



# Cities at the Centre

## **Prospects and Potential**

*Report of the 2002 Core Cities Summit*







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# 1 Context

The third Core Cities Summit: 'Cities at the Centre' was held in Manchester on 11 and 12 April 2002. Building on previous conferences held in Birmingham and Sheffield, the 2002 Summit took place at a time when the Core Cities are beginning to consolidate their work to enrich the urban policy debate.

The mission of the Core Cities (Birmingham, Bristol, Leeds, Liverpool, Manchester, Nottingham, Newcastle and Sheffield) is:

**To work in partnership with Government and other key stakeholders to promote and strengthen Core Cities as drivers of regional and national competitiveness and prosperity with the aim of creating internationally competitive regions**

The Core Cities collaborate with each other and key partners to develop a coherent agenda for cities: to enhance their competitiveness and to ensure that all communities benefit from regional and national economic growth.

In addition to the annual summit, Core Cities are actively involved in work to refine the case for cities, engaging with Government, research institutions, regional agencies and other partners. The Group contributes to the debate on a wide range of urban issues affecting cities including transport, housing, planning, competitiveness, culture, governance, education and skills.



## 2 The Core Cities 2002 Summit – Cities at the Centre

The Core Cities 2002 Summit provided a national opportunity to showcase the huge potential of our major cities and to take stock of the state of the English urban renaissance in the run-up to Government's Urban Summit later this year. The event brought together a wealth of expertise to debate the importance of our cities in creating and building competitiveness, communities, culture, partnership and connections. 'Cities at the Centre' presented a unique opportunity to build a shared agenda between Core Cities, the regions they serve, Government and stakeholders with the aim of rapidly accelerating the national and international potential of cities.

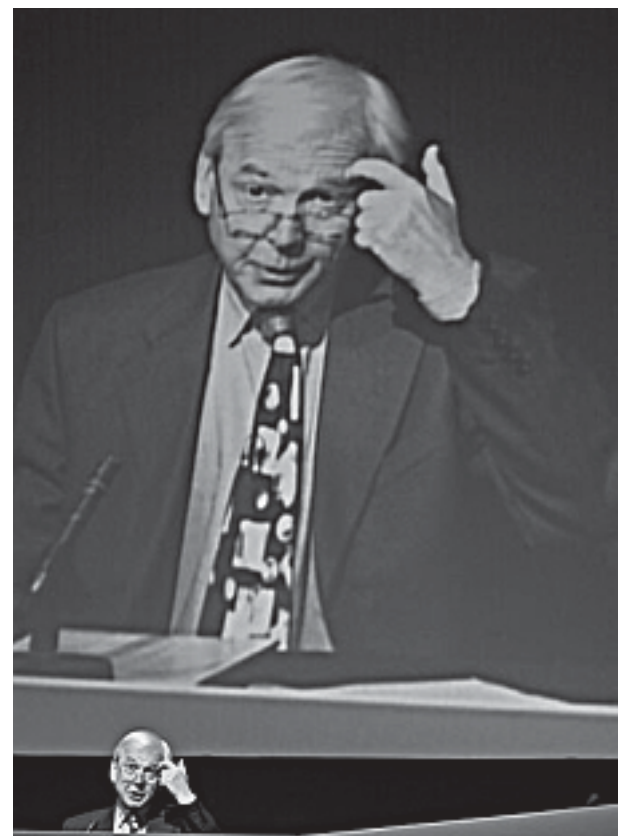
'Cities at the Centre' was attended by over 450 delegates representing England's major cities and all key sectors concerned with the development of urban policy. Just under 50% of delegates were drawn from the public sector, including urban local authorities, development agencies, transport authorities, regional assemblies and central government.

Uniquely for a major urban conference, the private sector was also heavily represented with 25% of delegates drawn from the major developers and property owners, commercial consultancies, retailers, banks and building societies, infrastructure companies and local media. The remaining 25% of delegates were drawn from the voluntary, community and academic sectors. This highly inter-professional and cross-sectoral participation reflects the strength of interest in debating the urban agenda and contributed to an informative and exciting event.



