Core Cities: Key Centres for Regeneration
Synthesis Report

A report for the Core Cities Group
by David Charles, David Bradley, Paul Chatterton,
Mike Coombes and Andrew Gillespie
Centre for Urban and Regional Development Studies
University of Newcastle upon Tyne

THE CORE CITIES GROUP
Birmingham Bristol Leeds Liverpool
Manchester Newcastle Sheffield

August 1999

E ngland's major cities face a number of challenges. Although frequently associated with inner city problems, the core cities of provincial England remain important and dynamic centres of activity for their regions. Such cities should be the engines of growth in their regional economies and underpin the success of the UK as a whole, but are hampered by longstanding barriers and problems. Policy in recent years has tended to treat these problems as highly localised (as in inner areas) or as narrow vertical concerns (such as education). It is our view that this has obscured many of the real problems of the city, which need to be examined at the level of the city-region. We argue that unless policy is developed at the city-region level then the English provincial cities cannot be expected to play the role they should play as regional economic motors, and Britain as a whole will continue to suffer from economic under-performance and social polarisation.

This report follows from research commissioned by the Core City Group to examine the interaction between cities and their regions in order to understand the roles which core cities play in their regions, and how the strengths and weaknesses of the cities affect processes of regional competitiveness and social cohesion. The focus of the study is on the largest English cities, outside London; there is also a distinct regional dimension, in that most of these cities lie within regions that are failing to achieve their full potential. We focus on five key challenges to be met by the cities – and by national policy – if the problems of the cities and the regions are to be effectively addressed.

The City-region Approach

I n seeking to understand the dynamics of urban economies today we need to look beyond the current structure of local authorities to the interaction between central or core cities and their surrounding regions. Such an understanding can be achieved through the concept of the city-region. Put simply, a city-region is a functionally inter-related geographical area comprising a central, or core, city with a hinterland of smaller urban centres and rural areas, which are socially and economically interdependent. The core cities are each only a small part of their wider city-regions when defined as local authority areas, and as such represent only a part of a complex system. Urban policy needs therefore to be framed within this city-region context rather than be simply focused on the problem areas within parts of cities.

The concept of the core city and city-region

Urban area
Core city centre
Secondary city/town centre

The tensions between the suburbanisation of middle class homes and jobs, and the need to revive city centres and inner areas, are at the heart of urban policy, and these tensions need a city-regional scale to be resolved. Parallel to this, explanations of economic success are also increasingly placed on advantages of agglomeration and localisation at the city-region scale, and so the city-region may also be seen as a foundation for economic competitiveness policy at the sub-national scale.

Across Europe, globalisation and the application of communications technologies are disrupting traditional national urban hierarchies. As a result a new form of competition is emerging as cities seek to attract and retain those activities that can compete in international markets. In the UK, London is pre-eminent in this process as one of the few truly global cities, but the other major provincial cities lack some of the international attributes that are common among the second and third largest cities in other large European nations, even though

the size of their economies are comparable. The English core cities have performed poorly in economic and social terms over the last twenty years, and can be expected to continue to 'punch below their weight' if the imbalances with respect to London and the South East are not addressed. These imbalances derive from the huge concentration of economic and political power in London and the South East, the concentration there of knowledge and transportation infrastructures, and ongoing over-concentration of public and private sector investment.

Defining English City-regions

The city-regions for the seven core cities were defined using a combination of previous studies mainly based on commuting and migration data (detailed in an annex of the report). The areas produced (shown on the map below) reach beyond the old metropolitan counties into more rural hinterlands, and in two cases cross the new Government Office Region boundaries. On this basis the seven city-regions house over 14 million people – 30% of England's population. The core cities should be the engines for the growth of these city-regions, and Britain needs this substantial part of the national economy to be contributing fully, and not to be hampered by the core cities facing problems which they do not have the resources to address, or otherwise being constrained from reaching their full potential.

