

Levelling up the UK's regional economies

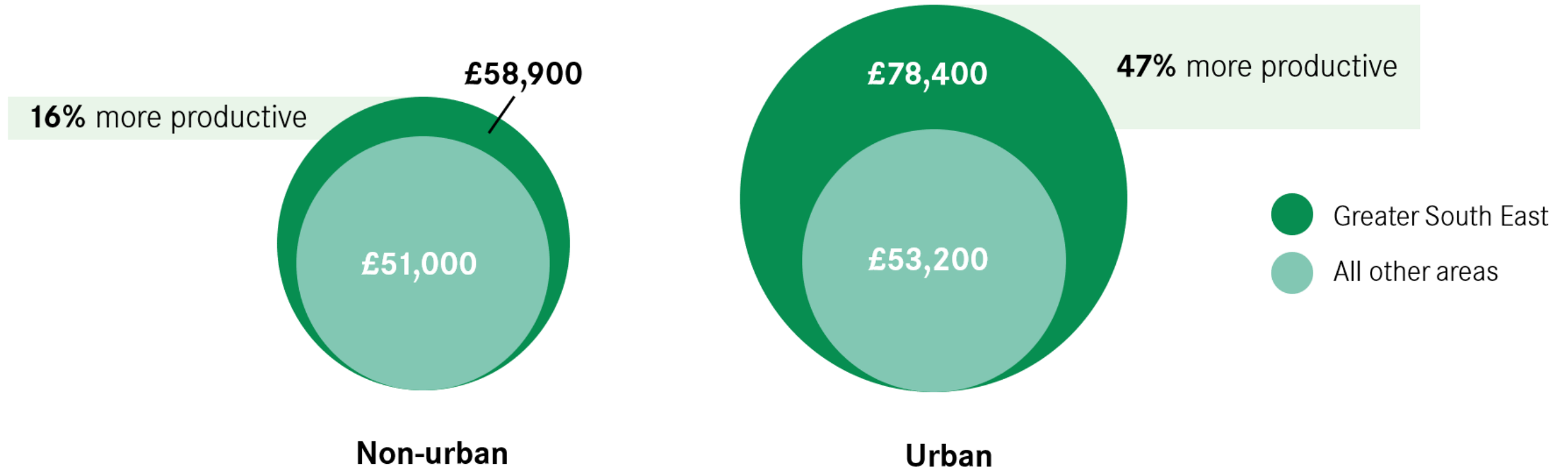
Tuesday 2 March 2021, 11.00-12.00

Elena Magrini, Senior Analyst, Centre for Cities

@MagriniElena

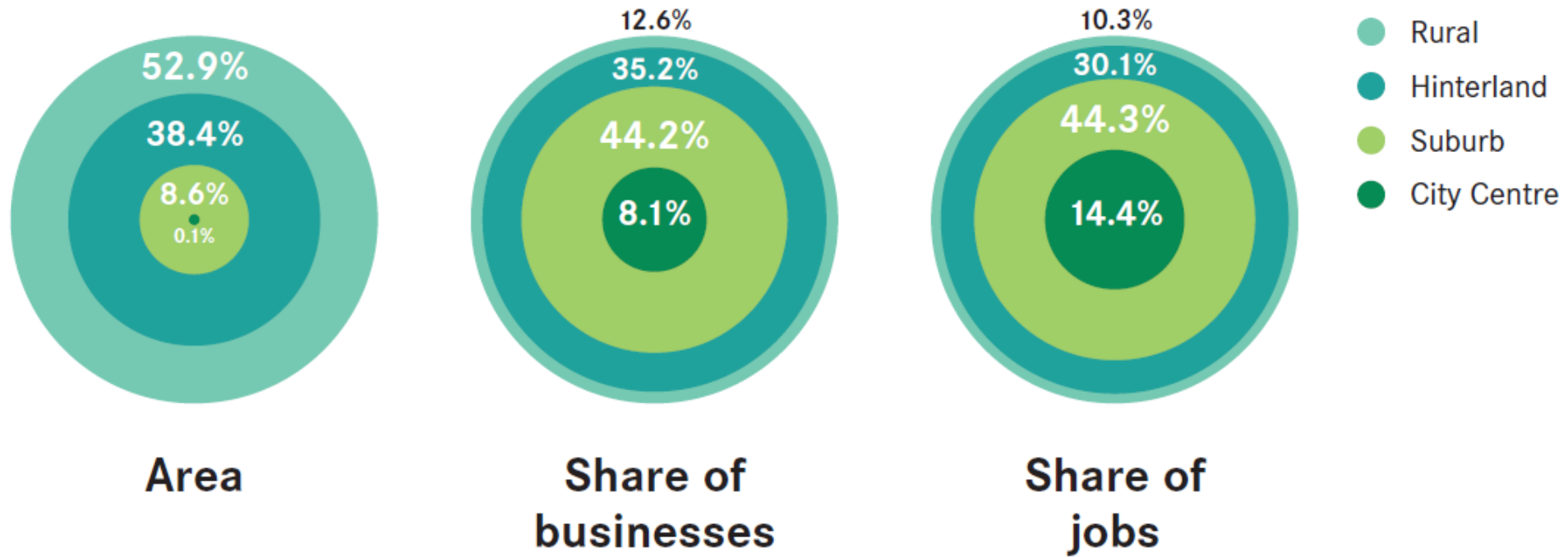


Levelling up is very much a city challenge



Source: ONS Regional Gross Value Added (Income Approach) by Local Authority in the UK; ONS Business Register of Employment Survey

