

# Mayoral Manoeuvres:

## How big is the job facing elected city mayors?

**Dmitry Sivaev & Rachel Smith**  
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### Summary

On 3 May 2012, ten of the largest English cities outside London - Birmingham, Leeds, Sheffield, Bradford, Manchester, Bristol, Wakefield, Coventry, Nottingham and Newcastle - will decide whether to replace the current local government model with a directly elected mayor.

However, the exact size and scale of the job that new mayors will face has yet to be widely discussed - nor the fact that these jobs will be different to that of the London mayor because they will be taking on council leader responsibilities as well as mayoral responsibilities.

This brief note looks at the size and the nature of the job that council leaders do now, and that new mayors will take on, as well as reviewing the resources at their disposal. It then considers what powers mayors may need to deliver on a key aspect of their brief: **supporting the growth of the local economy**.

## Introduction

On 3 May 2012, ten of the largest English cities outside London will decide whether to replace the current local government model – having a leader and cabinet of councillors – with a directly elected mayor.

Historically, cities have been reluctant to introduce the mayoral model; only 12 local authorities moved to the mayoral system following the Local Government Act 2000. However, London which introduced the mayoral model in 2000, is widely regarded as a success story, with the mayor introducing initiatives that have benefitted the city’s economy such as congestion charging and Crossrail.

Based on their conviction that mayors can promote participation and democracy, concepts at the heart of the localism agenda, the Government announced in 2011 that 12 of England’s cities would hold referenda to decide whether they too would have directly elected mayors. Since then, two cities have already opted for the model. Sir Peter Soulsby (former leader of Leicester Council and MP) was elected mayor of Leicester in 2011, and Liverpool will elect its first mayor on 3 May, the same day that the other cities hold the mayoral referenda.

Since the referenda were confirmed, debates about the advantages and disadvantages of the mayoral model for democracy, service delivery and economic growth have been ongoing amongst academics and local government experts. Wider public debate has only taken off more recently but is highly charged and has generated high levels of media coverage. Interest amongst parliamentarians has also increased, with a number of current MPs announcing their desire to become new mayors. Sitting MPs Liam Byrne and Gisela Stuart, for example, are both interested in taking on the role of mayor of Birmingham.

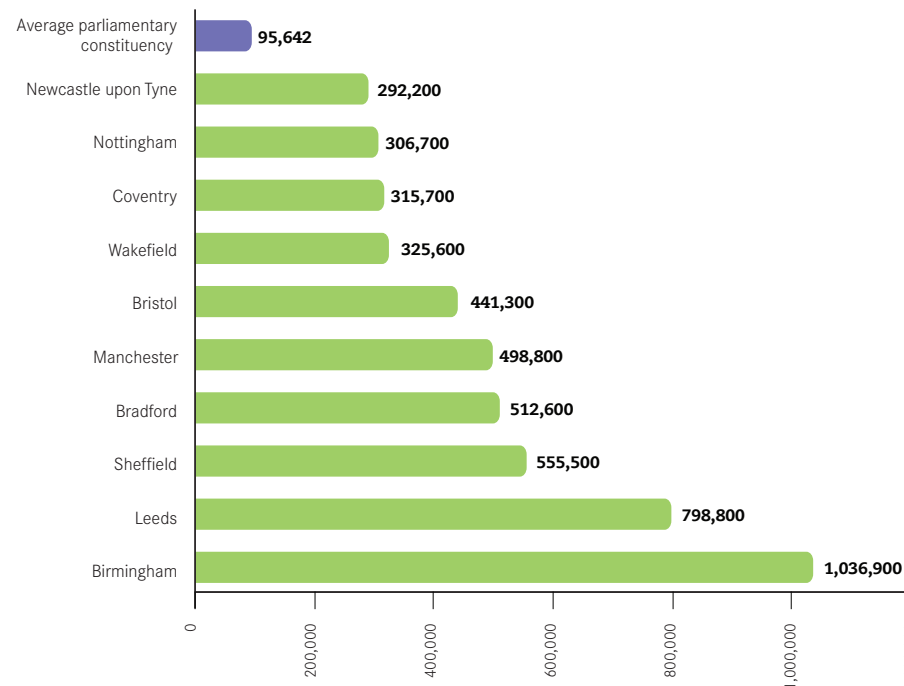
Despite growing interest, the exact size and scale of the job that new mayors will face has yet to be widely discussed – nor the fact that these jobs will be different to that of the London mayor because they will be taking on council leader responsibilities as well as mayoral responsibilities. This brief note looks at the size and the nature of the job that council leaders do now, and that new mayors will take on, as well as reviewing the resources at their disposal. It then considers what powers mayors may need to deliver on a key aspect of their brief: **supporting the growth of the local economy.**