Map of core cities and their city-regions
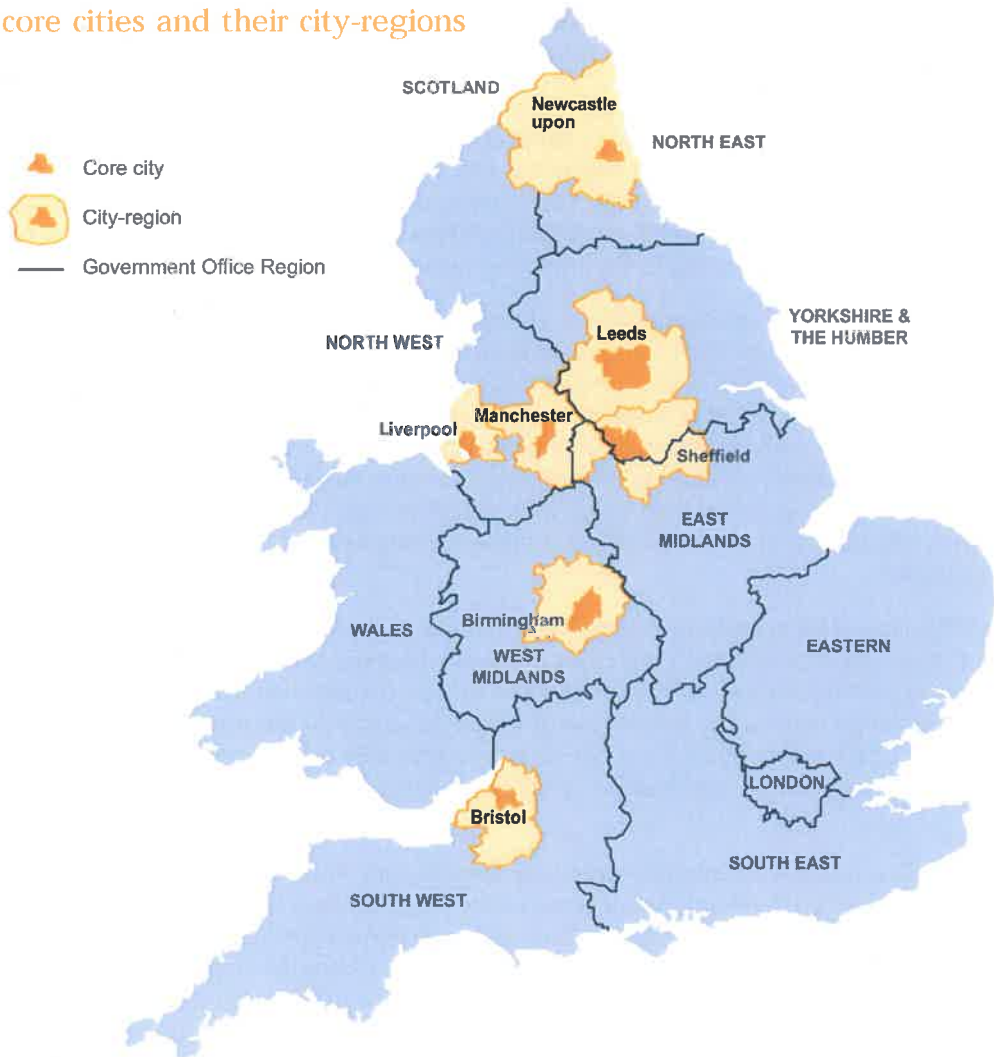
The seven city-regions vary in size from Birmingham and Manchester with a little under three million to Bristol as the smallest with one million. Overall one quarter of the population of these regions lives within the core city authority, although Manchester and Newcastle are distinctive in that less than one sixth live

in the core city. For all of the cities their 'under-bounding' is a disadvantage because they are providing services used by a far larger population than the one whose Council Taxes may have to provide the funding. This problem for cities with restricted boundaries is more widely recognised in many other countries, where funding systems often recognise the roles cities play on behalf of their regions.

One aspect of 'under-bounding' which has been discussed in Britain for many decades relates to the availability of land for development within a city's boundary. The inconsistency of the 1974 local government reorganisation which produced these cities' current boundaries has left Leeds and Sheffield as the only core cities with substantial areas of undeveloped land within their borders. The availability and difficulty of developing sites for employment in the core cities has been suggested as one element in their poor employment performance in recent years.

Attributes of the City-regions

The most readily identifiable form of linkage between core cities and their city-regions is commuting: it is the strength of net in-commuting to the cities which allows them to be the location for approaching a third of the city-regions' jobs while housing less than a quarter of the city-regions' working residents. Furthermore, there is a tendency for knowledge-based industries and other sectors employing many well-paid workers to be the most likely to locate in cities, whilst manufacturing is just as likely to be found in the surrounding towns. High-skill jobs are relatively scarce in the core cities' regions (which are mostly rooted in the traditional industrial regions of the country), but those high-skill jobs which *are* located in these regions are particularly likely to be found in the core cities themselves.

The presence in the cities of higher proportions of jobs for high-skilled people can clearly bring a number of benefits to the cities. At the same time, workers with well-paid jobs are the most likely to commute longer distances and the result is that many of the cities' professional/managerial jobs are taken by residents of other areas. Nearly 600,000 jobs in the 7 core cities were taken by residents of other parts of the city-regions as defined here. With a *net* inflow of nearly 400,000 it can be seen that roughly 3 people commute into the cities for every 1 travelling in the opposite direction.