The objectives of the Summit were to:

1. **Begin to identify the factors driving urban renaissance within the UK and elsewhere.**
2. **Debate the roles that cities increasingly play at the centre of economic, cultural and physical life; in shaping tomorrow's communities and in providing the context for partnerships that can deliver desirable urban futures.**
3. **Secure a shared view of the key role that England's Core Cities can play within the emerging national urban policy agenda.**



## 3 Key Themes

The Summit tackled four key themes: creating our urban future; cities at the centre of the new economy; cities at the centre of national prosperity; and cities at the centre of innovation. The first three of these themes were delivered through keynote speeches, while the final theme, focusing on innovation, was discussed in five symposia and an interactive panel session.

### CREATING OUR URBAN FUTURE:

#### Rt Hon Stephen Byers MP

The Secretary of State's opening remarks echoed Lord Falconer's speech to the pre-conference dinner in noting that the urban renaissance is well underway and there is now greater confidence in the future of cities than at any time since the 1977 Urban Policy White Paper.

He used the occasion to look forward, whilst noting the lessons to be learnt from past mistakes. Whilst the diversity and vibrancy of cities is to be applauded, prosperity still co-exists with poverty and ambition with hopelessness. The market alone cannot resolve these problems and therefore 'to end social exclusion and inequity, Government needs to be active'.

Towns and cities matter, he continued, because they are crucial to the economic and social success of the regions and the UK as a whole. What, therefore, are the current Government's commitments to cities, particularly in terms of supporting the urban renaissance?

The Minister highlighted recent changes in the planning system and a variety of fiscal measures. The Green Paper 'Delivering a Fundamental Change', he argued, represented the biggest potential reform of the planning system since 1947. In combination with improved incentives for renovation, conversion and clearance in urban spaces, these were instruments of significant change. Alongside national strategies for neighbourhood renewal, the provision of affordable housing and the vision that accompanies strong leadership at regional and local levels, the urban renaissance was building upon sound foundations.

In taking this agenda forward, the Minister emphasised the need for partnership as opposed to a desire for central control



over policies and recognised that Core Cities are crucial to future national prosperity. They act as what he termed 'hubs in the wheels of change' and are the drivers of sub-regional and regional economies. Mr Byers stated his belief that strong local leadership would be crucial in determining and delivering the right regeneration solutions for particular areas. In doing so, he acknowledged that local government's pivotal role in this process could be strengthened by the provision of greater freedoms and flexibilities relating to, for instance, planning, borrowing and revenue-raising and stated that these are measures Government could consider further.

The Minister saw the Core Cities playing a vital role in the future. They are:

- Central to regional, sub-regional and, ultimately, national social and economic prosperity.
- Better organised than ever before to deliver, with Government support, the urban renaissance.
- Partners who can help Government deliver its commitment to a better quality of life for all those who work, invest and live in town and cities.
- The key to making connections and establishing partnerships with smaller towns and cities in their regions.



## CITIES AT THE CENTRE OF THE NEW ECONOMY

### Will Hutton

Britain has never really accepted that cities are at the heart of its economy, society and civilisation. But, most of us live and work in cities and, unless the Core Cities can begin genuinely to revitalise themselves, Government's economic and social ambitions – closing the productivity gap along with reducing inequalities in poverty, health and education – will remain unrealised. So, what is the future for our major regional cities?