## The task at hand: roles, responsibilities and budgets

The responsibilities that mayors will have, include:

- **Responding to the needs of a large population:** New city mayors will need to support and respond to the needs of their population. A mayor of Birmingham, for example, with a constituency of 1,036,900 people, would have the second biggest constituency in the country after the Mayor of London. Even mayors of smaller cities such as Newcastle and Nottingham will represent a population three times the size of the average MP (Figure 1). And if all ten cities vote for mayors on 3 May an additional 10 percent of population of England will be governed by a mayor.

**Figure 1: Population of mayoral cities compared to parliamentary constituencies, 2010**



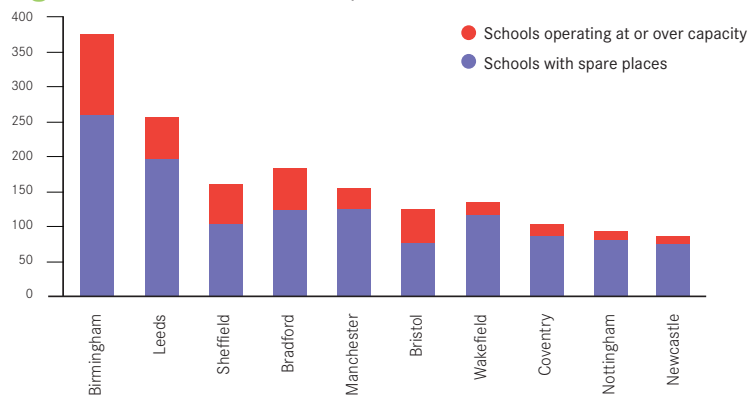
Source: NOMIS 2011, Mid-year population estimates, 2010 data, Office of National Statistics 2011, Parliamentary Constituency population estimates (experimental data), mid 2009 data

- Overseeing education:** Schools are one of the essential services that new mayors will need to ensure are provided for their citizens. There are almost 1,700 primary and secondary schools in the ten mayoral cities and 34 percent of them are currently operating at or over capacity (Figure 2). Centre for Cities research has shown that skills are a key determinant of cities' economic prospects,<sup>1</sup> so ensuring the provision of sufficient high quality educational opportunities will be a key task for new mayors.

**Figure 2a: Primary and secondary schools, May 2011**



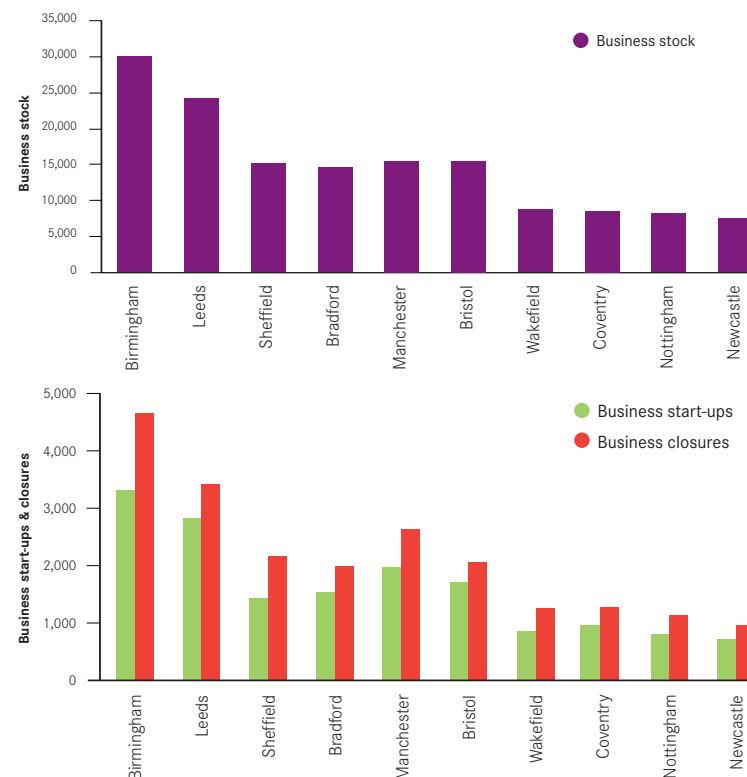
**Figure 2b: School capacity, May 2011**