Despite the dominance of commuting flows, the cities have suffered from a steady and dramatic loss of jobs over the past thirty years. Their share of national GDP is less than their share of the country's population, and that population base itself is declining as middle class families move out – some to the city-region hinterland, but some also to freestanding smaller towns where new jobs are being created, especially in the South East. The overall employment imbalance or "jobs gap" is distinct – office jobs remain in the core cities whilst their workers commute in from the wider region, however those that live in the core city have seen the loss of their traditional blue-collar jobs. Sheffield apart (due to the extreme employment decline in its hinterland), each of the core cities has a higher unemployment level than is typical of the other areas in its city-region.

The employment problem underpins persistent multiple deprivation in the cities. On the government's Index of Local Deprivation all the core cities are more deprived than the national average and nearly half of the most deprived local authorities are located in the core city-regions. The core cities also struggle to maintain population: there is no city-region in which the core city has a more positive population trend than is typical of the surrounding area. The cities are generally considered to lack competitiveness, and as such are failing to provide a stimulus to regions which in most cases are already lagging the European average.

Compared with other major European cities, the English core cities tend to perform poorly, with high levels of economic and social deprivation and some of the largest losses of population. Qualitatively the core cities tend to score weakly on measures of internationalisation, especially compared with other non-capital cities such as Barcelona, Munich and Milan. In part this may be attributable to the centralisation of international activity in London, but it is also a consequence of the longer term roles played by leading European cities as the capitals of regions with greater levels of autonomy. The patterns of partnership between cities, regions and central government elsewhere in Europe have reinforced the power and role of the cities in economic life to a much greater extent than in the UK.

The Five Challenges

Competition and competitiveness are growing in importance as policy concerns among European cities. Cities compete in the sense that they engage in rivalry in creating or attracting activities that generate wealth for their citizens. We define territorial competitiveness as the ability of places to add value to the activity of business through the interaction of a set of framework conditions (such as wage costs, the quality of labour, infrastructure endowment, etc), with a set of inter-business and local institutional relations, in such a way that business can become more successful against international competition. But, in addition, in order to be reproducible in the longer term, the benefits of wealth generation must be redistributed within the city-region to enhance social equity and quality of life without compromising sustainability. We consider cities to be facing five challenges with regard to their capacity to be the driving forces for the regeneration of their regions.

At the heart of this model of competitiveness is the question of business performance, where the emphasis should be on the competitiveness of the sector or cluster rather than the performance of the individual firm. The performance of business will be enhanced by the knowledge base of the city, its knowledge infrastructure and the institutions and conventions that support localised business interaction and collective learning. A policy to promote urban competitiveness must focus on rebuilding the learning dynamic in the cities, including research and innovation, institutional development and inter-firm networking. Individual learning and training is necessary, but not sufficient, and much more needs to be done to stimulate the demand for learning at all levels and in all aspects of urban society. *This is the first challenge – achieving competitiveness in a knowledge-based economy.*

In understanding the special contribution of a city to its region, one important aspect is its cosmopolitan nature. Cities are in essence places where different groups of people meet and mingle – people of different classes, different occupations, different cultures and different races. Such co-mingling contributes to the cosmopolitan nature of the city but also provides the spark of innovation. Cosmopolitan cities are also centres of cultural consumption, and the mix of cultures leads to opportunities for great diversity, although the parallel preservation of a local culture may also be important. Yet in Britain cities tend to have a negative image, even if they are more cosmopolitan than their surroundings, and this contributes to the exodus of middle class families which in turn damages the cities' competitiveness in attracting certain kinds of investment. *This then is the second challenge – of cosmopolitanism and image.*

Competitiveness also depends on the question of redistribution. The businesses of a city can generate wealth underpinned by a favourable environment, but unless that wealth is distributed in a way that is broadly equitable the social tensions of the city threaten to erode the qualities that make it attractive. Success breeds polarisation, and has probably always done so. The way in which the negative consequences of success are managed within the city, such that whole communities are not trapped and stigmatised is a condition for long term success. *This is the third challenge – social polarisation.*

Despite a variety of measures undertaken in major urban areas to tackle the environmental problems of noise, air pollution, water pollution, traffic congestion and water consumption, there is little evidence yet that of sufficient progress to ensure longer-term sustainable urban development. The negative effects of these environmental problems extend from their impacts on the quality of life and human health to the economic viability of the cities: polluted cities are unattractive to mobile people and investors, and the costs of coping with the problems can take a heavy toll on municipal financial resources. *This is the fourth challenge – environmental sustainability.*

Finally there is the problem of the governance of the city and its region. The English city-regions are fragmented between local authorities, with the core city having to carry significant costs of its regional role without an adequate tax base. Co-ordination between elements of the city-region has often been limited or non-existent, and new governance structures such as regional development agencies overlay city-regions and in at least two cases separate parts of the hinterlands from their core cities. Central government relations with urban areas tend not to differentiate between the roles and responsibilities of core cities, and the regional dimension is absent from urban policy. *Governance is therefore the fifth challenge.*

Each of these five challenges need to be addressed at the level of the city-region – policy on each will have city-region wide consequences, and without a holistic and integrated approach the potential for success will be limited.