Will Hutton argued that globalisation is the key driver and the growth of London, which has benefited more than any other European city from this process, is instructive. Its critical mass of infrastructure, facilities, knowledge and skills have allowed it develop a virtuous circle of growth, at the core of which lies the booming 'knowledge' economy. Bolstered by their proximity to world-class airports, knowledge and information-technology based industries have become major sources of competitive advantage that, along with associated knowledge intensive sectors such as universities and teaching hospitals, have acted as a magnet for the professional sector. Multinationals have based themselves in London to capture these advantages and so reinforce them, supported by a new, smart manufacturing sector that, in turn, is serviced by a vibrant micro-sector – ranging from hairdressing to professional gardeners – to meet the growing demands of affluent householders and small businesses. Will Hutton terms this phenomenon the 'ideopolis' – a concept that it is characterised by integrated growth.

In contrast, growth within some of England's major cities tends to have been skewed towards a single sector, notably retailing and this alone will not be sufficient to achieve long-term regeneration and growth. Will Hutton believes that the Core Cities also have the capacity to develop as 'ideopolises' and thus the potential to achieve the integrated development essential for long-term success but, crucially, they will have to

direct their efforts rather than expect it to happen spontaneously.

Fundamentally, Core Cities must capitalise on the new institutions that underpin and drive contemporary growth:-

Airports and surrounding districts have to become growth poles in their own right and key linkages to the outside world. The quality of their transport links to the cities and regions they serve is equally important.

World-class universities generate intellectual capital, growth and cultural strength and, particularly if their ideas are diffused directly into local businesses and civic society they will also become new growth poles.

Will Hutton believes Government is now beginning to recognise the importance of revitalising our cities. At the same time he stressed the need for decisive and early action across the entire urban renaissance programme and emphasised that achieving the above will require much more local political direction, autonomy, planning and financial power than our Core Cities currently possess.



## CITIES AT THE CENTRE OF NATIONAL PROSPERITY

### France: Patrick Le Galès

During the post-war period French cities have undergone a period of sustained and long-term economic and population growth. More recently, growth in some of the country's key regional capitals has even outpaced that of Paris. Given this context it is not possible to talk about an urban renaissance because French cities did not suffer as significantly as their British counterparts from the rapid decline in industrial employment and population.

The enhanced performance of French cities is partly explained by economic structures that were not so reliant on industry and were therefore better able to exploit the potential

of a service-based, knowledge economy. An equal part of the explanation, however, lies in the development of consistent, long term urban policy frameworks over the last forty years that have afforded cities more powers to govern themselves, created supportive national policies to exploit cities' potential and given cities a strong voice at the centre.

### Implications

**Urban policy in France has created a framework for major cities to enhance their status, resources and powers by becoming regional capitals.**

French cities have incentives to form strategic collaborations between neighbouring communes and develop a well researched, shared and widely understood view of their futures.

French cities are responsible for 70% of public expenditure. Total public expenditure is between 4-5% higher than in the UK, representing billions of pounds of additional investment.



## CITIES AT THE CENTRE OF NATIONAL PROSPERITY

### United States: Susan Fainstein

In the last two decades, there has been wide variation in both the trajectories of individual cities and of neighbourhoods within cities. During the 1990s the economic situation of US cities improved as overall central city unemployment dropped from 8.5 percent to 5.1 percent. In addition there have been dramatically declining crime rates, and central cities saw increases in population, reversing earlier trends.

Although most of the improvements can be attributed to general macro-economic factors, there are some specific programmes aimed at cities that have had positive effects. These include the Low Income Housing Tax Credit which provides funds for community-based organisations to construct

affordable housing for both owners and renters, and Business Improvement Districts that tax their members for the purposes of funding improvements such as façade renovation, street furniture and providing security services.

A combination of community-based initiatives, more strategic law enforcement, and declining unemployment has resulted in much lower crime rates within central cities.

### Implications

**The US shows quite clearly that without substantial commitment of funds to low-income areas, inequality will continue to grow.**

Although some of the decline in unemployment can be attributed to changes in the welfare law, most of those who gained employment had low pay and high insecurity.

US policy innovations such as LIHTC and BIDS may provide useful models for UK policy development.





## CITIES AT THE CENTRE OF INNOVATION

### Cities Creating COMPETITIVENESS

This symposium focused on the strategic role that cities can play in generating wealth, investment and knowledge for their regions.

