



Cabinet Member (Policy and Leadership)

Time and Date

1.00 pm on Thursday, 11th July, 2013

Place

Committee Rooms - Council House

Public Business

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes** (Pages 3 - 6)
 - a) To agree the minutes from the meeting held on 21st February, 2013 (attached)
 - b) Matters Arising
4. **Development of a Key Cities Group** (Pages 7 - 34)

Report of the Chief Executive (attached)
5. **Outstanding Issues**

There are no outstanding issues to report.
6. **Any Other Items of Public Business**

Any other items of public business which the Cabinet Member decides to take as matters of urgency because of the special circumstances involved.

Private Business

Nil

Bev Messinger, Director of Customer and Workforce Services, Council House Coventry

Wednesday, 3 July 2013

Note: The person to contact about the agenda and documents for this meeting is Michelle Rose

Membership: Councillors J Blundell (Shadow Cabinet Member) and A Lucas (Cabinet Member)

Please note: a hearing loop is available in the committee rooms

If you require a British Sign Language interpreter for this meeting
OR if you would like this information in another format or
language please contact us.

Michelle Rose

Telephone: (024) 7683 3111

e-mail: michelle.rose@coventry.gov.uk

CABINET MEMBER (POLICY, LEADERSHIP AND GOVERNANCE)

21st February 2013

Cabinet Member Present:	Councillor Duggins (substitute for Councillor J Mutton)
Shadow Cabinet Member Present:	Councillor Blundell (substitute for Councillor Foster)
Employees Present:	C. Boyce (Chief Executive's Directorate) F. Collingham (Chief Executive's Directorate) T. Green (Customer and Workforce Services Directorate) - Work Experience Student L. Knight (Customer and Workforce Services Directorate) N. Mills (City Services and Development Directorate) H. Peacocke (Customer and Workforce Services Directorate)
Apologies:	Councillor Foster Councillor Mutton – Cabinet Member (Policy, Leadership and Governance)

Public Business

28. Declarations of Interest

There were no Disclosable Pecuniary Interests reported.

29. Minutes

The minutes of the meeting held on 17th January 2013 were deferred for confirmation at the next scheduled meeting.

30. Webcasting Coventry City Council meetings – Evaluation and Consultation

The Cabinet Member considered a report of the Chief Executive, which set out the results of an evaluation of the webcasting of Council meetings and sought approval to continue with the webcasting provision.

Whilst Council meetings were open to the public, numbers of people attending was often low and when meetings were held during the day, it could be difficult for the public to attend. In 2010, the Council entered into a contract with Public-i to stream live webcasts of the Council meeting on the Council's website. Webcasting of the meetings increased the accessibility, openness and transparency of local democracy and allowed citizens to see how decisions were made, the importance elected members placed on strong and lively debate and the processes that supported effective decision making.

An online survey was conducted to seek user and non-user opinions of webcasting, over a period of two weeks from 7th January 2013, which included members of the public, elected members and council officers. 195 responses were received and

the report provided details on the percentages of respondents who had viewed the webcast, either live or in archive, and their rating of the quality of broadcast.

The consensus across all groups consulted, was that it was more important to be able to refer back to a webcast than to be able to watch it as a live feed. However, through using the Public-i system, there was no cost difference between broadcasting live and a following archive version, when compared with just an archived version.

As a result, the recommended proposal (detailed as Option 2 in the report) was to continue to webcast future Council meetings at an annual charge of £9,333, which included continuing with the current system of broadcasting a live and archive version of meetings, with up to 30 hours in total per year with an archive of up to 6 months.

RESOLVED that approval be given to continue to webcast live and archived meetings of full Council, as detailed in Option 2 of the report.

31. Department for Transport (DfT) Integrated Transport Block Consultation

The Cabinet Member considered a report of the Director of City Service and Development, which sought approval of a response to a consultation issued by the Department for Transport (DfT) to all local authorities on a revised formula used to calculate levels of Integrated Transport Block (ITB) funding.

The consultation was on a revised funding methodology which changed the way the ITB funding was calculated. This was currently a major source of transport funding for the Council and the ITB funding was currently allocated directly to the Local Transport Authority (Centro) and was then re-distributed out to Centro and the even West Midlands Metropolitan Authorities.

The proposed formula would incorporate new indicators based on a combination of performance, economic and environmental factors. The DfT had confirmed that there was no proposal to simplify the process, for example by distributing funding on a population basis.

Option 1 (Formula based on need and improvement) would involve splitting the formula so that where possible, 75% of funding was allocated according to the current needs-based formula and the remaining 25 % on the basis of continuous improvement using trend data. This option would result in a 1.9% reduction in the funding based on the current 2014/15 budget.

Option 2 (Needs-based only) was based on the current formula with the addition of carbon emissions and economic growth. This option would result in a 8.8% reduction in funding based on the current 2014/15 budget.

Option 3 (Formula based on need and improvement with additional data) was based on an allocation using the formula for Option 1 above with the addition of needs and trend-based carbon emissions and needs-based economic growth. This option would result in a 10.1% reduction in funding based on the current 2014/15 budget.

The report indicated that none of the options outlined were supported by Centro (as the receiver of the ITB funding) due to the proposed reductions in funding. Centro was also proposing to examine the approach being taken by the Passenger Transport Executive Group, who represent all the Metropolitan Passenger Transport Executive's in Great Britain.

It was recommended that the City Council's response should mirror that proposed by Centro and that none of the three options put forward should be supported. It was further recommended that the Council work with Centro to develop an alternative formula which would not result in a reduction to future levels of transport funding.

RESOLVED that all options put forward in the consultation be objected and that the DfT be informed accordingly and that Centro be supported in the development of an alternative formula for consideration by the DfT as their response to the consultation.

(NOTE: This item was considered as urgent business, the reason for urgency being to enable a decision to be taken within the timescales required by the Department for Transport, whilst allowing the normal call-in process to apply.)

32. Any Other Public Business

There were no other items of public business.

(NOTE Further to paragraphs 2.7.3 and 4.4.12 of the Council's Constitution, as the Leader and Cabinet Member (Policy, Leadership and Governance) was unable to act due to ill health, the Deputy Leader attended this meeting and acted in the Leaders' place in order that the functions of the portfolio could be undertaken.)

Meeting closed: 1.08 pm

This page is intentionally left blank



Cabinet Member (Policy and Leadership)

11 July 2013

Name of Cabinet Member:

Cabinet Member (Policy and Leadership) – Councillor Mrs Lucas

Director Approving Submission of the report:

Chief Executive

Ward(s) affected:

Title:

Development of a Key Cities Group

Is this a key decision?

No

Executive Summary:

Over the last year Coventry, Derby, Preston, Sunderland and Wakefield councils have been having initial discussions about the issues facing their cities in England and the potential advantages of theirs and similar sized cities working more closely together. The independent think tank Centre for Cities was commissioned to produce a report “*Mid-sized cities – their role in England’s economy*” setting out the shared and differing economic characteristics across the group of 26 English cities that have a population of more than 250,000 but are not in the “Core Cities” group of the eight largest regional cities outside London. The report looks at what these cities can offer the UK as a whole and the potential advantages of collaboration between them.