I n the move to a knowledge or information-based economy, successful cities benefit from pools of knowledge, technological spillovers and what has been termed place-specific tacit knowledge. Cities are the places where knowledge as a 'strategic resource' is created, and indeed throughout history cities have tended to be the focus for knowledge activities. Knowledge in this sense may be considered with regard to all industries including financial and business services, retailing, tourism, cultural and media industries, as well as manufacturing. The continued success of a city depends on the strengthening of the knowledge base for all dynamic growth industries.

Current economic development theory on knowledge and territorial competitiveness stresses the interaction between access to global sources of knowledge (often represented as "best practice") and localised knowledge arising from the concentration of sectorally or cluster specific tacit knowledge. Such local knowledge is developed and shared within a socialised process involving groups of knowledgeable workers learning-by-doing, moving between firms, and learning through firm-to-firm interactions.

At the core of the concept of the knowledge-based economy are those activities which are highly intensive employers of knowledge workers. The core cities tend to be the most important concentrations of such knowledge work within their regions, although for some the city-region hinterland is seeing faster growth than the core city. However at a national scale the core cities and their regions lag behind the South East and suffer from a continuous concentration of knowledge activities in the South East over the past fifty years.

Knowledge intensive employment 1996

Location quotient
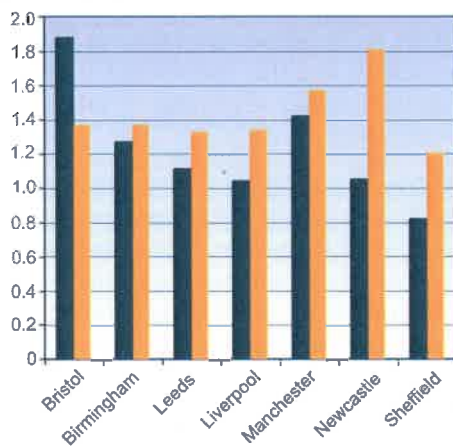
The graph shows the core cities' level of employment in Knowledge Intensive Services relative to the GB average and to the average for each of their city-regions on the basis of 1996 figures. The core cities are generally good performers with location quotients in excess of 1.0 (1.0 is equivalent to the average level for GB) and with Bristol, Birmingham and Leeds seeing significant growth during the early 1990s. All core cities are more specialised in these activities than their hinterland.
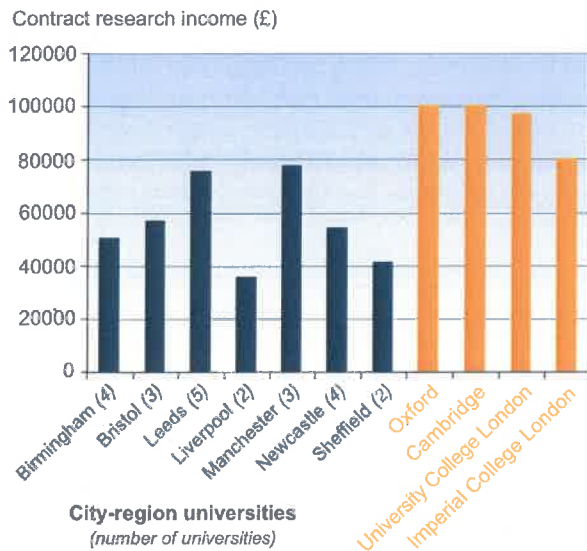
■ Location quotient with respect to Great Britain

■ Location quotient with respect to city-region

The core city-regions perform quite poorly on R&D, lacking significant public R&D, and with private sector R&D also being concentrated in South East England. This contrasts sharply with competitor cities in continental Europe which have benefited from greater decentralisation of public R&D. In Germany for example all major cities benefit from basic research and industry-oriented research centres which are subsidised jointly by central and regional government.

The share of university staff and students in the core cities is more equitable, although the contract research income of the universities is still slightly below the share of population. What is most concerning is that the four universities of Oxford, Cambridge, UCL and Imperial College each have greater contract research income than any individual core city group of universities.

