

city leadership

giving city-regions the power to grow

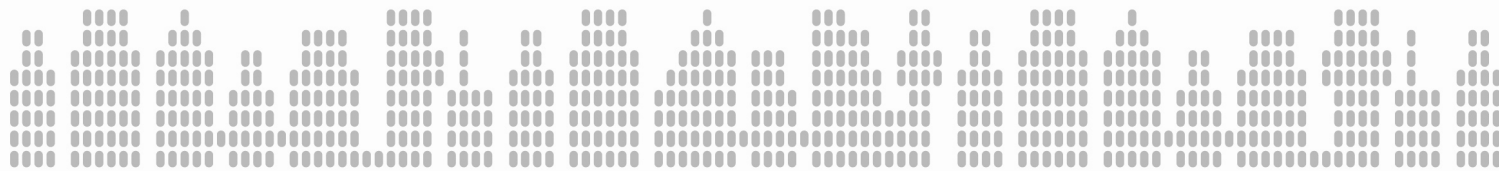
adam marshall
and dermot finch
with chris urwin





Key recommendations

- *Radical new financial powers for England's biggest city-regions, starting with Greater Manchester and Greater Birmingham*
- *Directly elected city-region mayors to run regeneration, transport and skills*
- *More financial freedom for all cities and towns – to promote regeneration and growth*



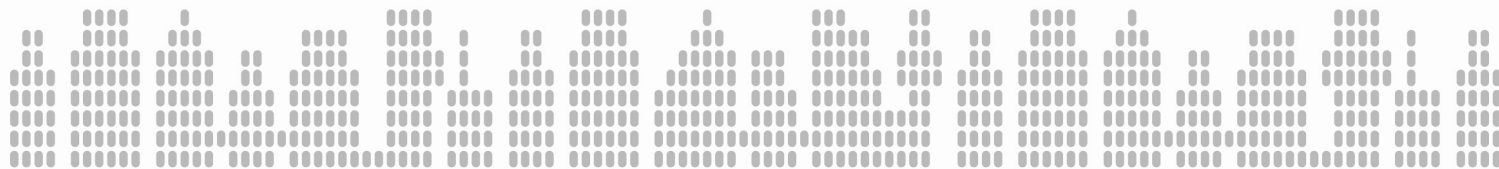
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Why is all this important?

- England's biggest cities don't have enough power.
- Cities' success depends on ability to respond to economic changes, local circumstances
- Critical 'window of opportunity' for change
- Wide recognition of the need for devolution ...