A number of these cities are now considering the advantages of closer collaboration, including the development of a “Key Cities” group, and it is recommended that Coventry City Council should continue to support this approach and look to become a member of the group if it is formed.

Recommendations:

The Cabinet Member (Policy and Leadership) is recommended to:

- (1) Note the recommendations of the Centre for Cities report “Mid-size cities; their role in England’s economy” at appendix 1.
- (2) Agree that the Council should continue to support a collaborative approach to joint working between similar sized English cities including the development of a new “Key Cities” Group.

List of Appendices included:

“*Mid-sized cities: their role in England’s economy*” Tom Bolton and Paul Hildreth;
Centre for Cities, June 2013

<http://www.centreforcities.org/assets/files/2013/13-06-12%20Mid-Sized%20Cities.pdf>

Other useful background papers:

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title:

Development of a Key Cities Group

1. Context (or background)

1.1 The Government has recognised the important role that cities play in the UK economy and the contribution that they will make to growth in the future. However much of national analysis and policy development on cities has focused on the “Core Cities” – the eighth largest regional “capitals” outside London. It is clear that other larger cities – often the second cities within their region – also have a key role to play and Coventry City Council has been in discussions with Sunderland, Derby and Preston about the potential for cities to work together to address shared issues and have a stronger collective voice with Government.

2. Options considered and recommended proposal

2.1 Coventry City Council belongs to a number of sub-regional and national organisations which bring together local authorities to work together on shared interests and provide a collective voice: examples include the West Midlands Metropolitan District Councils Joint Committee which brings together the seven District Councils including Birmingham and Coventry; and the Local Government Association which provides a national collective voice for local authorities of all types.

2.2 Over the last year Coventry, Derby, Preston, Sunderland and Wakefield councils have been having discussions about the issues facing their respective cities in England and the potential advantages to these cities of working more closely together. The independent think tank Centre for Cities was commissioned to produce a report on the economic impact and issues facing these and similar sized cities. Their report “*Mid-sized cities – their role in England’s economy*” was published on 19 June 2013 and highlights the key contribution that such cities make to the national economy and the potential benefits to these cities from working together. However there is not currently an arena or grouping that brings together similar sized key cities with the exception of the Core Cities group of the eighth largest English cities outside London that has a strong collective voice on behalf of these regional capitals.

2.3 The recommendation of this report is that Coventry City Council should continue to support a collaborative approach between these similar English cities including the development of a “Key Cities” Group. This is not expected to be a costly exercise and current indications are that there may be an annual cost to the council of some £5,000.

2.4 The alternative option is for the Council to opt out from this early collaborative work between key English cities. It is believed that this would be a precipitate decision at this stage as the cities are currently considering the potential benefits of working together, with options still to be developed, so it is in the interests of the city of Coventry for the council to continue to explore these with other cities.

2.5 The Centre for Cities report states that whilst most policymakers can name the nine largest English cities, few could also identify all the other English cities with more than 250,000 residents. The report identifies 26 of such cities (based on the population of their wider urban area rather than the local authority boundary) and that together they represent 14 per cent of England’s economy, in terms of both GVA and total population. This means that in simple comparison terms these cities’ collective economies are a similar size to all the Core Cities combined, and almost as large as that of London. The report sets out the following:

- There are 26 mid-sized cities in England with populations between 500,000 and 250,000.
 - Mid-sized cities have a combined population of 8.9 million, compared to 8.8 million people in the Core Cities and 9.4 million people living in Greater London.
 - Between 2001 and 2011 mid-sized cities accounted for 14.2 per cent of England's population growth.
 - In 2011 the combined Gross Value Added (GVA) of mid-sized cities amounted to 14 per cent of England's total GVA.
 - Mid-sized cities include many of England's faster growing cities by GVA, some well-known such as Milton Keynes and Reading, and some less so, such as Portsmouth and Wakefield.
 - 12 mid-sized cities are outperforming national average growth, although others underperform.
- 2.6 The report's analysis echoes recent research from the Organisation for Economic Development and Co-operation (OECD) that suggests that the role of mid-sized cities is underappreciated. While the largest cities are big growth drivers, smaller cities and their regions contributed 43% of the growth in OECD member countries between 1995 and 2007.
- 2.7 The report also shows that, unsurprisingly given such a large group, the mid-sized cities differ from one other. They have very different types of economy; some are thriving and successful whilst others are performing below average. They also perform varied roles in their local economies: some form part of larger city regions; some interact with each other; others are the focus of entire regional economies. Despite this diversity the cities within the group share economic characteristics and challenges and the report concludes that cities would benefit from sharing ideas and solutions.
- 2.8 Interestingly the report places Coventry in the "*Independent economic centres*" typology along with Brighton, Derby, Leicester, Milton Keynes, Norwich, Preston, Reading, Sunderland and Wolverhampton ie cities with a self-contained travel to work areas with a stronger economies and labour markets.
- 2.9 The report also highlights that, whilst the current City Deals process in which Coventry is taking part (along with the wider Warwickshire sub-region and Hinckley and Bosworth) "*...represents a welcome move towards developing policies that suit the differing context and circumstances in each city, it is no surprise that mid-sized cities are not seen as a group by government and concludes there are potential advantages to collective engagement. The Core Cities have shown the way, grouping together to help each other and government, sharing ideas, lobbying together and providing a single voice on essential economic policy issues. Together, their scale means their economic contribution and potential cannot be ignored. Neither can the contribution of mid-sized cities.*" Centre for Cities
- 2.10 Centre for Cities report also concludes that Government and cities need to work together to maximise the growth prospects of places that play a significant economic role. "*Mid-sized cities have issues in common, which could be addressed more efficiently and effectively through co-ordinated engagement with government. Working with each other, they can make policy links between similar places, seek out shared agendas and avoid the need to reinvent the wheel. A strong voice for cities that are currently too easy to ignore would enhance local growth prospects and help some of our largest places to prosper.*" Centre for Cities.

- 2.11 Following the publication of the report discussions have been taking place with a number of the cities about the benefits of working together and the potential formation of a Key Cities Group, including further discussions at the Local Government Association Conference. Sunderland City Council has volunteered to provide the secretarial/administrative base for this development work.

3. Results of consultation undertaken

- 3.1 No consultation has been undertaken as such but this work has specifically involved discussions with other cities.

4. Timetable for implementing this decision

- 4.1 If the recommendation to continue to support this work, discussions will continue at pace and, if the benefits of working together are agreed, it is expected that a Key Cities Group could be set up later this year.

5. Comments from Director of Finance and Legal Services

5.1 Financial implications

The City Council contributed £5,000 towards the development work and the commissioned research in 2012/13 from its research budget. The current expectation is that any further financial contribution would be of a similar sum in future years and would be met within existing budgets.