Cities are the hubs of the British economy

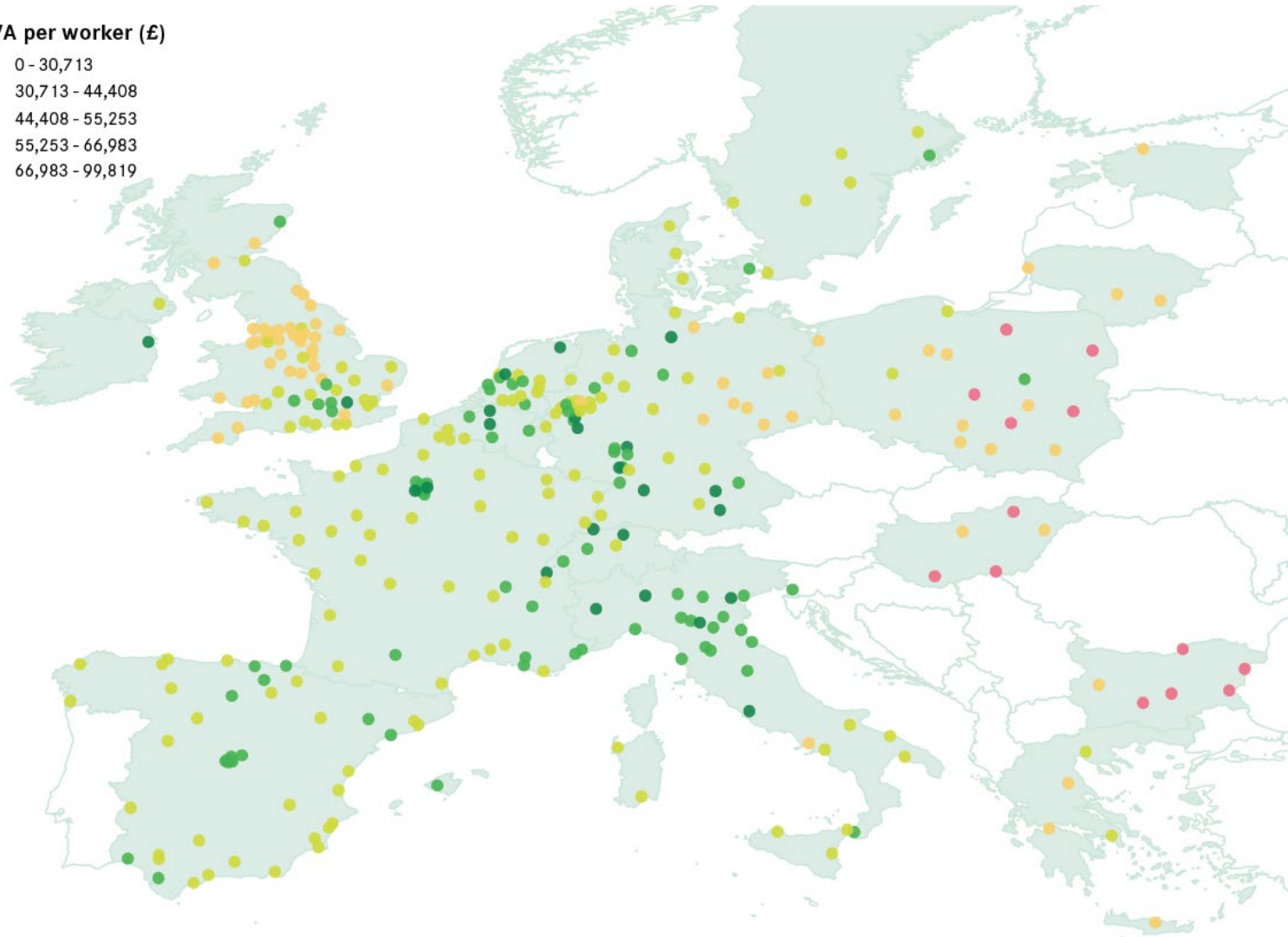


Source: ONS (2016), Business Structure Database 2015; ONS (2016), Census 2011, origin-destination data (WU02UK); Centre for Cities' own calculations.

But many have a long standing productivity issue (1)