For business services, there is a clear relationship between the scale and external orientation of the service sector and the position of the city within global trading networks. The centralisation of control has coincided with a spreading of telecoms technologies that maximises interactivity and contact. Although such technologies are used intensively for control purposes within the firm, and for commodity transactions, the centralisation of command functions shows a separate dynamic arising from the continued importance of face-to-face contact.

University R&D activity 1997

Contract research income (£)

City-region universities
(number of universities)

Birmingham (4), Bristol (3), Leeds (5), Liverpool (2), Manchester (3), Newcastle (4), Sheffield (2), Oxford, Cambridge, University College London, Imperial College London

One measure of the R&D activity of the universities in the core city-regions is contract research income, totalling almost 24% of the UK figure. This total for all the core cities should however be compared with that for Greater London which has a research contract income of 26.5% of the UK total. Indeed none of the core city-regions can match either of London's top two colleges on their own on this indicator – University College London on £97 million and Imperial College on £80 million. Oxford and Cambridge also achieve around £100 million in contract research income each.

Core funding for research from the Higher Education Funding Council tends to mirror these patterns closely and further exacerbates the disparities.

In global cities such as London the focus on the global becomes dominant and can lead to a partial disconnection from the national territory. Given the very different economics of global cities in terms of land and factor costs only those activities that need to be in the core are retained there. Decentralisation of routine activities provides opportunities for regional cities which can therefore grow as 'command and control centres' for domestic economies – becoming partially interlocked with global networks but with a main focus on servicing local clients and branches of multinational firms.

- Some new niches are opening up for national or international operations where presence in the global city is not necessary. In this sense regional cities have been able to develop specialist services that link into the global economy but can exist without the benefits of the cluster of international functions in the global city.

- The nature of change in ICTs and transport technologies has transformed the basis of regional markets. Where once most firms in a region looked to the regional centre for specialised services, now the more fragmented structures of multi-site firms maps unevenly on the urban system, and smaller firms may be prepared to look to neighbouring regions for services as accessibility increases. Fast journey times outside the cities coupled with congestion in the city itself evens out the benefits of proximity, whilst in many cases the customer now expects the service firm to do the travelling. If the service firm offices are control centres and touchdown points for an essentially car-borne field force then some cities may win a greater share of the market than their own region can provide.

In this process Birmingham, Leeds and Manchester have been relatively successful in capturing the activities of the major business service firms and, with a high proportion of PLC headquarters, also are the major corporate service centres outside of the South East. However, whilst dominating their regions they cannot compete with the sheer scale and dominance of London.

Manufacturing remains important in the city-regions of the core cities, especially in Birmingham, Leeds, Manchester and Sheffield. Some traditional clusters remain, such as engineering in Birmingham and textiles and clothing in Leeds, but there is often little underpinning of these clusters with knowledge resources. Some cities are now seeking to build technology strategies around cluster advantages, although further partnership between local authority districts and with central government is needed.
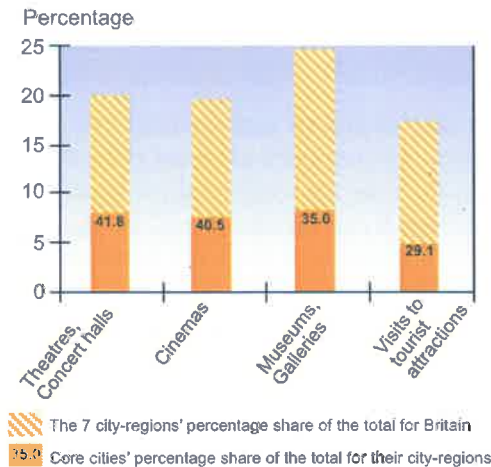
The concentration of knowledge activities in the South East, driven by the centralisation of both public and private sector command structures, has created a two-speed national economy with over-heating and knowledge based growth in the South East and sluggish or poor performance in the core cities' regions. There is a role for central government to work with city-region partnerships to build knowledge capacities in the cities and over the long term to stimulate a more decentralised pattern of development.

6

T he importance of the cosmopolitan city to its region is significant. Cities are invariably the focus of younger migrants and tend to have a more cosmopolitan ambience than their surroundings in almost all cases. In a region with a cosmopolitan city the effects of the city as an economic motor and centre of innovation will be profound – both in terms of the generation of business and knowledge which can overspill into surrounding towns, but also in the effect on the image of the region and the ability of the wider region to attract and successfully absorb mobile investment.

