



CITIES MANIFESTO

POWERFUL CITIES AT THE HEART OF BRITAIN'S ECONOMIC RECOVERY

The Centre for Cities is an independent, non-partisan research and policy unit, helping cities improve their economic performance. We work with cities, employers and central government to develop practical policy solutions which help cities grow. We have close links with all the major political parties, and are renowned for our practical knowledge of how cities work as well as our thought leadership. Our reports and policy recommendations are covered widely in all parts of the media.

Our Manifesto sets out our key policy recommendations for the next Government. We want to know what you think – and what your alternative ideas might be.

Join the debate at www.citiesmanifesto.org

Cities & the recession

Britain has emerged from recession – but only just. The recovery will be slow and uneven. *Cities Outlook 2010*, our annual index of urban economies, gave a stark picture of the widening gap between Britain's cities. Since the recession began, the difference between the two cities with the highest and lowest shares of residents claiming Jobseeker's Allowance – **Hull** and **Cambridge** – has nearly doubled.

We think the next Government needs urban policies which address the different needs of the UK's biggest cities (like **Greater London** and the City Regions of **Manchester**, **Birmingham**, and **Leeds**), our struggling cities (such as **Doncaster**, **Stoke** and **Barnsley**) and buoyant cities (such as **Cambridge**, **Reading**, **Milton Keynes** and **Brighton**). Our Manifesto sets out what these policies might look like.

Our main finding is that cities need to be given more freedom over their economic future, and the financial flexibility to make their own decisions. The UK is over-centralised compared to other developed countries. Local Government accounts for 26% of Government expenditure, but in the UK, only 17% of finance is locally raised. The average for the OECD is 55%.

More financial freedom would give cities the incentives to create the conditions for businesses to grow and create jobs, and to improve public spending efficiency. **Relocalising the business rate should be the first step.**

The Government should then set out a roadmap for further financing reforms. Progress on the roadmap, towards a more local balance of funding, should be reported to Parliament each year. Some level of equalisation would need to continue to occur, particularly to take into account the high tax take in the City of London and Westminster, and the Revenue Support Grant would also need to be reformed.



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OUR RECOMMENDATIONS

Elected Metro Mayors for Britain's major cities

Our biggest cities should be leading Britain out of recession – but they don't have enough powers over their own economies to do so. The three biggest City Regions outside London – Greater Manchester, Birmingham and Leeds – should be able to elect 'Metro Mayors' with real tax-and-spend powers. These Mayors would have control over a 'single pot' budget, and should have powers over transport, as Chair of a Transport for London-style body. Metro Mayors would energise voters, be highly visible and accountable, and would have a direct personal mandate to take tough decisions on local tax and spending, and on infrastructure.

Financial incentives for growth in buoyant cities

Some of our most dynamic cities don't have enough incentives to pursue strong growth. Cities which are economically strong would be encouraged to grow by having control over the business rate. In addition, they should be given the power to make decisions over small-scale transport investments at pinch-points to alleviate congestion. They should be financially incentivised to build the houses that growing labour markets need, for example through a land auction process which would enable local authorities to retain the uplift in value from bringing forward land for development. The new government should abolish the national target for 60% of all new dwellings to be built on brownfield land, to ensure that new housing is affordable.

A new approach for cities in decline

Cities like **Doncaster, Stoke, Hull, Hastings** and **Burnley** have been in long-term decline for many years, and have fallen further behind in the recession. They face a combination of persistent problems, of industrial decline exacerbated by poor skills, low levels of enterprise, isolation and long-term unemployment. Successive Governments have tried to turn around these cities, spending huge amounts of money on regeneration and neighbourhood renewal. But the persistence of their decline shows that these policies haven't closed the gap.

The next Government should make struggling cities a policy priority for the next Parliament, and put in place a new approach for supporting cities through long-term decline.

For struggling cities that are located near major cities, the focus should be on improving residents' skills, and supporting them in accessing jobs. The Government should establish an Urban Taskforce to take a fresh look at the medium-term economic prospects for cities struggling to recover from industrial decline, and to recommend a new approach to urban regeneration.

For more details or to comment on our proposals, join the debate at www.citiesmanifesto.org

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