... but no consensus on how to devolve

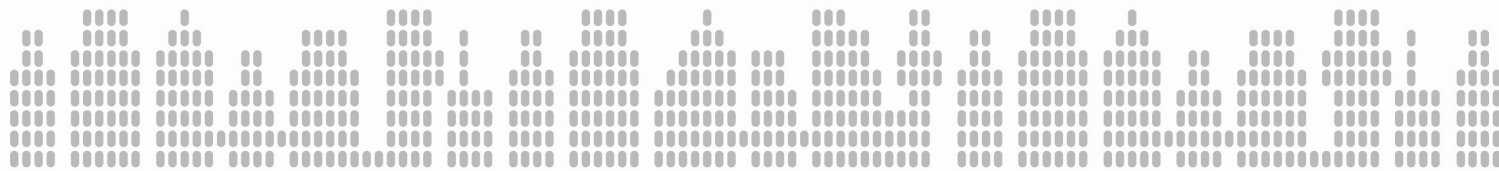


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Key research messages

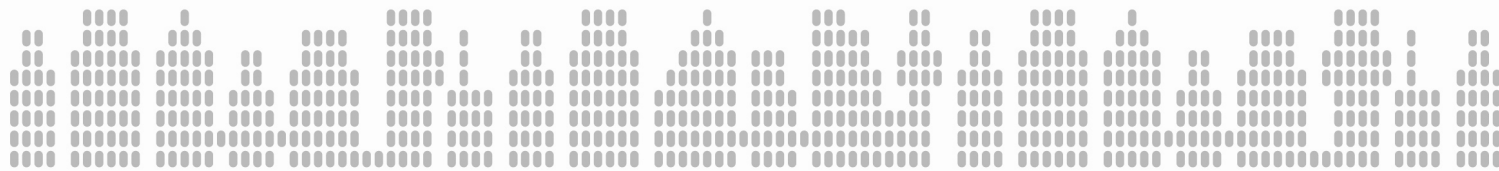
- Biggest issue: control over existing spending
 - Currently too complex and fragmented
 - Lack of local control a barrier to investment
- Some interest in new revenue-raising powers
- City-regions: interest, need for incentives
- Build economic development capacity, skills



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City Leadership: the policy recommendations

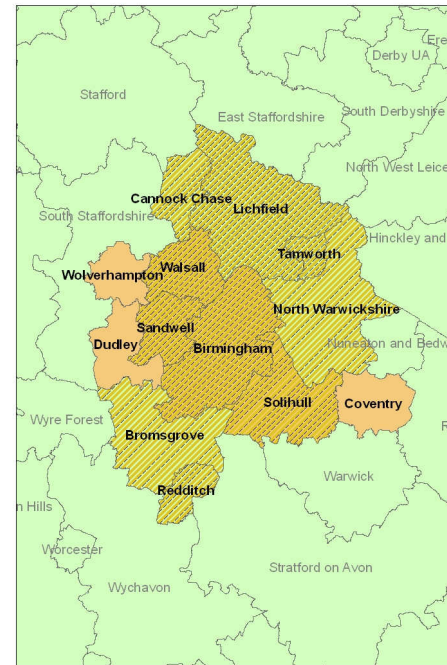


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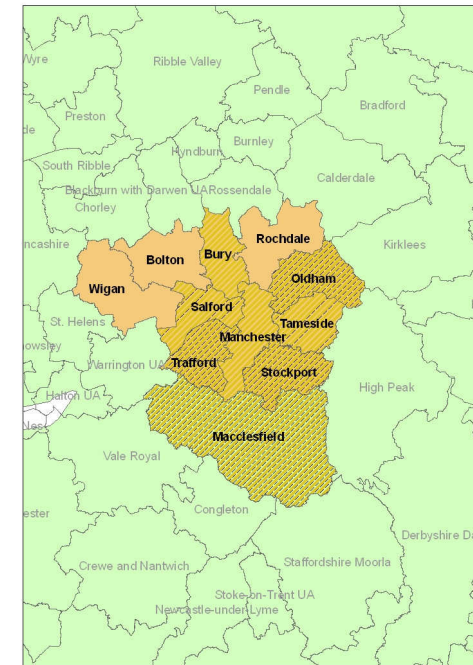


Empower City-Regions

- Devolved spending and revenue-raising powers
- Capture political, economic realities
- Start with Gtr Birmingham and Gtr Manchester
- Five other large city-regions could follow them