5.2 Legal implications

There are no specific legal implications for the City Council at this stage.

6. Other implications

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

The aim of working with other large cities is to promote economic growth and influence future government policy. This contributes to the Council key objective of making Coventry a city that works for jobs and growth and aspiration to be open for business.

6.2 How is risk being managed?

Financial risk is limited but will be managed through the usual budget control procedures.

6.3 What is the impact on the organisation?

There is not considered to be any impact on the organisation at this stage.

6.4 Equalities / EIA

There is not considered to be any specific impact on equalities at this stage.

6.5 Implications for (or impact on) the environment

There is not considered to be any specific impact on the environment at this stage.

6.6 Implications for partner organisations?

There is not considered to be any specific impact on partner organisations at this stage.

Report author(s):

Name and job title: Jenni Venn, Assistant Director – Policy, Partnership and Performance

Directorate: Chief Executive's

Tel and email contact: 024 7683 3741 jenni.venn@coventry.gov.uk

Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Martin Reeves	Chief Executive		2/7/13	2/7/13
Fran Collingham	Assistant Director	Chief Executives	2/7/13	2/7/13
Lara Knight	Governance Services Officer	Customer and Workforce Services	2/7/13	2/7/13
Other members				
Names of approvers for submission: (officers and members)				
Finance: Neil Chamberlain	Finance Manager	Finance & legal	2/7/13	2/7/13
Legal: Christine Forde	Assistant Director – Legal Services and Monitoring Officer	Finance & legal	2/7/13	3/7/13
Director: Martin Reeves	Chief Executive		2/7/13	2/7/13
Members: Councillor Ann Lucas	Cabinet Member Policy and Leadership		2/7/13	

This report is published on the council's website:

www.coventry.gov.uk/councilmeetings

Appendices

This page is intentionally left blank

Mid-sized cities:

Their role in England's economy

Tom Bolton and Paul Hildreth
June 2013



“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.”

www.centreforcities.org



Executive summary

While most policymakers can name the nine largest English cities, few could also identify all the other English cities with more than 250,000 residents. In fact there are 26 of them and together they represent **14 per cent of England's economy**, in terms of both GVA and total population. This means that in simple comparison terms their collective economies are a similar size to all the Core Cities combined, and almost as large as that of London:

- There are 26 mid-sized cities in England with populations between **500,000 and 250,000**.
- Mid-sized cities have a **combined population of 8.9 million**, compared to 8.8 million people in the Core Cities and 9.4 million people living in Greater London.
- Between 2001 and 2011 mid-sized cities accounted for **14.2 per cent of England's population growth**.
- In 2011 the combined Gross Value Added (GVA) of mid-sized cities amounted to **14 per cent of England's total GVA**.
- Mid-sized cities include many of **England's faster growing cities by GVA**, some well-known such as Milton Keynes and Reading, and some less so, such as Portsmouth and Wakefield.
- 12 mid-sized cities are **outperforming national average growth**, although others underperform.

“There are 26 mid-sized cities in England with populations between 500,000 and 250,000”

There is, of course, significant variation in the size, structure and performance of the economies across mid-sized cities. Some underperform compared to the national average, while others are economic leaders. However, there is growing international evidence that the importance of mid-sized cities in contributing to national economies has been overlooked, particularly in Europe. This is resulting in moves to understand their economic role better and to value their contribution more highly, complementing the development of ‘place-based’ policy approaches, in the UK and elsewhere, tailored to the individual strengths and weaknesses of each city.

The large number of individual mid-sized cities makes them difficult to engage with, but their diversity as a group could also prove a strength. Mid-sized cities provide an important test-bed for policies intended to promote economic development and develop the local growth agenda. This is particularly so if they are understood, not as ‘islands’, but in the context of places that surround them. The success of cities is important for the country's economic future, and depends on mid-sized cities as well as on the largest cities (some of whom are already working together in city region partnerships). The Government needs to develop policies to both enable growth and tackle its barriers effectively in these places as well as in larger cities.

A number of mid-sized cities are in discussions with the aim of working together on shared issues, under the label ‘Key Cities’. This report investigates the shared and differing economic characteristics across this group of cities, and looks at what they can offer the UK as a whole and the advantages of closer collaboration.



What are Mid-Sized Cities?

Economic growth requires us to make the most of our city economies. England's largest cities are easily identified, with the eight Core Cities as well as London established as the first port of call for urban economic policy. The Core Cities Group has shown the way by creating a shared identity for its members, and developing highly effective collaboration between cities on joint agendas.

By comparison, not enough has been done to understand the collective scale or the economic potential of mid-sized cities beyond the top nine, or to understand the extent to which they share economic issues and could share solutions. To address this, the report analyses 26 English 'mid-sized cities', defined as having populations between half a million and a quarter of a million people.

Figure 1: England's mid-sized cities



“England’s largest cities are easily identified, with the eight Core Cities as well as London established as the first port of call for urban economic policy”



Why do mid-sized cities matter?

International evidence and experience supports the argument that government can access a crucial section of the economy by engaging systematically with mid-sized cities.

First, there are good reasons to question the conventional view that larger cities and city-regions are the only drivers of national economic growth, to the exclusion of other places. While it remains the case that in a European context a relatively small number of cities, such as London and Paris, continue to account for a disproportionate share of national economic growth, the economic potential of other places is increasingly recognised. As a recent study points out, 43 per cent of the aggregate growth in countries that are members of the Organisation for Economic Co-operation and Development (OECD) between 1995 and 2007 came from less developed areas. This picture reflects growing OECD evidence that growth potential can be realised in all types of places, from capital cities to mid-sized and smaller cities to less developed towns and rural areas.¹

Second, there is developing evidence across OECD countries, and particularly in Western Europe, that mid-sized cities are accounting for an increasing share of economic growth. Generalised assumptions about how cities help drive national economic performance, drawn largely from North American and developing countries, may not be so applicable to a contemporary European context.² In particular, although there are strong links between the economic performance of cities and city size, there is also growing evidence that there are exceptions. City performance can be linked to a series of other factors, including history, geography, workforce and residential skills, economic role and institutional context. Realising the potential of mid-sized cities offers new possibilities of contributing to overall national economic growth.

Third, there is an increasing focus on ‘place-based’ approaches³ in the design of EU and OECD policy on sub-national economic development policy. These approaches reflect a growing emphasis on understanding the historical, geographical, social, cultural and institutional context of places and on designing policy packages appropriate to places. Mid-sized cities offer a valuable context for reflecting on the policies that can realise the economic potential of different places. They are also potential test-beds for new ideas relating to the economy, transport, skills, innovation and environment.⁴

This report takes into account the OECD definition and methodology towards mid-sized cities, recognising that: *“The emergence of medium-sized cities offers an opportunity to compare their respective performance in achieving sustainable development, and benchmark them against larger metropolitan areas.”*⁵ They also sit in different types of city relationships and, with the cities, towns and rural areas around them, face a mixture of institutional issues and challenges. Individually, they all have the potential to realise greater economic and social potential. Together, they provide the opportunity to build a shared evidence base, experiment, and test appropriate policy solutions. Collective engagement between mid-sized cities and government therefore makes both national and local sense.