Cultural activities have traditionally been seen as merely consumption activities in cities, but more recently have been recognised as part of the production base, with potential to export services to people outside the city as well as to local residents. A rich and diverse cultural infrastructure in the city centre can help to underpin a virtuous cycle of growth which needs to be recognised in promoting city competitiveness. However cities also have to meet certain costs of provision of services for a wider regional or even national market.

Cultural provision in the core cities

Percentage

The 7 city-regions' percentage share of the total for Britain

Core cities' percentage share of the total for their city-regions

The seven city-regions provide less than the 25% share of Britain's theatres and halls — and also cinemas — which would be expected on the basis of their share of Britain's population. There is, at the same time, clear evidence that the core cities are providing facilities for the residents of the other areas of their city-regions because the cities contribute over 40% of the city-regions' theatres and halls, and of their cinemas too, despite having only 26% of the city-regions' population. In other words, these regions have fewer of such facilities 'per head' than is the national average but the facilities which they do have are strongly concentrated in the core cities.

Britain's core cities, sharing a similar size and socio-economic history, are attempting to develop and market a new image for themselves based upon cosmopolitanism and metropolitanism and as centres for tourism and high quality cultural and leisure pursuits. This re-branding process is an attempt to shed images of their heritage of decline and dependency on traditional industrial sectors. Inevitably this repositioning requires a national profile, yet the core cities have struggled against a view that national facilities should be based in London with core cities meeting only local needs. This perspective of London as the location of maximum accessibility, although partly redressed by some key projects, continues to damage the image of the core cities and hence their international attractiveness.

In the short term, the rapid growth of a cosmopolitan atmosphere in core cities can have a negative impact on the sense of local identity and loyalty which is a strong cultural asset of many core cities. The pride in being a Liverpudlian or Bristolian needs to be fostered, but also developed to be more open to new influences – as indeed it was a century ago when the core cities were growing most rapidly. A new generation of consumers are visiting core cities from the surrounding area and learning new tastes and preferences. Moreover, the success of core cities encourages others from outside the region to take a fresh look at the city, and perhaps more significantly, its wider region.

The development of this cosmopolitan ambience has been accelerated by the availability of new funding for capital projects, although revenue costs have been more difficult to maintain. There is great need though to emphasise these changes in such a way as to alter the perceptions of middle class families who continue to leave the cities for what they see as better quality of life in smaller towns. It should be recognised however that for many city-region residents in prosperous suburbs the quality of life remains high with easy access to the city, good local services and low risk of crime. The metropolitan disdain for suburbs, promulgated by the London media, is alien to most core cities' residents where the majority of the middle classes live in suburbs, often close to the city centre. For these people cosmopolitanism can have negative connotations and hence the idea of the city centre as safe and attractive needs to be reinforced.

Challenge 3: Social Polarisation

S ocial segregation is a longstanding feature of urban regions and the current physical form of the city was largely determined by divisions of labour, with the more affluent living on the periphery. Urban housing markets lead to a sorting of people into socially differentiated neighbourhoods, and the cities are being left with a decreasing share of those whose affluence gives them the mobility to enjoy the facilities of the city whilst living outside of the urban area. Such segregation has increased in recent years due to:
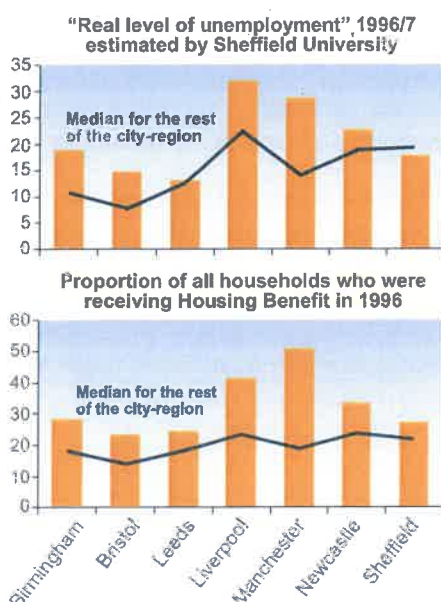
- the in-migration of ethnic minorities and their concentration in the inner areas;

- increased numbers of transient residents due to growth in higher education;

- the opportunities for marginal existence for the disadvantaged due to the affluence and critical mass of the city; and

- the flight of the middle class fuelled by perceptions of declining quality of life in the cities.

The provision of information on 'quality of life' such as school performance tables further enhances polarisation as the more affluent move into the catchments of good schools, thereby driving up house prices in those areas and hence entry barriers for others. The result is a highly polarised school performance, and ultimately the failure and rundown of schools in inner city areas, further stripping such communities of important social cohesion.