While all regions have benefited from more jobs and lower unemployment over the past decade, the competitiveness gap between the South East and the other regions has widened. Recent research undertaken by the Core Cities Group highlighted the UK's much greater concentration of internationally competitive business activity in and around the capital city than is the case in most of our competitor countries.

This contrasts with the greater self-confidence and competitiveness of leading regional cities elsewhere in Europe. Rotterdam, the Ruhr cities, Frankfurt, Stuttgart, Munich, Lyon/Grenoble, Turin and Milan all feature in the EU Commission's "top ten" islands of innovation. These cities are able to generate GDP levels in their regions that only London can match in the UK. In these countries the capital city is able to develop its unique flagship role without having also to be the only internationally significant motor of growth.

The panel highlighted a number of critical factors that are believed to particularly influence where international investors locate their strategic functions. These included R&D expenditure by business, Government and academia and excellent connectivity. Major conurbations and their surrounding regions may also lack the governance structures to develop common economic strategies. Finally, current national and regional economic policy does not identify a clear role for cities in innovation, competitiveness and research policy.

#### The symposium concluded that:

- Cities currently have an ambiguous role in existing economic strategy that focuses upon either regions or clusters. Both central Government and regions need to develop a much better understanding of cities' roles as drivers of regional economies and of the relevant scale for policy intervention.
- Some cities are currently 'under-bounded' with their administrative boundaries much smaller than their economic and travel to work boundaries. This suggested a need to develop more strategic approaches to economic policy at the city-



region/conurbation level where stronger economic partnerships could be formed.

- Cities should critically examine their relationship with local universities as potential drivers of the knowledge economy; the role that knowledge industries can play in strengthening the competitiveness of Core Cities and, together with Government, develop strategies to capture and enhance growth in these industries.
- A parallel focus on cohesion and how the benefits of stronger city economies can flow more directly to local communities is equally important. This could necessitate new mechanisms to ensure that disadvantaged communities both within and outside cities are better equipped with the skills required to share in any growth opportunities within their Core Cities.

### Cities Creating COMMUNITIES

This symposium debated the strategic role that cities play in sustaining distinctive communities and creating places where people choose to live.

There was agreement that people's choices about where to live are driven by their perceptions of the quality of life on offer, including schools, health, crime and anti-social behaviour, quality and choice of housing, the condition of public space and the wider environment. Many of our cities have acute levels of deprivation, and many of those who help create the

diversity of cities are excluded from what most would regard as a reasonable quality of life.

Core Cities must therefore aim to link the physical, economic, social and environmental aspects of urban renaissance, build upon recent trends toward population growth and rebuild sustainable housing markets and community networks.

#### It was agreed that:

- A key challenge for practitioners and policy-makers is to determine how best to deliver an area focus as well as a thematic response.
- A key challenge is to achieve genuine change in mainstream public services so that they are more responsive and relevant to the differing needs of different communities in cities.
- A priority was to address issues relating to isolated communities.
- Medium and longer term policies were required to address issues of 'stubborn deprivation'.
- There was a need to re-think the scale and effectiveness of delivery vehicles.

## Cities Creating CULTURE

This symposium debated the role of England's major cities as contributors to the nation's cultural vibrancy and asset base and the potential for specific policy and investment to enable culture in these cities to flourish.

In order to pursue the cultural agenda, the Core Cities are striving for partnership and dialogue with Government, London, wider City-regions and other stakeholders who have an interest in developing an approach to cultural policy that benefits both the Core Cities and the nation as a whole. The Core Cities Group recently commissioned Comedia to research and consult on current policy at city, regional and national levels and to make appropriate recommendations. There were three main research findings presented to the symposium.

First, there is a policy vacuum in which national institutions and agencies do not formally recognise Core Cities or city regions, while regional policy tends to shy away from giving any special status to major cities.