1. OECD (2012) *Promoting Growth in All Regions*, Paris: OECD Publishing

2. For example see: Dijkstra L, Garcilazo E & McCann P (2013) ‘The Economic Performance of European Cities and City Regions: Myths and Realities’ in *European Planning Studies*, vol 21:3, pp334-354

3. Barca F (2009) *An agenda for a reformed cohesion policy: a place based approach to meeting European Union challenges and expectations*, Brussels: DG Regio; OECD (2009a) *How regions grow: trends and analysis*, Paris: OECD; OECD (2009b) *Regions matter: economic recovery, innovation and sustainable growth*, Paris: OECD; OECD (2012) *Promoting Growth in All Regions*, Paris: OECD

4. European Union (2011) *Cities of tomorrow: challenges, visions, ways forward*, European Commission Directorate General for Regional Policy: Brussels, page 4, available at http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/citiesoftomorrow/citiesoftomorrow_final.pdf

5. OECD (2012) *Redefining “Urban”: A New Way to Measure Metropolitan Areas*, OECD Publishing, Paris, page 18, available at: http://www.oecd-ilibrary.org/urban-rural-and-regional-development/redefining-urban_9789264174108-en

“There are good reasons to question the conventional view that larger cities and city-regions are the only drivers of national economic growth, to the exclusion of other places”



The analysis below assesses the collective scale of mid-sized cities, and their economic performance, including on key drivers of growth. It makes the argument that the scale of the economies represented by mid-sized cities means that their national significance is clear. This analysis is presented while recognising the considerable diversity across mid-sized cities, for example in the influence of history and geography and of their economic role.

Mid-sized cities: population

Mid-sized cities have populations in a band from just over 500,000 to just below 250,000 (using the Primary Urban Area for each city; the local authorities covering their built-up area).⁶ These are the largest places in England after London and the Core Cities.

Figure 2: Mid-sized city populations⁷

Rank	City	Population
1	Bradford	522,500
2	Portsmouth	520,000
3	Leicester	480,000
4	Middlesbrough	465,200
5	Reading	423,300
6	Huddersfield	422,500
7	Bournemouth	378,800
8	Stoke-on-Trent	372,900
9	Southampton	362,100
10	Preston	356,500
11	Southend-on-Sea	344,900
12	Brighton & Hove	334,600
13	Wakefield	325,800
14	Blackpool	325,600
15	Coventry	318,600
16	Wigan	317,800
17	Doncaster	302,400
18	Bolton	276,800
19	Sunderland	275,500
20	Chatham	263,900
21	Norwich	257,200
22	Hull	256,400
23	Plymouth	256,400
24	Wolverhampton*	249,470
25	Milton Keynes	248,800
26	Derby	248,700

*Note: Wolverhampton is defined throughout as the area covered by Wolverhampton City Council.

The group of 26 mid-sized cities has a collective population (8.9 million, 16.8 per cent of the England's population) slightly greater than that of the eight Core Cities (8.8 million people, 16.6 per cent of England's population) and slightly less than that of London (9.4 million people, 17.9 per cent of England's population).

6. Throughout this report we use data for Primary Urban Areas (PUA) – a measure of the 'built-up' area of a city, rather than individual local authority districts. PUA definition for each city are available at <http://www.citiesoutlook.org/puas>

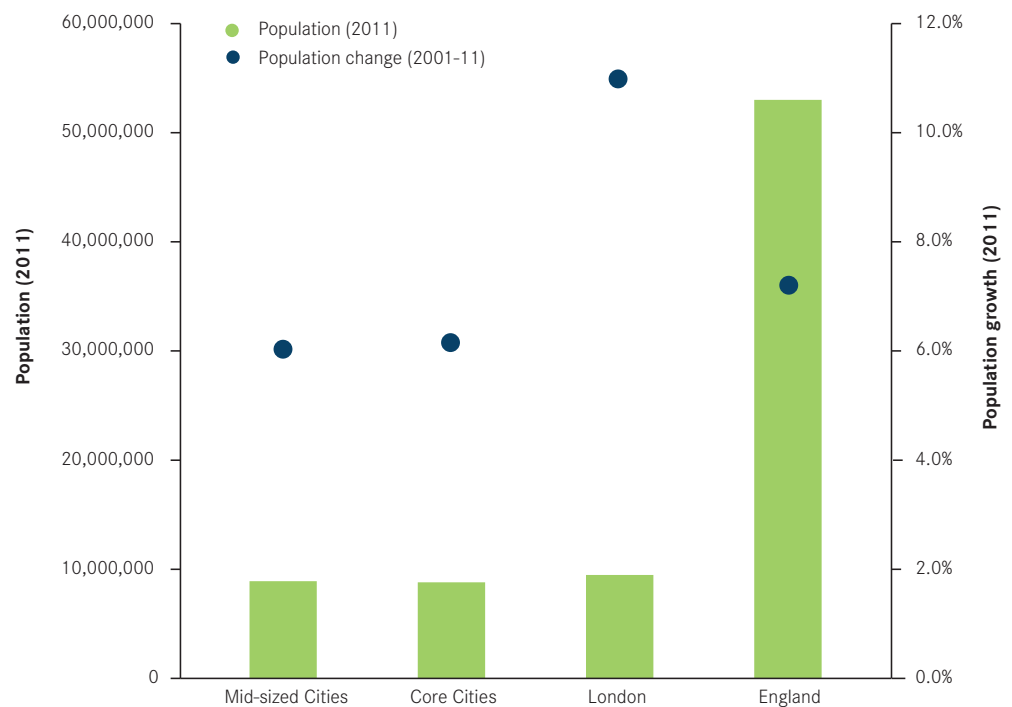
7. Population figures are taken from the 2011 Census.

“The scale of the economies represented by mid-sized cities means that their national significance is clear”



“In 2011 the combined Gross Value Added (GVA) of mid-sized cities amounted to 14 per cent of England’s total”

Figure 3: Population (2011) and population growth (2001-11) in mid-sized cities



Source: Mid-year population estimates, 2001, Census 2011 Usual Population Data

Figure 3 compares population and population change, between the Primary Urban Areas in groups of cities. Together, mid-sized cities have experienced similar recent population growth to the Core Cities. Between 2001 and 2011, mid-sized cities accounted for 14.2 per cent of England’s population growth, adding 506,700 people to their population.

Most recently between 2010 and 2011, the population of mid-sized cities grew by 113,400 people, more than twice the total number of new residents in the Core Cities, where the total population grew by 52,700 over the same period.