Source: Department for Education 2012, School Capacity 2010/11, May 2011 data

- Supporting businesses:** New mayors will also need to ensure that businesses are supported to thrive in the local area. If there was a mayor of Newcastle, for example, they would need to respond to the needs of 7,500 businesses which employ around 102,000 people, whilst if there was a mayor for Manchester, they would need to respond to 15,500 businesses employing 208,000 people. One of the most immediate priorities for all cities is growing their business base to provide employment opportunities. But, as Figure 3 shows, each of the prospective mayoral cities is currently experiencing more business closures than new starts, although the scale of the challenge varies. New mayors would need to provide a supportive business environment which both encourages start-ups and supports existing enterprises.

**Figure 3: Business demography, 2009/10**



Source: Office of National Statistics 2011, Business demography, 2010 data

1. Swinney P & Clayton C (2011) *Learning curve: schooling and skills for future jobs*. London: Centre for Cities

- Supporting physical development:** Enabling and encouraging appropriate commercial and residential development is one way in which city leaders can support firms to grow - both by helping them expand physically and increasing the pool of labour from which they can draw. With the number of planning applications in the ten mayoral cities ranging from 1,250 in Nottingham to more than 5,000 in Birmingham, ensuring these are processed in a timely manner, and that the right strategic planning decisions are taken to promote the overall economic health of the city, will be a significant task.

**Figure 4: Planning applications, 2010/11**

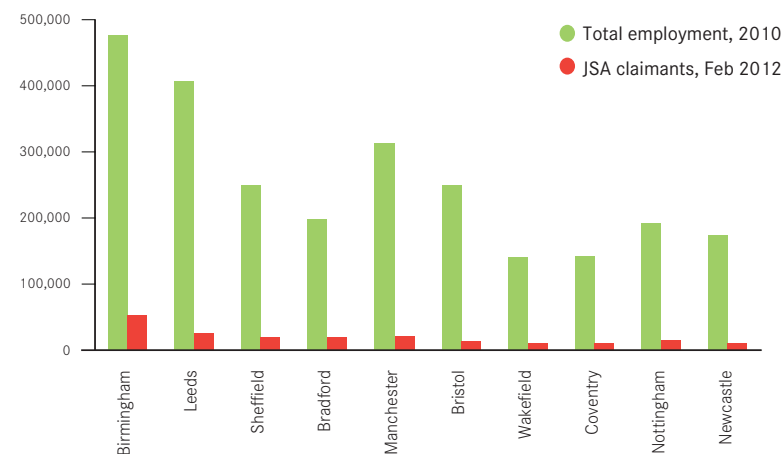
City	Number of planning applications (Sep 2010-Sep 2011)	City	Number of planning applications (Sep 2010-Sep 2011)
Birmingham	5,370	Bristol	3,000
Leeds	4,430	Wakefield	1,790
Sheffield	2,710	Coventry	1,400
Bradford	4,020	Nottingham	1,260
Manchester	2,430	Newcastle	1,560

Source: Department for Communities and Local Governance 2012, Planning applications Q2-3 2011, data for the year ending in September 2011

- Responding to unemployment:** New mayors will also need to respond to the challenges of unemployment in their cities. Each of the cities have significant labour markets; across all 10 cities there are more than 2,5 million people in employment - as well as almost 200,000 people claiming Jobseeker's Allowance (JSA). In Nottingham and Sheffield, for example, there are 14,600 and 18,400 people claiming JSA. New mayors would need to ensure they are considering how to work with a wide range of organisations to provide people with the right skills to move into employment when opportunities arise.
- Balancing budgets:** Mayors will also be in charge of generating income for the budget by collecting taxed. The ten prospective mayoral cities combined collect almost £3.4billion in council tax and business rates each year. As Figure 6 shows, in Birmingham council tax receipts amounted to £258 million and the business rates receipts contribute another £370