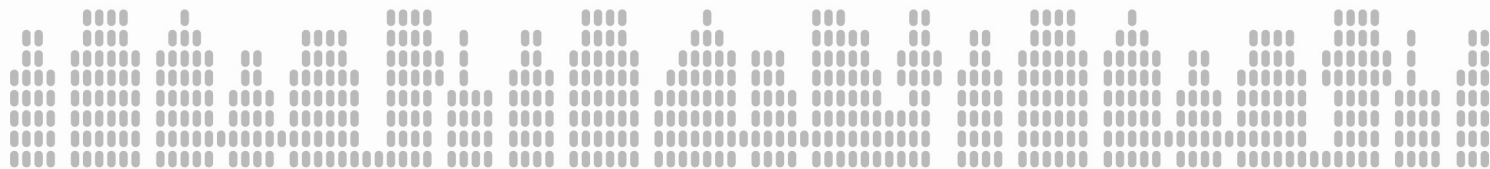


Birmingham CR



Manchester CR

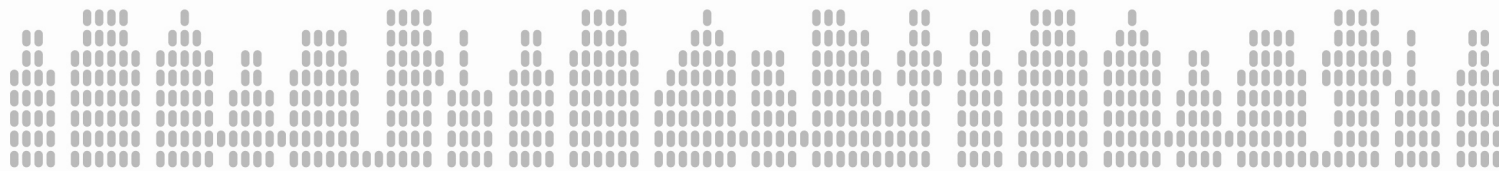
.... WHY? HOW?





Why City-Regions?

- Economic dev't best done at city-regional level. Regions are too big; local authorities too small
- England's biggest city-regions are the largest concentrations of economic activity
- Devolution will have a real economic pay-off in city-regions

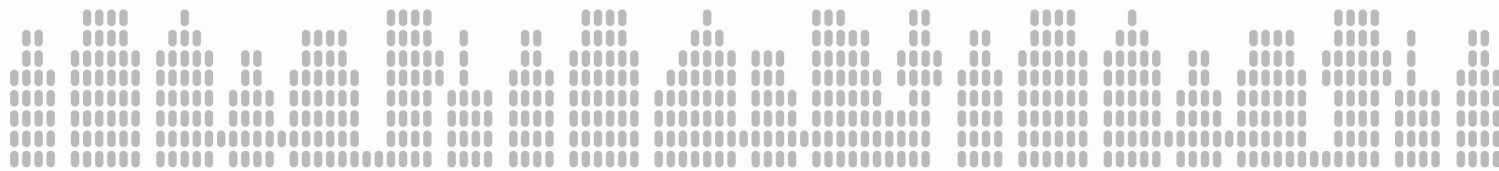


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How to devolve (1)

- **City-Region Contracts:**
 - regeneration, housing, transport, skills
 - pooled and devolved funding
 - strategic decision-making at the right scale
 - reduce fragmentation and complexity
 - prioritise strategic investment

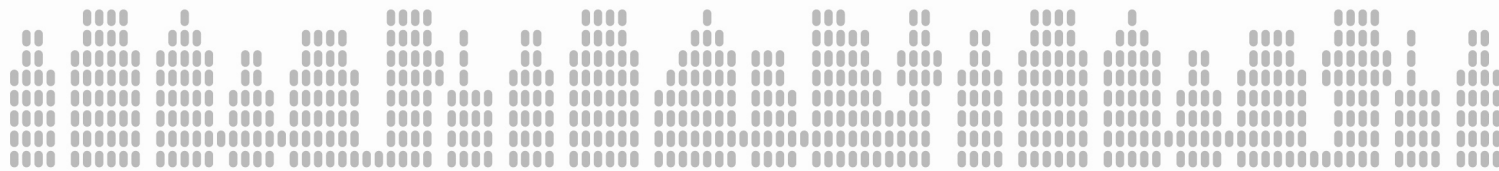


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How to devolve (2)