Second, there is a lack of a coherent national strategy with needless and wasteful competition between cities for major events and facilities, e.g. national stadia and investment in cities often seen as negative/taking resources away from other parts of the region or rural areas. Cities are not recognised as

having a different order of cultural capacity and responsibility from other localities.

Finally there are significant opportunities for policy development to exploit the national and international 'brand' and capacity of major cities; to utilise cities as regional drivers for tourism and creative industries; and the use of culture as an opportunity for deprived communities – for example by linking sports development and volunteering with world events such as the Commonwealth Games.

#### The main outcomes of the symposium were:

- Culture must be recognised as a pivotal economic sector that will be a key factor in determining and supporting the prospects for revitalisation in Core Cities.
- Culture tends to be fragmented among many institutions and providers and much of this is part of an informal economy. Cities are in a unique position to bring these diverse elements into a coherent framework, but to do so they must forge close relationships with cultural providers and incorporate them into planning processes.
- Culture is a means of establishing local identity and community and of projecting a strong, coherent image for a city.
- Core Cities should explore the possibilities of new cultural outlets and not assume that cultural capital or the demand for culture is fixed.
- Core Cities should actively engage citizens and culture providers to help define their city's unique identity and in promoting the city as a cultural destination.

## Cities Creating PARTNERSHIP

This symposium examined the importance of public, private, community and voluntary sector organisations working in partnership to regenerate our cities and their regions and to determine the role that positive and effective partnerships can play in regional economic development.

Cross-sector partnership is a long-established and often dynamic mechanism for driving and delivering urban regeneration within the Core Cities and has reaped many successful outcomes.

At the same time, the symposium acknowledged a number of challenges to effective partnership including slow progress characterised by: talking but little action; an often huge

expenditure of time and effort for little real return; the problem of lack of inclusiveness and domination by some partners; the difficulty of shot gun marriages with no real commitment and the absence of skills, supportive organisational cultures and systems to underpin effective partnership working.

Real progress in these areas will be dependent on all partners working beyond their traditional remits and thinking 'outside the box'. The three keys to success identified were: the importance of individuals acting as 'boundary spanners'; developing appropriate forms of leadership; and the need for enhanced organisational capacity that develops trust and space to learn and is risk tolerant.

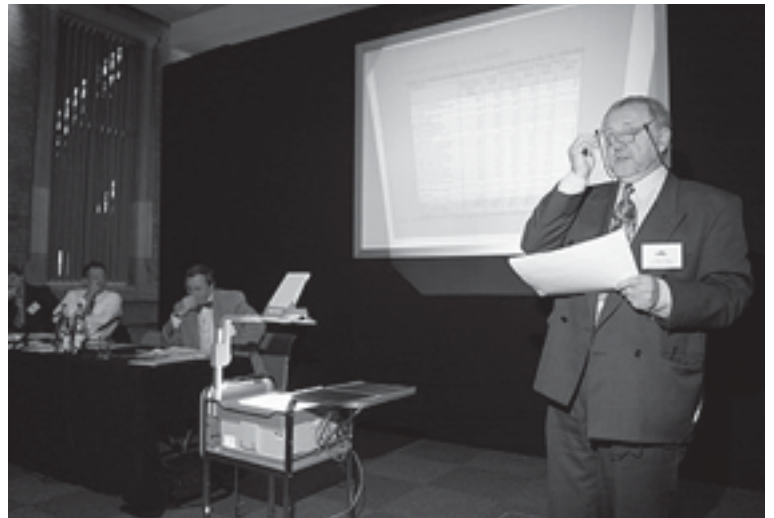
### The symposium concluded that:

- **Effective partnership depends upon trust that is built on solid, long-term experience of working together.**
- **The all too common tick-box approach to partnership, measured in terms of immediate 'deliverables', is not effective for delivering medium and longer terms results.**
- **There are too many partnerships with little overall co-ordination – partnership for its own sake syndrome.**
- **Issues of capacity and accountability are not adequately recognised or addressed when partnerships are set up.**

## Cities Creating CONNECTIONS

This symposium debated the vital role that modern communications systems, both virtual and physical, play in enabling cities and regions to compete in the global, knowledge-driven economy.