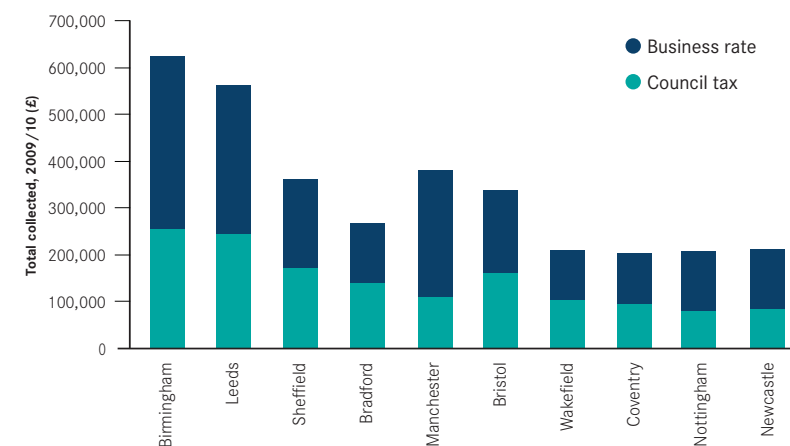
million. Although incomes from these two sources in other cities such as Nottingham are comparatively smaller, £81 million in council tax and £127 million in business rates is still a sizeable pot.

**Figure 5: The labour market**



Source: NOMIS 2011, Business register and employment survey, 2010 data. NOMIS 2012 Claimant counts with rates and proportions, February 2012 data

**Figure 6: Council tax and business rates collected, 2009/10**

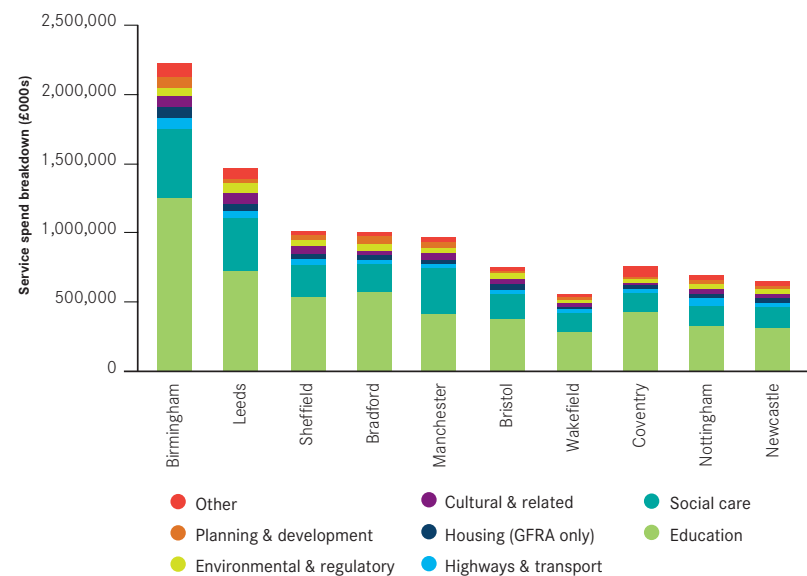


Source: Department for Communities and Local Governance 2010, Collection rates for council tax and national non-domestic rates in England 2009/10, 2009/10 data.

- Managing declining budgets:** New mayors will take on responsibility for delivering a wide range of services including school education, social care and planning and managing significant service expenditure budgets. A mayor of Leeds, for example, would be responsible for service expenditure of around £1.48 billion whilst a mayor of Bristol would have a service budget of around £0.75 billion. Spending on education accounts for over half (52 percent) of service costs across all ten cities combined, which highlights it as one of the most important areas of mayoral responsibility. Social care provision will be another big task for the mayors. It accounts for over 18 percent of service costs in all of the ten cities and reaches 34 percent in Manchester.

Contracting council budgets will present an additional challenge for the new mayors. All of the mayoral cities are expected to see revenue spending power fall by at least 3.8 percent and by as much as 6.9 percent in Manchester in the new financial year.<sup>2</sup>

**Figure 7: Service expenditure, 2010/11**



Source: Department for Communities and Local Governance 2012, Local authority revenue expenditure and financing England 2010/11 final outturn, 2010/11 data.