GVA per worker (£)

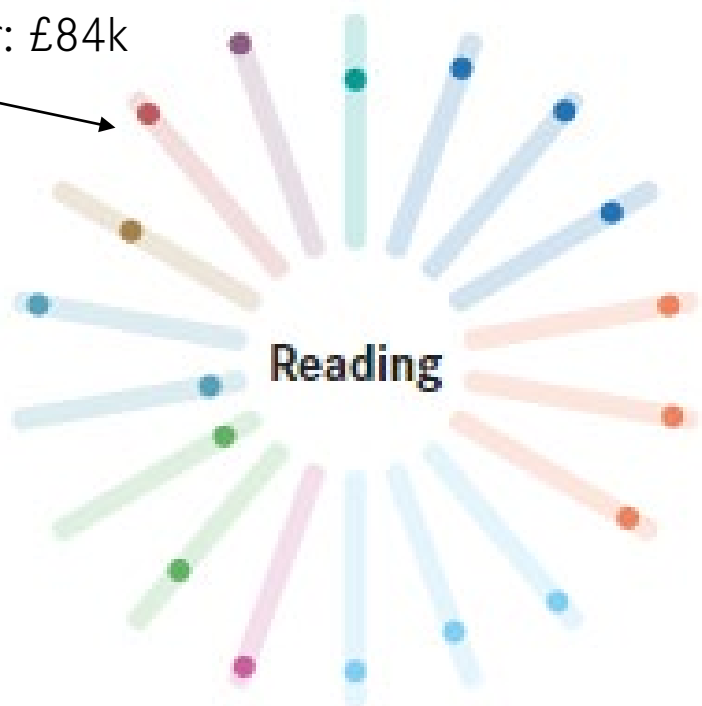
- 0 - 30,713
- 30,713 - 44,408
- 44,408 - 55,253
- 55,253 - 66,983
- 66,983 - 99,819



Source: Eurostat, ONS, INSEE, ISTAT, Statistical Office of Poland, FSO

But many have a long standing productivity issue (2)