Mid-sized cities: economic output and business base

In 2011 the combined Gross Value Added (GVA) of mid-sized cities amounted to 14 per cent of England’s total. Figure 4 shows GVA and business stock in 2011 (the most recent data available) for mid-sized cities compared with London and the Core Cities, as well as the total GVA and business stock for England.

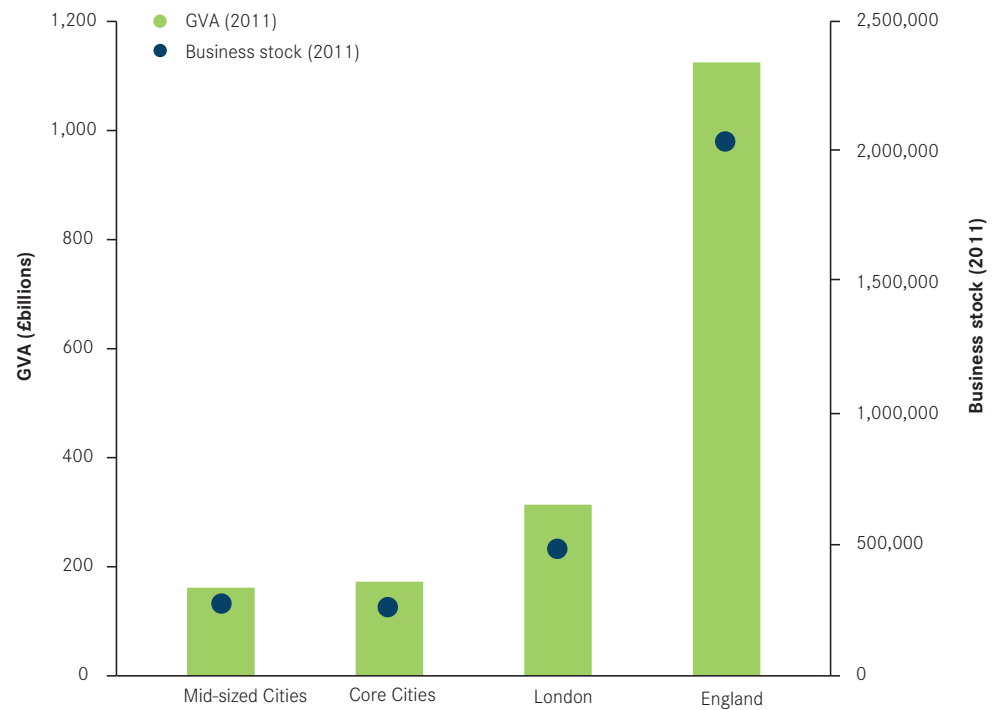
The GVA of mid-sized cities was worth £162 billion in 2011, slightly less than the £173 billion in the Core Cities. However, the business stock in mid-sized cities – 275,480 firms, or 13.5 per cent of all those based in England – was slightly larger than that of the Core Cities, which were home to 261,775 firms, or 12.8 per cent of the England total.

The scale of the business base and its output in the 26 mid-sized cities is comparable to that of the eight Core Cities. Their economic size supports the argument that the collective contribution of the cities needs to be understood as a significant component of the aggregate national economy.



“While each place has its own sectoral balances, cities also share potential growth sectors and specialisms to an extent not currently recognised”

Figure 4: Gross value added in mid-sized cities, percentage change during 2010-11



Source: ONS, Regional, Sub-regional and Local Gross Value Added, 2011 data.

Mid-sized cities: employment in industries

Analysing the employment profile for each mid-sized city shows that, while each place has its own sectoral balances, these cities also share potential growth sectors and specialisms to an extent not currently recognised. Looking at mid-sized cities together helps those with a similar mix of employers to identify potential partners for sharing ideas, and government to engage with cities that have both large economies and a particular interest in certain sectors.

Figure 5: Percentage of working age population employed in five industrial sectors, 2011



Source: Business Register and Employment Survey 2011 [NOMIS]



Figure 5 shows the proportion of people employed in five key sectors: business administration and support services; financial and insurance; manufacturing; professional, scientific and technical; and retail. These sectors have been chosen because they are the largest private employer-dominated sectors across the group of cities, and more likely to be sources of future growth than other sectors dominated by public-sector employment. Mid-sized cities have 11 per cent of their jobs in manufacturing, compared to 9 per cent in the Core Cities and 3 per cent in London.

Mid-sized cities also have a greater proportion of retail employment (11 per cent) than either the Core Cities with 10 per cent or London with 9 per cent. London has a much larger share of both business administration and professional jobs, but these sectors also play significant roles in the economies of both mid-sized cities and Core Cities. Understanding the way that mid-sized cities contribute to the national economy provides an important perspective on their potential to contribute to future growth.

As anticipated by previous research,⁸ mid-sized cities may play more specialist employment roles in the economy than the Core Cities and London; this is explored in the next section.

Various mid-sized cities have specialisms in one or more of these particular sectors, reflecting the difference in the roles they play in their local economies. Among mid-sized cities, there is a higher than average likelihood that those who work in them will be employed in the sectors specified:

Figure 6: Selected sector specialisms in mid-sized cities, 2011⁹

City	Business administration & support services	Financial & insurance	Manufacturing	Professional, scientific & technical	Retail
Blackpool			•		
Bolton			•		•
Bradford		•	•		
Brighton		•			•
Chatham					•
Coventry		•			
Derby			•	•	
Doncaster					•
Huddersfield			•		•
Hull	•		•		•
Leicester			•		
Middlesbrough				•	
Milton Keynes		•		•	
Norwich	•	•			•
Plymouth			•		•
Portsmouth			•		
Preston	•				

8. Henderson V (1997) 'Medium Sized Cities'. *Regional Science and Urban Economics*, Vol 27, pp. 583-612

9. Sectors included in this table are those that consistent predominantly of private sector employers, in order to focus on industries that are likely to grow in the foreseeable future.

“Mid-sized cities may play more specialist employment roles in the economy than the Core Cities and London”



Reading					•	
Southampton	•	•			•	•
Southend					•	•
Stoke			•			•
Sunderland			•			
Wakefield			•			
Wigan			•			•
Wolverhampton			•			