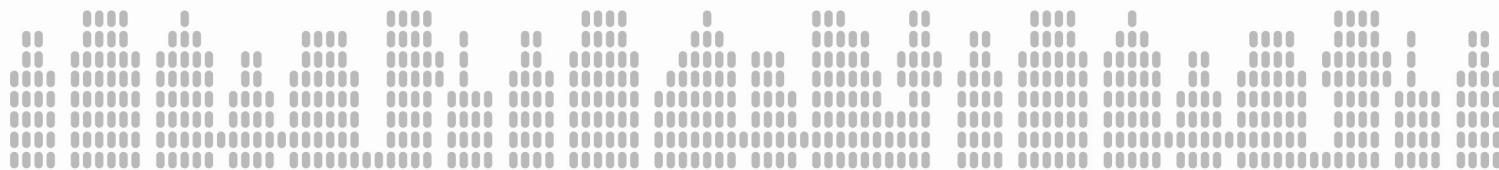
- **Supplementary Business Rate powers**
 - Maximum of 5% (approximately 2p)
 - Ring-fenced for transport
- **City-Region Growth Incentive (CRGI)**
 - Capturing tax revenue from business growth
 - Promotes city-regional working, growth of the business base
 - Not a new tax – but worth up to £200m for each city-region
- **Clear role for business in setting priorities and spending new revenues**





Who should run city-regions?

- If we want radical devolution to city-regions, we need a step change in accountability
- Devolved spending and revenue-raising powers require legitimacy, clarity, strategic vision, delivery
- **We call for directly elected city-regional mayors** to take key decisions, drive growth
- Executive Boards are a good transitional step, but not enough for radical devolution

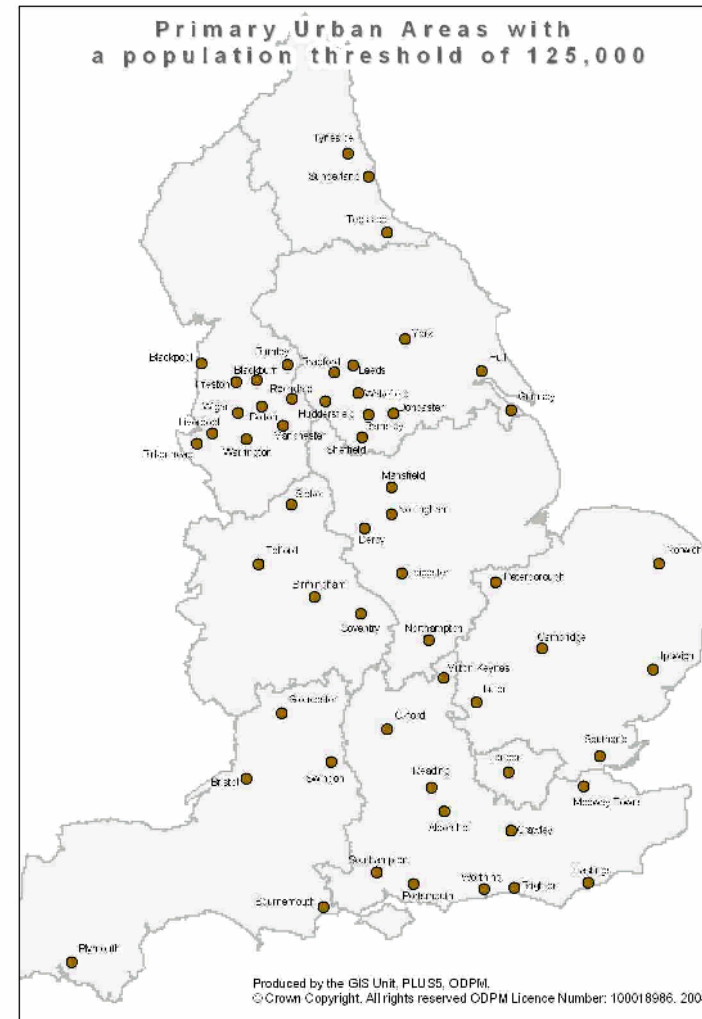
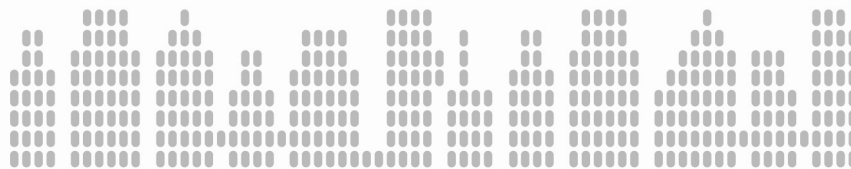


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What about other cities and towns?