The key problem of the inner cities is joblessness, as the growth of the service sector has been unable to keep pace with the decline in traditional low skilled jobs in manufacturing, with a shift in labour demand to different kinds of skill and a greater tendency to employ women who work part-time. In conjunction with the breakdown of traditional family structures, and the effects of rising crime and drug abuse, many of the inner city areas have seen increasing deprivation – whilst enclaves of affluence develop in close proximity, giving a patchwork effect.

The dual city which has emerged must be recognised as a consequence of processes of competitiveness which will continue to unfold unless public policy intervenes to manage the consequences. There is little room for doubt that the core cities are bearing a high proportion of the social costs associated with the growth of poverty in their city-regions over the last two decades. In the northern city-regions where economic decline has been endemic, social polarisation is reaching such a level that neighbourhood abandonment is occurring increasingly. The revitalisation of the core cities is critical for their city-regions' economic regeneration, and this revitalisation will not be possible without addressing the social problems which the cities have inherited.

Unemployment and poverty

"Real level of unemployment" 1996/7 estimated by Sheffield University

Proportion of all households who were receiving Housing Benefit in 1996

The scale of the problem can be indicated by showing a broad measure of unemployment calculated by Sheffield Hallam University — in Liverpool almost one in three of all those who are potentially economically active are here shown to be without work. These figures also show that such extreme levels of joblessness are not simply the result of the cities being located in regions of high unemployment. Sheffield apart, each of the core cities has a higher unemployment level than is typical of the other areas in its city-region — indeed Manchester's rate is more than double that of its neighbouring areas. Joblessness also affects people's dependency on state benefits. The very high percentage of households in the core cities who receive Housing Benefit is partly a result of the higher housing costs in cities (compared to outlying towns) plus the frequency of those who find work having to accept low paid jobs. The result is that the seven city-regions' benefit recipients are even more clearly concentrated in the core cities than were the unemployed.

Central to the solution of these problems is the creation of jobs, although it must be recognised that the lost male manual jobs will not be replaced by the private sector. The public sector has a considerable role to play through reinvestment in infrastructure and repairing the consequences of years of decline, and more investment is needed in education and training to equip the young people of these areas for the new service and knowledge jobs that will be created by the private sector. In addition greater attention must be paid to the social economy, and area-based initiatives can play an important role here. Overall however city-wide economic development strategies are needed to address the continuing causes of joblessness and the associated migration pressures.

Challenge 4: Sustainability

Despite a variety of measures undertaken in major urban areas to tackle the environmental problems of noise, air pollution, water pollution, traffic congestion and water consumption, there is little evidence yet of significant progress to ensure longer-term sustainable urban development. The negative effects of environmental problems extend from their impacts on the quality of life and human health to the economic viability of the cities: polluted cities are unattractive to mobile people and investors, and the costs of coping with the problems can take a heavy toll on municipal financial resources.

It is through a city-region perspective that sustainable development can be properly considered, because at this level environmental externalities can be accounted. The challenges are many and varied, but a key issue which is best addressed at city-region level is transportation. Cities can provide the high volume flows of people best suited to public transport, but current trends in the location of housing, work and leisure activities are favouring car use. Addressing this problem requires more than investment in high quality public transport, but also shifts in middle class residential preferences, modification of shopping and leisure behaviour, the reconcentration of employment, and careful thought about the implications of mobile workers. Radical approaches are needed, for example to keep business services in the city centre if part of this workforce is visiting clients by car across the region each day.

Whilst cities undoubtedly represent major environmental demands on their regions, they also represent opportunities to consolidate amenities and infrastructures in a way that maximises accessibility, especially by public transport. However, the most intractable challenge is to halt the growth of low density car-oriented developments around the edges of the cities, and in satellite towns, and increase the density of the core cities. This is a national as well as regional question, as the problems of urban growth in the South East can only be effectively addressed by fostering alternative growth dynamics in the provincial cities, where growth can be accommodated more sustainably.

Significant progress is also needed on the regulation of wastes and emissions from city-based activities, both to enhance quality of life and to reduce overall resource consumption. The scale of core city-regions offers opportunities for experimentation with new strategies to improve recycling, to introduce district heating systems, and experiment with alternative energy systems like photovoltaics. More significantly perhaps there is an opportunity, so far not pursued, for cities to exert greater pressure on retailers and other elements of the food chain to enhance the sustainability of the supply and distribution of food to the urban population.

At a micro level the quality of the city environment is also affected by the physical design and use of landscaping and open space within the city. The desire for higher densities and sustainability in transport terms should not squeeze out green spaces within the city, especially public space which enhances the quality of life of residents. In some cases new edge of city developments may be designed sustainably and also enable better use of green space within the existing inner city. Improving the quality and maintenance of public open space does however carry a cost, although also creates manual employment much in need in the inner city.