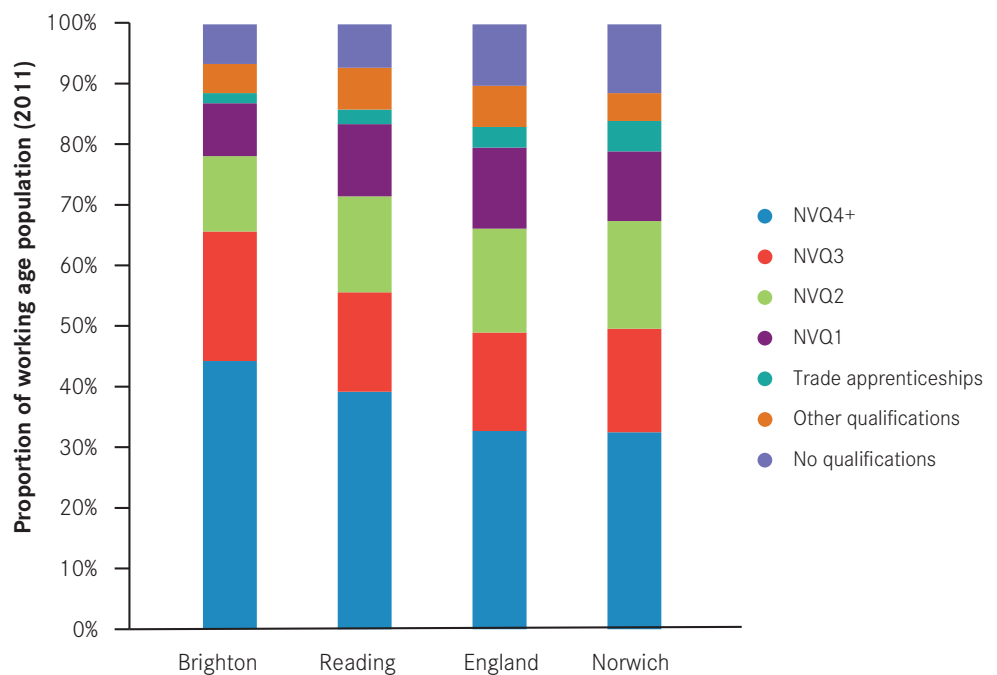
Source: Business Register and Employment Survey 2011 [NOMIS]

This analysis clearly demonstrates that there are mid-sized cities with related specialisms, although they are often operating in different economic contexts. For example, cities specialising in professional, scientific and technical firms include Derby, Middlesbrough, Milton Keynes, Reading, Southampton and Southend, a geographically and economically diverse group of places that would not be viewed together in any other context. It could be the case that their size means that they are particularly well suited to supporting the supply chains needed by these particular types of business. Linkages such as these have the potential to add new, place-specific knowledge to aid policy development.

Mid-sized cities: skills

Analysis of skill levels of residents in mid-sized cities reveals skill profiles similar to the Core Cities. Skill levels are closely linked to current economic performance and future growth prospects, and improving skill levels in the workforce in mid-sized cities should be a priority.

Figure 7: Working population by qualification level, 2011



Source: Annual Population Survey, ONS Crown Copyright Reserved [from Nomis on 13 February 2013]

“Cities specialising in professional, scientific and technical firms include Derby, Middlesbrough, Milton Keynes, Reading, Southampton and Southend”



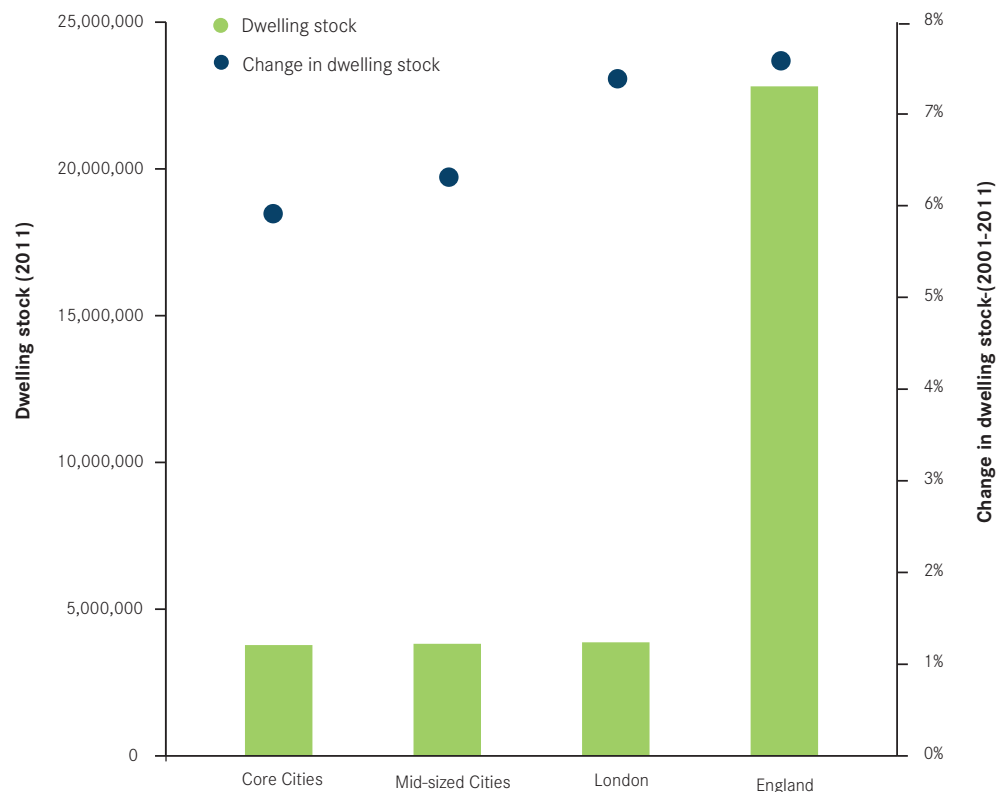
Figure 7 shows the skills profile of the working age population in mid-sized cities. The overall proportion with higher skills¹⁰ in mid-sized cities is 27 per cent compared to 29 per cent in the Core Cities and the average for England of 33 per cent. However, higher skilled workers are likely to live outside the administrative boundaries of cities, so actual higher skilled workforces may well be larger than these figures reveal.

The proportion of the population in mid-sized cities with no qualifications is 12.5 per cent, slightly lower than the 12.8 per cent in the Core Cities. The average for England is 10.4 per cent, and in London the figure is 8.9 per cent. This is an issue that these cities should consider as a priority, and as a group they will be better placed to work effectively with agencies and government, just as a number of Core Cities are already doing.

Mid-sized cities: housing

Mid-sized cities contained 3.82 million dwellings in 2011, 17 per cent of England's total housing stock. This compares to 3.77 million dwellings in the Core Cities and 3.86 million in Greater London. With housing provision a key driver of economic performance and future growth, the substantial proportion of dwellings located in these cities adds to the evidence that their role in the national economy is significant.

Figure 8: Dwelling stock (2011) and growth (2001-11)



Source: DCLG - Table 125 Dwelling stock estimates by local authority district: 2001-2011

Mid-sized cities also make a major contribution to housing growth in England. As Figure 8 shows, mid-sized cities grew their collective dwelling stocks by just over 6 per cent, slightly more than the Core Cities which added just under 6 per cent to their stocks. In 2011, 16.8 per cent of the total dwellings in England were in mid-sized cities, compared with 16.6 per cent in the Core Cities and 17 per cent in London.

