
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