Challenge 5: The Governance of the City-regions

A s already noted the city-regions suffer as a consequence of problems of fragmentation and resource allocation. Core cities are often too small and inadequately resourced for their regional responsibilities, and there are difficulties of management and negotiation of city-region wide processes and infrastructures. In some cases there are thirteen or fourteen local authorities covering the city-regions we have defined and these include both metropolitan unitaries and shire districts. To make matters worse there is often competition between the different authorities within a city-region for investment and population, with economic development strategies which may duplicate or bear little relationship to each other.

Council tax base per head in the core cities
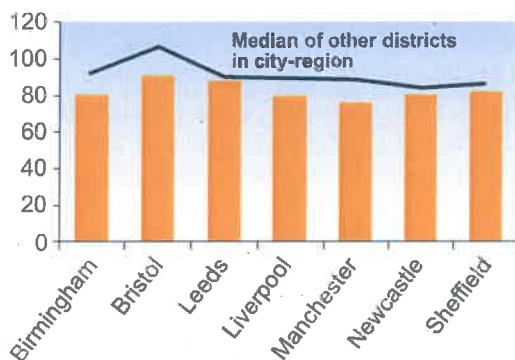
When calculated as a proportion of the England average, the core cities are able to realise a lower council tax income than the median of the other districts within their city-region, and all core cities are well below the national average figure. Coupled with the higher costs of maintaining services and facilities for a city-region, the core cities have a lower potential income also.

The local authority map in the city-regions is then overlaid with other sub-regional and regional bodies such as TECs and the RDAs, plus central government programmes that cover smaller areas that also may cross boundaries. Most city-regions have several TECs – four is not unusual – and these may reinforce the separation and competition between the local authority districts. Relationships with the new RDAs are different again as city-regions are usually part of the RDA territory, although they are rarely seen as an integrated system. In two case the objectively defined city-regions cross RDA boundaries, raising questions about the coherence of economic strategies in those localities.

What then are the options for a new governance for the cities? In some other countries new metropolitan-wide authorities have been established that cover a much greater part of the city-region than is typical in England. The creation of new, larger local authority areas would not appear to be feasible in England and suggestion of this would inevitably be highly contentious and unpopular. However, the formation of new regional development agencies, and potential for further regional devolution gives greater opportunities for city-region partnerships to underpin the work of the RDAs. There are numerous cases in large European cities where partnerships of local authorities work with a regional tier of government to develop policy at the city-region scale.

Such new city-region partnerships would need to encompass all the authorities in a city region. These could be either voluntary or statutory in nature, although their effectiveness would require that at least the urban authorities adjacent to the core city be fully committed. In many of the cities such partnerships are developing on a function-by-function basis, based around the former metropolitan counties, building on existing statutory committees, but with the potential to be further enhanced with central government support.

Finally there is the option for central government to give greater recognition to the core city role in its allocation of resources, both through local government funding and through other forms of public expenditure. By supporting the development of the provincial cities as genuinely alternative poles of economic activity to London and the South East the prospects for a more dynamic UK economy would be enhanced.

A bove we have listed five main challenges facing urban policy and the core cities. These are not the only issues to be addressed, although we would argue that most issues fit within this framework. In all cases the role of the core cities within their city-regions is central to the development of the wider region. That most of these regions are under-performing is at least in part attributable to the fragmented approach to urban policy and strategy adopted in England. The core cities could play a much more dynamic role in stimulating the overall competitiveness of the UK by revitalising their regions, but there are key tools and powers they lack when compared with competitor cities elsewhere in Europe. So although a renaissance of urban life will depend on good planning and design, and an increased attention to sustainability there needs to be much greater effort to restore city economies by investing in the new infrastructures for the knowledge-based economy by investing heavily in education, by increasing jobs in the city whilst equipping inner city residents to do these new kinds of jobs, and by changing attitudes towards cities amongst the general public and decision makers.

This report does not offer simple solutions or remedies - in fact the cities have experienced decades of such experiments, most of which have been failures. Instead there is a need for a new partnership between central government, city-regions, and core cities. a partnership which sees the problems and opportunities of the cities as of national concern, and brokers actions which build the capacity at the city-region level to address the challenges in a collective and sustained manner.

C · U · R · D · S
CENTRE FOR URBAN & REGIONAL
DEVELOPMENT STUDIES

Centre for Urban and Regional Development Studies
University of Newcastle Upon Tyne, NE I 7RU, UK

Tel. +4410)191 222 8016 Fax.
+44(0)191 232 9259

Email:curds@ncl.ac.uk
Web:http://www.ncl.ac.uk/curds