10. NVQ4+ is equivalent to degree level and above



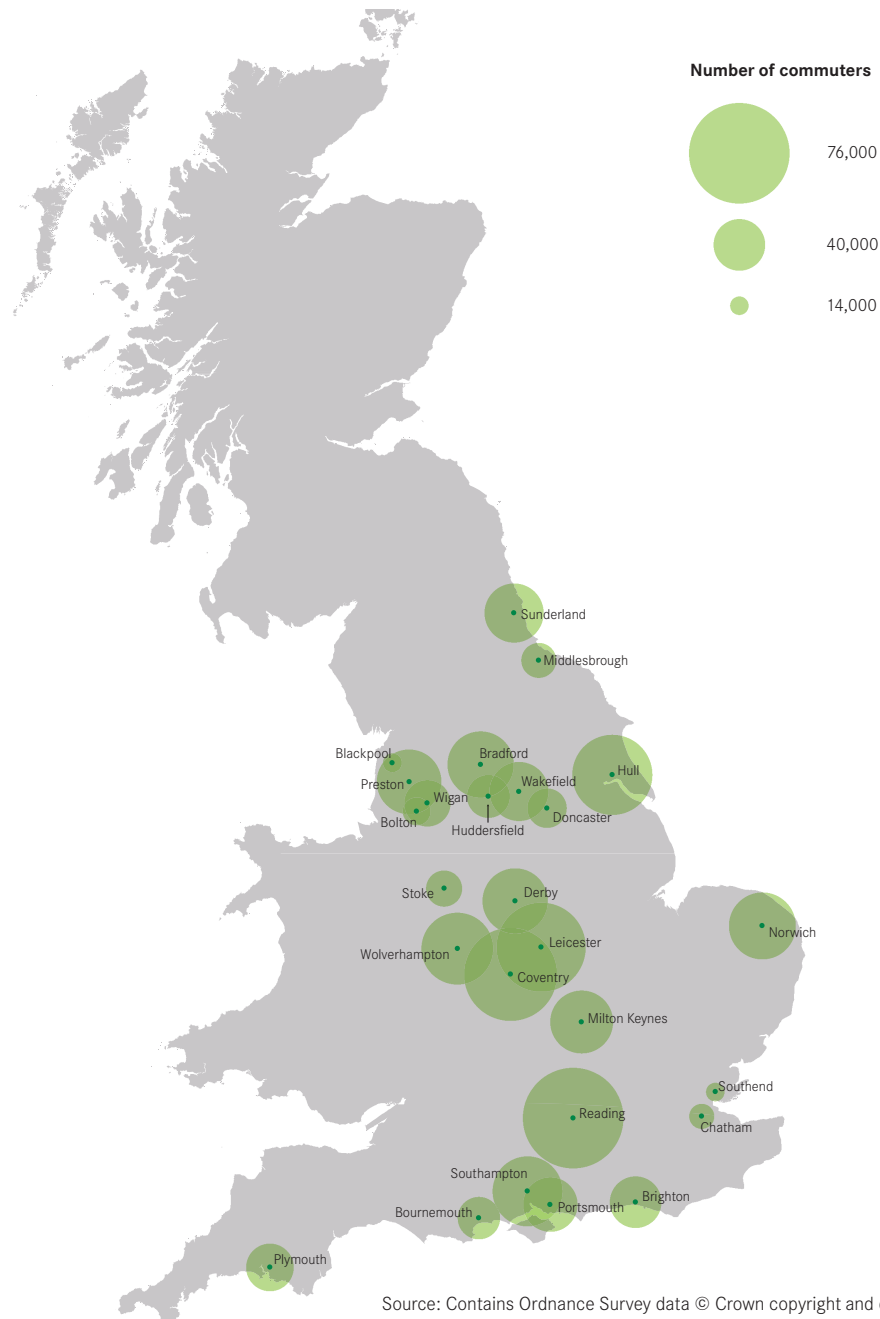
Mid-sized cities include both low affordability, high demand places where housing is needed, and more affordable cities with an oversupply of housing. In more affordable cities the most urgent issues relate to the quality and type of housing available, rather than the quantity. However, a number of mid-sized cities – such as Brighton, Bournemouth, Portsmouth, Reading, Southampton and Southend – have amongst the most acute affordability problems in the UK.

Delivering new housing will help these city economies to grow, and also help close the national housing gap of 100,000 units per annum. Some mid-sized cities have seen significantly more housebuilding than others over the last decade, with housing stock in Bournemouth increasing at more than twice the rate of housing in Southend. Working with low affordability mid-sized cities would allow government to see how the impact of policies varies in different circumstances, and devise approaches for all those places needing more housing.

“Some mid-sized cities have seen significantly more housebuilding than others over the last decade”

Mid-sized cities: economic roles

Figure 9: Average distance travelled to work in England’s mid-sized cities



Source: Contains Ordnance Survey data © Crown copyright and database right 2013



Figure 9 represents, on an illustrative basis, the travel-to-work areas for mid-sized cities by showing the average distance travelled to work in each of them. It illustrates the physical extent of the economic reach of individual cities, and also the extent to which their economies collectively influence a substantial area of England. This map separates mid-sized cities from the influence of the Core Cities, and particularly from the role that London plays in ‘irrigating’ the wider Greater South East Economy.¹¹

Mid-sized cities play a variety of roles within their own boundaries, including as centres for production, innovation, services and retail, often driven by the specialisms identified in Figure 6.

This group of cities also play different roles on a wider scale, in relation to the economies around them. Among the mid-sized cities there are four identifiable groups which have similar types of economic relationships with the places around them, based on an analysis of movements to and from each place:

Figure 10: City relationships¹² – economic relationships in mid-sized cities

City relationship	Definition	Cities
Independent economic centres	Cities with self-contained travel-to-work areas, and stronger economies and labour markets	Brighton, Coventry, Derby, Leicester, Milton Keynes, Norwich, Preston, Reading, Sunderland, Wolverhampton
Economically isolated	Cities that are geographically self-contained, but have weaker economies and labour markets	Blackpool, Hull, Middlesbrough, Plymouth, Stoke-on-Trent
Economically dependent	Cities dependent on the economies and labour markets of nearby larger cities	Bolton and Wigan (dependent on Manchester), Chatham (dependent on London), Doncaster (dependent on Sheffield), Huddersfield and Wakefield (dependent on Leeds)
Interdependent economies	Cities sharing economy and labour market links with a nearby larger city	Bournemouth, Portsmouth, Southampton (interdependent on each other), Bradford (interdependent with Leeds)

The economies of local areas are shaped in part by the relationships they have with other places. The economic roles played by mid-sized cities are spread relatively evenly across the four accepted typologies used to describe city relationships. This analysis shows that cities do not operate as ‘islands surrounded by open sea’. Relationships between places must be complementary in order to be mutually beneficial, and understanding the nature of the economic links between cities is essential to developing effective economic strategies and shaping a viable growth route for each place. This includes the design of appropriate institutional arrangements that reflect the context of different places. Figure 11 illustrates characteristics, opportunities and challenges that arise for cities in each of the four typologies.

