350k over the next decade.
- But still 12% worklessness, worried about “underclass”.

- Towns don't believe that they are helped by the growth of big cities, e.g. Bradford doesn't feel it benefits from the growth of Leeds – big challenge around spreading prosperity from big cities to surrounding towns.
- Towns need to identify their distinctiveness, their role and purpose in the wider economy. They then need to prioritise what to do, which requires vision and leadership.

Liz Peace (CEO, British Property Federation):

- Towns need economic activity.
- Lack of affordable business premises.
- Against Barker's proposed planning gain supplement.
- BIDs are good, but they should involve property owners – not just sitting business tenants.

Dermot Finch (Centre for Cities):

- Our City Markets business surveys show that transport is the number one issue for businesses in deprived areas - connectivity is crucial.
- Tax incentives in deprived areas (Enterprise Areas) are not working well.
- BIDs are good, but still in their infancy – only 12 live ones right now.

Working Cities – Liberal Democrats, 19 September

Cllr Mike Storey (Leader, Liverpool City Council):

- Lib Dems are now the biggest party in the Core Cities, with more councillors than Labour or Tories. A lot of cross-party consensus on cities, and what needs to be done. Less clear on towns.
- Cities need more revenue-raising powers. Only 22% of Liverpool's revenue comes from council tax. Liverpool wants to attract more people, to increase its tax base.
- Cities are currently dependent on a confusing cocktail of funding. Requires constant bidding and different appraisal systems – far too much red tape.
- Bus deregulation was a disaster.

Lynne Featherstone MP (Hornsey & Wood Green):

- Abolish Government Office for London (GOL).
- More local finance could be attractive, if people could see direct benefits.
- GLA model not 100% applicable to other cities – they need to devise their own models.

Cllr Greg Stone (Newcastle Central):

- Buses – need to return to local authority control.
- Northern towns will have to re-invent themselves – that's what Liverpool and Manchester had to do. Some will become dormitories for bigger cities.

Nigel Smith (Chair, RICS Regeneration Panel):

- Need some form of city-region governance, e.g. for transport – which goes way beyond city boundaries.
- Financial devolution would hit poor areas – they have a smaller tax base, so would not benefit from e.g. local income tax.

Working Cities – Conservatives, 4 October

Dermot Finch (Centre for Cities):

- Cities doing better. Big cities are economic hotspots. But still major problems – worklessness, poverty and disparities.
- Cities' potential constrained by centralisation, rigid local government structures and dysfunctional markets.
- Cities need more devolution and connectivity.
- Cities should get more control over e.g. transport and skills. They should have more revenue-raising powers – but HMT are nervous about fiscal impact; and poor areas (with low tax base) are not keen. Devolution will also require cities to take hard decisions over priorities.
- Big cities need to connect – with their own deprived areas and also with their surrounding towns and smaller cities. On enterprise, area-based initiatives are not working well – resources would be better spent on e.g. public transport (esp. buses). Towns (esp. northern) need to re-define their role, e.g. Sunderland and Barnsley.
- Elected mayors? Not necessarily – other governance arrangements now coming forward, e.g. Manchester's executive board proposal.

Steve Norris (Park Place Communications):

- Cities are doing better compared to 15-20 years ago, but from a very low base. And most of our cities are performing below EU average. EU's non-capitals tend to do a lot better.
- Three remedies: connectivity, skills and elected mayors.
- Not surprised that city councils are opposed to elected mayors – all but one councillor would lose power! Ken should have more powers.
- Crossrail in trouble.
- Against development land tax. Need further reform of planning.

Chris Brown (Igloo):

- Better use of brownfield would help limit urban sprawl.
- TIF should happen, but HMT not keen.
- Barker doesn't stack up – think ODPM will back off Growth Areas housing targets.

Dermot Finch, Centre for Cities
5 October 2005