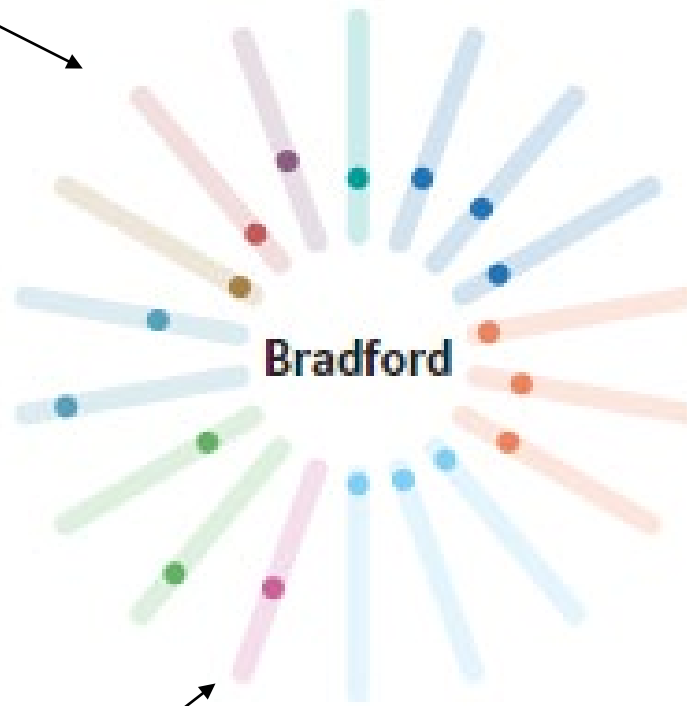
GDP per worker: £84k



Avg weekly workplace earnings: £677

Claimant count: 4.9%

GDP per worker: £54k

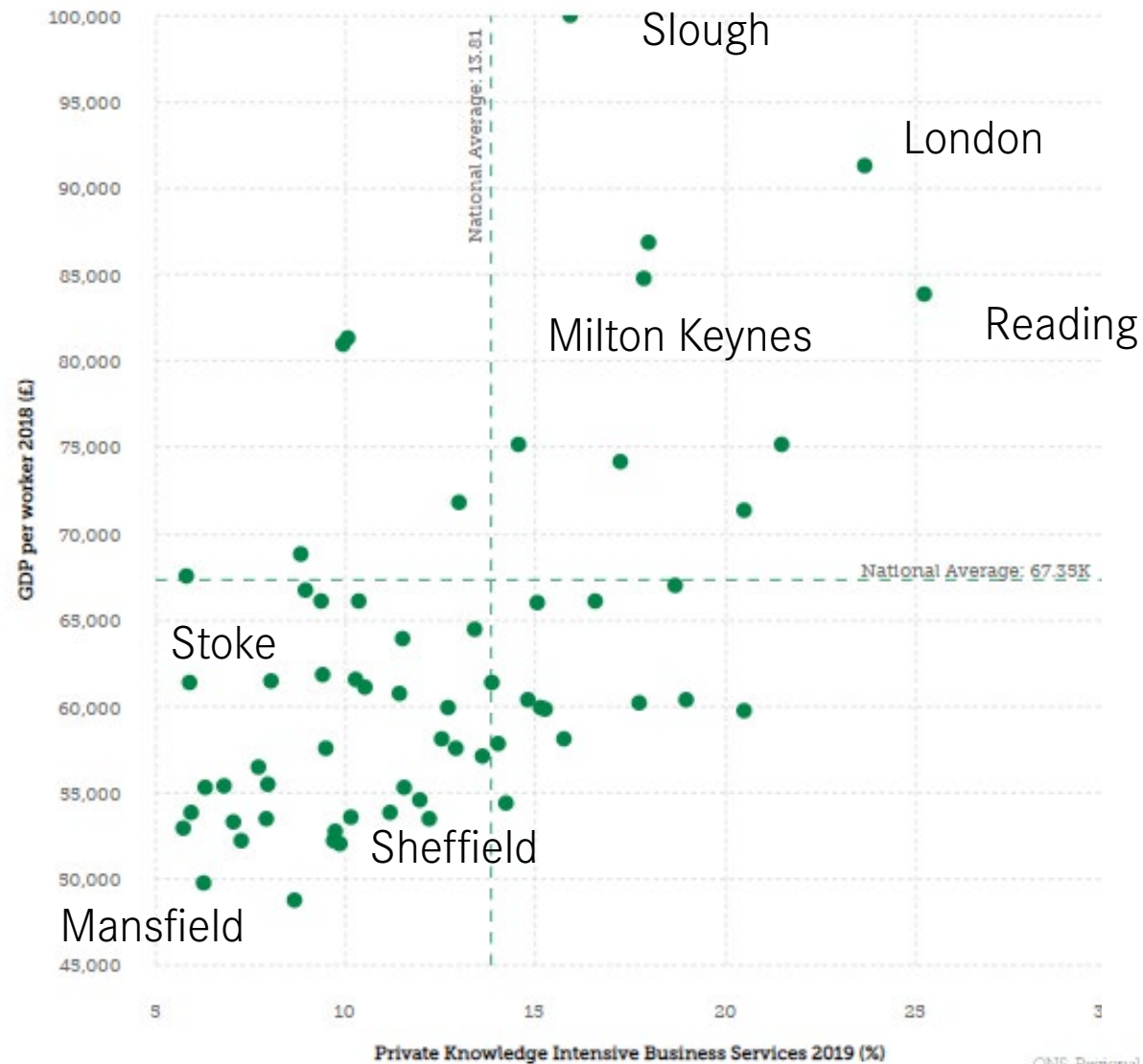


Avg weekly workplace earnings: £538

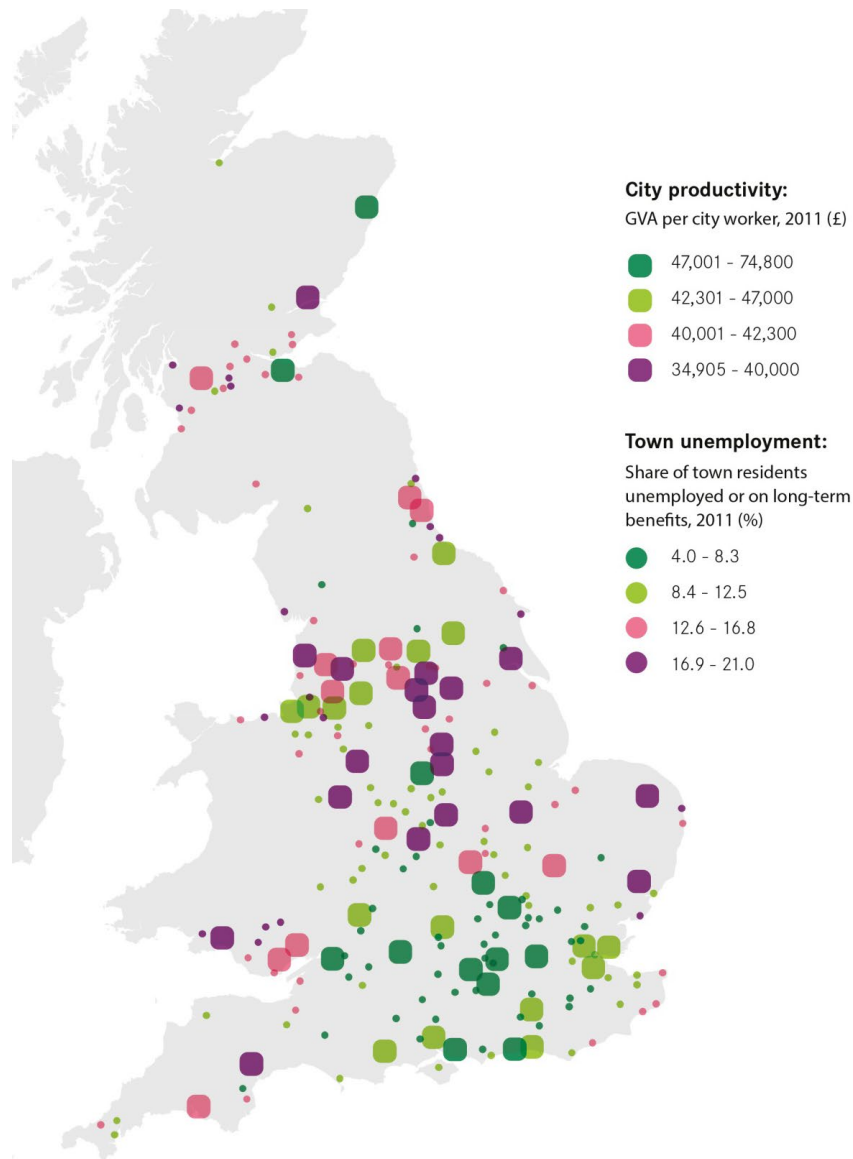
Claimant count: 9.4%



To drive productivity, cities need high-value businesses



This would not just benefit cities, but nearby towns too



Source: Census 2011









And improve the national economy

	City	Output gap	GDP change (m)
1	Glasgow	-24%	£7,400
2	Mansfield	-24%	£1,200
3	Newcastle	-22%	£4,900
4	Manchester	-21%	£15,300
5	Sheffield	-20%	£3,900
6	Blackburn	-19%	£700
7	Newport	-18%	£1,100
8	Southend	-18%	£1,100
9	Bradford	-17%	£1,900
10	Doncaster	-16%	£1,100

Source: Centre for Cities calculations

Mayoral Combined Authorities are a good start

	Cambridgeshire and Peterborough	Greater Manchester	North of Tyne	Liverpool City Region	Tees Valley	Sheffield City Region*	West Midlands	West of England
 30-year investment fund	£600m	£900m	£600m	£900m	£450m	£900m	£1.1bn	£900m
 Local Industrial Strategy	Leading	One of three 'trailblazer areas'	Leading Developing a 'rural productivity plan'	Leading	Leading	Leading	One of three 'trailblazer areas'	Leading