Excellent transport and communications links are vital to achieving global competitiveness and social inclusion and, therefore, the ability and capacity of the Core Cities to connect with their regions, the rest of the UK, Europe and the world are fundamental to their economic success and social objectives. Transport is a national priority and there is a shared view that major investment and service improvements are needed. Examples of what can be achieved under current arrangements included: the introduction of light rail schemes – these are expensive, but the Greater Manchester experience shows that they provide a real alternative to car-use; the use of electronic technology to improve bus travel, such as SMART cards to speed-up boarding and electronic timetables to provide better



information at bus stops and the use of guided bus-ways, such as in Leeds, as a lower-cost alternative to trams.

Yet there was a general recognition among speakers and participants that UK transport policy is in a mess. The overall message of the symposium was that while there is scope for short-term improvements to be made within the constraints of existing resources and policy frameworks, in the long-term the provision of effective transport solutions within, between and beyond the Core Cities would require a fundamental re-think of transport policy.

There needs to be a debate about each key mode, underpinned by an understanding of how all modes can help deliver optimal integration between modes; better access to jobs, healthcare, education, retail, and leisure and a framework for increased and sustainable investment.

### Overall, it was agreed that there is a need to:

- **Make tough planning and fiscal decisions to ensure that new and existing public transport connections within, between and beyond Core Cities can be built or upgraded as a matter of urgency.**
- **Government should consider providing the necessary 'freedoms and flexibilities' to enable existing local infrastructure and capacity to be fully exploited, for example in the case of aviation policy.**
- **Ensure sufficient resources are made available for modernisation of the East and West Coast inter-city rail networks.**
- **Design communities based on 'mixed use' so that residential and employment land uses can be brought together and minimise the need to travel at the local level.**
- **Give greater priority within cities to soft modes of travel such as walking and cycling, given that 20% of car journeys are of half a mile or less.**

# 4 The Way Forward: Core Cities at the Centre of Future Policy

## Implications

### What future policy implications for the Core Cities can be taken from the Summit?

Clearly, a number of critical factors for success were identified that the Core Cities Group and its partners should consider in relation to current and future strategies. These same issues have implications for Government as it pursues its vision of urban renaissance and designs policies for improving the economic prospects and quality of life for the residents of towns and cities across the country. Perhaps the single most important message emanating from the Summit was the need for Government, Core Cities and other key stakeholders to work together, genuinely and constructively, to develop a shared understanding of the architecture for success and to agree how we move forward together to deliver long-term change for the national good.

Such an approach suggests the need for a decisive shift away from an 'easy/early wins' culture to one that places more emphasis upon medium and longer term outcomes. As evidenced by Patrick Le Gales, a shared national understanding of, and lasting commitment to the key role of regional cities has been instrumental to the long-term success of French cities. Developing national strategies for English regional cities that are similarly capable of transcending changes in personnel and political administrations is a challenging agenda but one that must be addressed if we are to generate and sustain the confidence people need to invest in cities at every level.

The Urban White Paper set out a promising framework that has already provided the basis for a significant programme of action. As the Secretary of State's address to the Summit made clear, though, support for the urban renaissance needs to be continually reviewed and refreshed. His reiteration of the Government's renewed and determined commitment to the Core Cities revealed encouraging signs of progress in developing a shared understanding on how, together, we move to the next level.