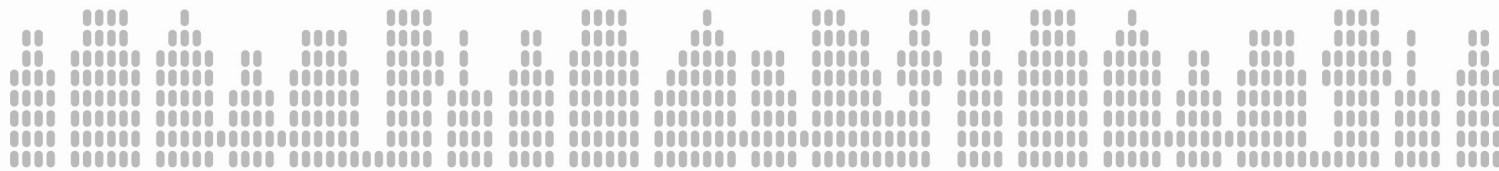
- Other urban areas need more financial flexibility
- Barriers to use of existing powers
- Enable towns to develop new economic roles





Making LAAs work

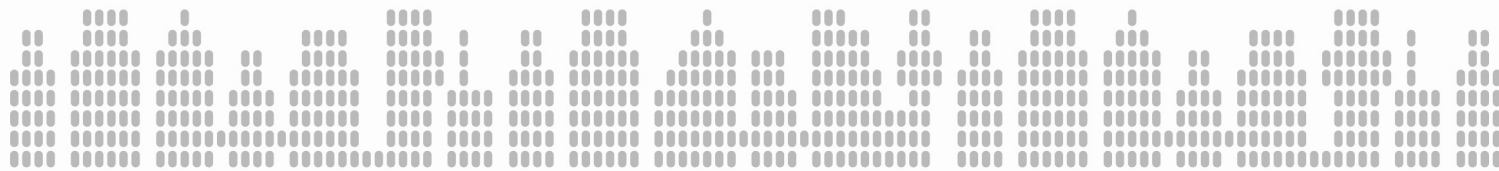
- **Economic Development Contracts**
 - A ‘real’ Fourth Block, pooling regen funding
 - Spending flexibility key to growth – more important than tax-raising powers
 - Making LAA rhetoric match the practice
- **Enabling use of existing powers**
 - Remove obstacles to take-up of prudential borrowing, well-being powers, user charging
 - Build capacity and skills





Conclusions

- Radical devolution to city-regions – Gtr Manchester, Gtr Birmingham first
- More freedoms and financial flexibilities for all urban areas
- *Real devolution* from Whitehall to cities and towns ...



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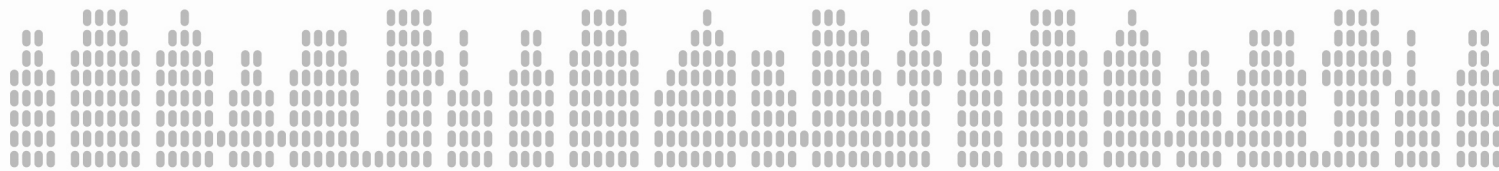


Questions / Comments?

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