2. Department for Communities & Local Government (DCLG) (2012) *Provisional Local Government Finance Settlement 2012/13*. London: DCLG

**Figure 8: Structure of Local authority expenditure on services**

Service spend breakdown (£000s)

	Education services	Social care	Highways and transport services	Housing services (GFRA only)	Cultural and related services	Environmental and regulatory services	Planning and development services	Other services
Birmingham	£1,255,700	£488,600	£93,200	£75,800	£79,700	£60,800	£73,200	£93,200
Leeds	£729,700	£378,200	£50,700	£54,800	£79,600	£66,100	£30,300	£85,500
Sheffield	£539,300	£234,900	£38,600	£37,300	£61,400	£42,200	£35,000	£22,500
Bradford	£570,600	£204,100	£28,500	£34,400	£40,200	£50,700	£48,600	£26,800
Manchester	£413,600	£331,700	£30,000	£26,400	£57,600	£30,900	£43,700	£37,300
Bristol	£376,800	£183,800	£28,300	£40,000	£36,100	£47,900	£13,000	£26,300
Wakefield	£284,200	£142,500	£20,500	£16,700	£25,100	£30,100	£15,000	£22,500
Coventry	£433,700	£136,800	£28,600	£19,900	£23,600	£24,100	£19,900	£70,300
Nottingham	£328,700	£145,400	£54,400	£36,100	£31,000	£34,200	£27,000	£37,500
Newcastle	£311,100	£158,700	£19,400	£37,800	£33,200	£37,800	£15,900	£34,800

Source: Department for Communities and Local Governance 2012, Local authority revenue expenditure and financing England 2010/11 final outturn, 2010/11 data.

- Being an employer:** In addition to directing sizeable budgets, mayors will also be responsible for running large teams of council employees. New mayors will face the challenging task of creating coherent organisational structures across the workforce ranging from 15,100 people in Wakefield and Coventry to 58,600 people in Birmingham.

**Figure 9: Council workforces, 2010 Q2**

City	Council workforce (2010 Q2)	City	Council workforce (2010 Q2)
Birmingham	58,600	Bristol	18,900
Leeds	34,400	Wakefield	15,100
Sheffield	19,200	Coventry	15,100
Bradford	22,400	Nottingham	17,600
Manchester	23,300	Newcastle	16,100

Source: Local Government Association 2011, Local Government Workforce Survey 2010, 2010 data

As this data has shown, the roles and responsibilities for the potential new mayors in the ten cities holding referenda are significant. And the size of these budgets could increase significantly if City Deals are agreed in these places. Liverpool's Deal, for example, has brought £75 million of new money to the city and includes powers to help young unemployed people through welfare to work schemes, to oversee the development of city assets owned by the Homes and Communities Agency and, using DCLG funding, build six new secondary schools.

## Mayoral priorities and the economy

As this paper outlines, directly elected local authority mayors – unlike the London Mayor – will be directly responsible for the delivery and performance of a range of public services, including education, social care and rubbish collection.

Given this, the danger is that the economy slips down the list of priorities. We urge new mayors to make the economy a strategic priority. This means that, in addition to ensuring that all relevant local authority services are designed and delivered in a way that helps entrepreneurs and businesses create jobs and growth, the mayors should:

- **Ensure the authority's Local Plan is a broad strategic spatial plan for their area, which also looks beyond administrative boundaries, similar to the London Plan.** The Local Plan as a statutory plan would hold weight, setting the direction for all other plans and provide a basis for joint working with neighbouring local authorities on matters of strategic economic importance.
- **Take decisions relating to policy and planning applications for developments of strategic significance which have an impact on economic growth and job creation.** The planning committee of the authority would determine all other planning applications.

## Additional powers

There is no certainty about what additional powers mayors, as currently proposed, will have, how they will work with local councillors or officials, or how they will work with other partners including Elected Police Commissioners and Local Enterprise

Partnerships (LEPs). Centre for Cities research suggests that the additional powers and responsibilities that would be most beneficial for local authority mayors in relation to the economy include:

- **Chairing the Integrated Transport Authority.** This would afford the mayor greater strategic influence over transport policy, both within their local authority and across the natural economic area.
- **Co-chairing the LEP.** This would enable the mayor to affect decisions of strategic importance within the remit of the LEP, for example Enterprise Zones.