11. Hall P & Pain K (2006) *The Polycentric Metropolis: Learning from Mega-City Regions in Europe*, Earthscan: London

12. Definitions from The Work Foundation, SURF and Centre for Cities (2009) *City Relationships: Economic Linkages in Northern Cities*, London: Northern Way

“The economies of local areas are shaped in part by the relationships they have with other places”



Figure 11: Implications of city relationships analysis for mid-sized cities^{13 14 15}

There is a growing acceptance from government that policies can often be more effective if they are tailored to the varying economic circumstances in different places”



13. Hildreth P (2007) *Understanding Medium-sized cities*, Town and Country Planning, pp163-167

14. The Work Foundation, SURF and Centre for Cities (2009) *City Relationships: Economic Linkages in Northern Cities*, London: Northern Way

15. Hildreth P & Bailey D (2013) ‘The economics behind the move to ‘localism’ in England’, *Cambridge Journal of Regions, Economy and Society*, doi:10093/cjres/rstoo4



There is a growing acceptance from government that policies can often be more effective if they are tailored to the varying economic circumstances in different places. The range of economic roles among mid-sized cities makes them a varied group, but understanding and engaging with these variations is a crucial part of successful, ‘place-based’ economic policy-making. While every city is different, each place also shares characteristics with others. Balancing policy-making to take account of both similarity and difference is complex, and a group of cities able to provide variety to help develop and test solutions across different places would provide a valuable policy tool.

“A group of cities able to provide variety to help develop and test solutions across different places would provide a valuable policy tool”



Benefits of cities working together

The collective population and economic scale of mid-sized cities demonstrates their significance to the national economy. They each have the potential to improve their performance, and therefore their contribution as a group to the national economy, if they are in a position to make best use of their economic assets and support growth effectively.

Mid-sized cities are a varied grouping, both geographically and economically, comprised of a large number of places. However, they share the essential characteristic of playing central roles in their local economies. The roles that they play differ, but their scale is a reflection of their local importance: as regional centres, as part of larger city regions, and as inter-linked groups of economies.

The Core Cities Group has demonstrated how effective a group with a smaller number of cities, but with varying economic characteristics and roles, can be when they work together. Core Cities have successfully highlighted their collective economic contribution and established a voice with government and in Whitehall, defining its members as a natural grouping for growth conversations with Westminster. The selection of the eight Core Cities for the first wave of City Deals demonstrated this; the selection of a further 20 cities for the second wave of Deals was much more debated, with a less immediately apparent logic to the final choice.

The logic of working together to achieve common aims can also apply to mid-sized cities, which clearly have potential to grow in relation to their scale. The development of devolution and localism means that cities are finding new ways to work together to build up their local economies through Local Enterprise Partnerships and bespoke formal collaborations. These new partnerships explicitly recognise the critical role of cities as local economic drivers. They also have the benefit of reflecting the differing economic geographies and the different strengths among cities, rather than applying a one-size-fits-all approach to national growth.

The benefits of collaboration are clear, both for government and cities. The cities can ensure they are more visible and more consistently represented in economic policy-making at a national level. Representative groups, based on sound economic logic, offer a much more practical and efficient route to discussions on policy and funding than making individual approaches to a long list of places.

Equally, issues common to the group, or to a number of authorities within a group, can be addressed more efficiently and effectively together by pooling knowledge, experiences and ideas. Thus mid-sized cities, operating as a group on shared issues, could improve both the efficiency and the effectiveness of local growth policies.

An emerging 'Key Cities' agenda

This report demonstrates that the overall economic scale of mid-sized cities makes them impossible to ignore. Commonalities clearly exist and, despite the different local economic roles they play, mid-sized cities have the potential to collaborate on common issues and to improve engagement with government to the benefit of all.

A 'Key Cities' group would need to set up new ways of working to maximise their effectiveness. A collective voice for such group of cities on shared issues would develop over time, so a commitment would be needed from members to joint working in the long-term. A Key Cities group could work towards the following aims:

“The collective population and economic scale of mid-sized cities demonstrates their significance to the national economy”



“A group could help cities engage more efficiently and effectively with the private and third sectors, in the UK and abroad”

1. Tackling common issues

All the cities are keen to progress their local growth agenda, but recognise that they face greater challenges on scale and resources than larger cities. They could therefore benefit by sharing approaches to tackling individual and collective priorities.

2. Provide a single voice on selected issues

Government needs to be able to talk to mid-sized cities, to help understand their key economic challenges. Some cities have City Deals, while others do not. However, all are keen to improve their economic performance, and to engage in direct discussions across government where necessary in order to do so. Groups of cities could work together on areas of joint relevance to work more coherently and consistently with government.

3. Raising the profile of cities with government

A group of cities could help to ensure that government recognises their collective contribution to the economy and uses them as a channel for selective policy development, considering both the needs of individual cities and the aspects of policy that affect the group as a whole. Cities could engage with government as a group earlier in the policy-making process, aiming to achieve greater, demonstrable impact on policy development at a faster pace than is possible individually.

4. Raising the profile of cities with businesses and investors

A group could help cities engage more efficiently and effectively with the private and third sectors, in the UK and abroad, to ensure anyone who wishes to invest in or work with member cities is aware of what they have to offer individually. Working together, it may be possible for smaller groups of selected mid-sized cities could generate the scale and range of investment opportunities to attract investors who might not otherwise come to their place. They could also potentially spread risk both for investors and for themselves.

5. Developing and sharing knowledge, ideas, and information

Developing a structured programme of engagement and exchange involving officers, Leaders and Chief Executives could promote innovation among mid-sized cities, for example by commissioning research; co-designing new approaches with common benefit; and producing joint policy proposals. As a group, they would be able to build an evidence base about the impact of policies in their cities, which could inform and influence government policy development.

Mid-sized cities should consider how they can work together effectively to develop and deliver new approaches to local growth. Performing better in difficult economic times requires greater efficiency and effectiveness, and these cities have much to gain by pooling knowledge and resources, and learning from and working with each other.

Authors

Tom Bolton is a Senior Analyst at Centre for Cities. Contact Tom on:
t.bolton@centreforcities.org / 020 7803 4306

Paul Hildreth works at the Centre for Sustainable Urban and Regional Futures (SURF) at University of Salford, Manchester, and the Bartlett School of Planning, University College London

Acknowledgements

The Centre for Cities would like to thank Coventry, Derby, Preston and Sunderland City Councils for their financial support of the research.

The authors would also like to thank the following individuals who provided opinion, comment and support on this research: Vince Taylor, Jenni Venn, Derek Whyte and Richard Williams.

All views expressed in this report are those of the Centre for Cities and do not necessarily represent the views of those we interviewed.

June 2013

Centre for Cities
Enterprise House
59 - 65 Upper Ground
London SE1 9PQ

020 7803 4300
info@centreforcities.org

www.centreforcities.org

© Centre for Cities 2012

Centre for Cities is a registered charity (No 1119841) and a
company limited by guarantee registered in England (No 6215397)

This page is intentionally left blank