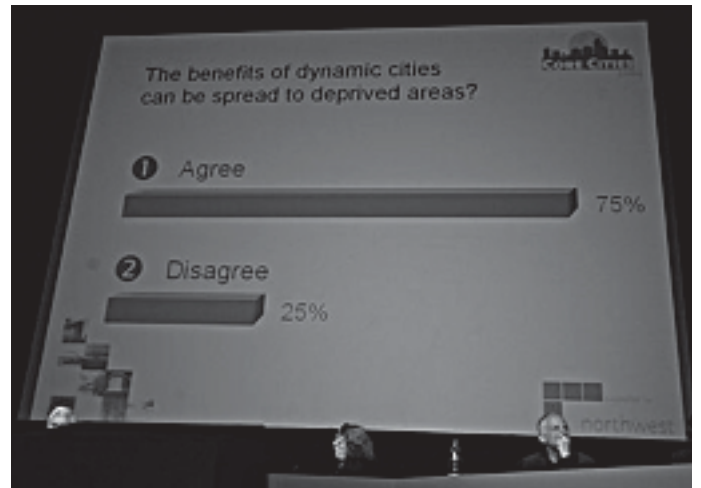
## Recommendations

### What, in practical terms can the Core Cities and Government jointly focus on to shape and begin to deliver the next phase of the urban renaissance?

- As a starting point, the key factors for success in an increasingly global economy, particularly those concerned with the locational choices of investors, need to be better understood by both Government and the Core Cities. A critical analysis of available intelligence should be undertaken with the aim of developing early strategies for attracting and retaining local, regional, national and international businesses to cities and regions.
- A further challenge for national urban policy is to develop a greater understanding of the importance of 'non-urban' policies in shaping cities' futures and to ensure they have an urban dimension. Professor Susan Fainstein highlighted how such an approach reaped rewards in the US by complementing and supporting urban visions, strategies and initiatives. The Urban White Paper outlines the significance and importance of education, health, transport, and economic development in the delivery of the urban renaissance, yet the Government Departments responsible for these functions rarely consider cities as a central part of their remits. An appreciation of the impact of government policies at national, regional and local level will help to accelerate the urban renaissance and, as the Secretary of State noted, this process will be greatly assisted by the development of partnerships with Core Cities in both the conception and implementation of policy.
- More sophisticated measures are needed to determine the impact of policies on economic competitiveness and social cohesion. Comparable measures are needed which recognise the diversity of our cities and the particular ways in which they contribute to national prosperity.
- A context that encourages more strategic intervention on sub-regional issues such as the economy, housing markets and transport needs to be put in place. The emerging city-region scale, in particular, can provide a useful strategic level for urban policy to develop more coherent strategies at regional and national levels. Regional Development Agencies and Government Offices for the Regions have the

potential to provide a clear sub-regional focus that can improve the development and delivery of regional strategies.

- A range of fora need to be promoted in which strategic understandings from all partners and sectors can contribute to the formulation of national and regional policies tailored to support the potential of Core Cities. Government should recognise the value in this approach and provide incentives for different partnerships and coalitions, as well as scales of governance, to ensure effective delivery of policies



## 5 Conclusion and Next Steps

'Cities at the Centre' demonstrated that cities matter. They lie at the centre of modern civilisation and, in the 21st century global economy, their success is more critical than ever to the overall success of nations.

The Core Cities Group has worked to promote the distinctive and crucial role of cities for a number of years, during which time we have developed a strong network of partners who share our vision and objectives for core cities in the 21st century.

The 2002 Core Cities Summit provided an important opportunity for all stakeholders to participate in and contribute to this debate. The number and breadth of delegates clearly demonstrated the enormous level of interest in, enthusiasm for and commitment to the urban renaissance. As such, the 2002 Core Cities Summit represented a landmark in building a

common agenda between Core Cities, Government and all other stakeholders.

It is crucial that we capture and maintain this momentum. In the immediate term, the Core Cities Group intends to

- 1** Continue to work constructively with Government and other partners to rapidly develop and implement the above agenda.
- 2** Produce a formal Action Plan for publication by the end of 2002.
- 3** Report on progress at the fourth Core Cities Conference, to be hosted by Newcastle in the Spring of 2003.





# The Core Cities Group would like to thank

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