Ideally all mayors would receive the same powers at the same time to allow the transition to be rolled out over a shorter time period, avoiding lengthy negotiations over which powers should be afforded to each mayor, and allow mayors to get on with the job in hand. The onus will then be on the mayor to use these powers effectively to support economic growth. The Government should also set up a mechanism to scrutinise mayors to check on their progress.

Our work suggests that mayors would have the potential to deliver greater economic benefits for local areas if they operated over a wider geographic area that covered the “real” economy rather than the current administrative boundaries. **Cities should have the choice to move towards a metro mayor model over time,** allowing the introduction of metro mayors with the best aspects of the London mayoral model made available to all of England's largest cities. This would allow those cities where there is the political appetite for it to introduce a metro mayor.

### Metro mayors should be given powers to:

- Develop a strategic city-region plan similar to the London Plan, which local planning authorities must have regard to when developing or updating their Local Plans.
- Take decisions on planning applications of strategic significance whilst all other decisions would be taken by the planning committee of the relevant authority.
- Co-chair the LEP.

- Chair the Integrated Transport Authority and appoint the board.
- Play an active role in negotiating new powers and devolutions from Whitehall, as enabled by the Localism Act and the General Power of Competence.
- Metro mayors could also be in a better position to offer the authority and credibility needed to develop proposals for pooling business rate revenues at the LEP level, whereby each local authority would contribute part of their business rates yield into a central pot. As Co-Chair of the LEP, the mayor could be directly involved in deciding how this money should be spent.

Enabling metro mayors to assume these powers, particularly with regards to LEPs, would reduce the complexity of the economic development landscape. This is likely to allow local government to offer more effective support in facilitating private sector jobs growth.

Clearly there is more than one way that city-regional governance can be organised, as Manchester's Combined Authority model proves. But with a number of cities likely to opt for directly elected mayors, there is a need to ensure that this approach to city governance is given the powers that will enable it to succeed and deliver the most benefit for the local economy.

## Annex: What would your elected mayor be accountable for?

City	Total number of businesses (2010)	Total employment (2010)	JSA claimants (Feb 2012)	Number of schools (May 2011)	Number of planning applications (Sep 2010-Sep 2011)
Birmingham	30,000	476,100	52,100	374	5,370
Leeds	24,100	406,200	25,800	256	4,430
Sheffield	15,000	248,500	18,400	160	2,710
Bradford	14,500	198,400	19,800	183	4,020
Manchester	15,400	312,200	20,500	155	2,430
Bristol	15,400	249,400	13,300	124	3,000
Wakefield	8,700	141,200	9,900	134	1,790
Coventry	8,500	143,000	10,700	104	1,400
Nottingham	8,100	190,700	14,700	93	1,260
Newcastle	7,400	175,000	10,100	86	1,560

Source: Office of National Statistics 2011, Business demography, 2010 data. NOMIS 2011, Business register and employment survey, 2010 data. NOMIS 2012 Claimant counts with rates and proportions, February 2012 data. Department for Education 2012, School Capacity 2010/11, May 2011 data. Department for Communities and Local Governance 2012, Planning applications Q2-3 2011, data for the year ending in September 2011.

## About Centre for Cities

The Centre for Cities is a research and policy institute, dedicated to improving the economic success of UK cities.

We are a charity that works with cities, business and Whitehall to develop and implement policy that supports the performance of urban economies. We do this through impartial research and knowledge exchange.

## Related work on mayors

- **City Leadership:** Giving city-regions the power to grow. Centre for Cities (2006) [www.centreforcities.org/cityleadership](http://www.centreforcities.org/cityleadership)
- **Big Shot or Long Shot?** How elected mayors can help drive economic growth in England's cities. Centre for Cities & Institute for Government (2011) [www.centreforcities.org/bigshot](http://www.centreforcities.org/bigshot)

Contact Andrew Carter, Director of Policy & Research for further information:  
[a.carter@centreforcities.org](mailto:a.carter@centreforcities.org) / 020 7803 4309



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