 Education & skills	Apprenticeship Grant for Employers. Adult Skills Budget. Post-16 further education system. Oversight of Skills Advisory Panels.	Apprenticeship Grant for Employers. Adult Skills Budget. Post-16 further education system. Oversight of Skills Advisory Panels.	Adult Skills Budget. Agree 'Employment Support Framework Agreement' with DWP. Funding for helping people into work. Inclusive Growth Board	Apprenticeship Grant for Employers. Adult Skills Budget. Post-16 further education system. Oversight of Skills Advisory Panels.	Adult Skills Budget. Oversight of Skills Advisory Panels.	Apprenticeship Grant for Employers. Adult Skills Budget. Post-16 further education system.	Adult Skills Budget. Post-16 further education system. Oversight of Skills Advisory Panels.	Apprenticeship Grant for Employers. Adult Skills Budget. Post-16 further education system. Oversight of Skills Advisory Panels.
 Housing & planning	£170m affordable housing grant. Strategic planning. Mayoral Development Corporations.	£30m a year Housing Investment Fund. Strategic planning. Land Commission. Compulsory purchase powers. Mayoral Development Corporations.	Housing and Land Board powers. Compulsory purchase powers. Mayoral Development Corporations.	Strategic planning. Compulsory purchase powers. Mayoral Development Corporations.	Mayoral Development Corporations. £6m Housing Delivery Team.	Strategic planning. Compulsory purchase powers. Mayoral Development Corporations	Compulsory purchase powers. £6m Housing Delivery Team. £5m construction skills	Strategic planning. Compulsory purchase powers. Mayoral Development Corporations.
 Transport	Consolidated transport budget. Local roads network. Bus franchising. £74m Transforming Cities Fund	Consolidated transport budget. Local roads network. Bus franchising. £243m Transforming Cities Fund.		Consolidated transport budget. Local roads network. Bus franchising. £134, Transforming Cities fund.	Consolidated transport budget. £59m Transforming Cities Fund. Bus franchising.	Consolidated transport budget. Local roads network. Bus franchising.	Consolidated transport budget. Local roads network. Bus franchising. £250m Transforming Cities Fund.	Consolidated transport budget. Local roads network. Bus franchising. £80m Transforming Cities Fund.
 Health & social care	Planning for health and social care intergration.	Control of £6 billion integrated health and social care budget.		Planning for health and social care intergration.				

* The powers for Sheffield City Region are subject to public consultation and Secretary of State order in accordance with the Cities and Local Government Devolution Act. This is with the exception of bus franchising where powers are passed to all combined authorities with a metro mayor directly in accordance with the Bus Services Act

What's next?

1. Reorganise local government to better match local economic geography
2. Level up MCAs to London
3. Give MCAs further control over (1) Transport (2) skills (3) R&D
4. Put local government on a sound financial footing

