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Question 1: What are the key benefits – for the economy, investment, innovation, productivity and public finances – of shifting to a multi-polar growth model, in which our major cities are key players in the nation's economy?: If we are to shift to a multi-polar growth model (or, in our opinion, a bi-polar growth model), we need to understand why London has become so dominant; because it was not always so, and conceivably may not be so in the future.

The City was in decline from the beginning of the Second World War. Bombing, loss of manufacturing industry, the closure of the docks and government policies designed to reduce its dominance were responsible. But in the 1970's the government stopped trying to push growth elsewhere and in the 1980's the Big Bang liberalised the financial services industry and attracted workers and money to the City from around the globe. A convenient time zone, and a language which was spoken worldwide, made it easy for foreigners to operate in the City. A trustworthy legal system and a clean polity made it a good place to do business. Excellent universities and private schools attracted young people and parents. In effect globalisation, distilled and concentrated in London, turned the place into the world's most international city. Today London looks out to the world and is a great national asset, attracting smart professionals and the very rich, an elite which is increasingly made up of foreigners, or the children of foreigners.

But this has a downside. Property in London (per sq. m.) is more expensive than anywhere in the world except Monaco. The city is in danger of forcing out a great swathe of its working and middle class who do the servicing of the rich and the administration of the city. It is congested and difficult to move around. Although significant infrastructure investment is addressing this (notably Crossrail) it is quite unclear how much time will be bought by these major investments. The city is sucking in talent from around the world, but also from the rest of the UK. The latter flow of talent may be impeding the expansion of potential growth in the provincial cities.

An OECD study in 2010 concluded that cities can reach a point where external diseconomies outweigh centripetal forces and become less competitive. At least one third of OECD metropolitan regions now rank systematically lower than the national average on almost all economic indicators. If a single shot 'invest in London' policy is pursued there is risk that: a) the city will move from positive agglomeration economies to diseconomies of scale, especially if it proves politically impossible to deliver the additional housing needed; and b) changes in external circumstances, such as a threat to London's international financial role, may sharply reduce its growth prospects. The latter is not a remote possibility. Post 2008 London's financial sector (though it remains critical to the UK economy) is no longer the undisputed economic driver it once seemed. It is underpinned by subsidies to financial institutions worth 74% of UK GDP, and (indirectly) 80% of US GDP (\$12 trillion).

There are two key questions. First, can you shift to a multi polar or bi polar model without choking off the very dynamism and creativity which fuels London? Second does an alternative model have to depend in part on diverting some of London's growth, or can it be an independent growth path complementary to London's?

Cities are powerful networks. Geoffrey West, a physicist at the Santa Fe Institute, analysed the mathematics of cities and maintains there is an urban constant that holds good the world over: every doubling in size of a city brings a 15-20% increase in wages, patent output, the employment of "super-creative" people, the efficiency of transport systems and many other good things associated with cities. There is a similar increase in crime and pollution, but the benefits of higher wages and greater opportunities outweigh these disadvantages. London reflects this urban mathematics. Its contribution to the country's economy has grown faster than its population. In 1997 London's gross value added per person was one-and-half times that of the country as a whole: by 2010 the ratio had risen to nearly one-and-three quarters. Londoners are better paid and better qualified. Despite the economic crisis in financial services, London as a whole has got off relatively lightly.

In many ways the maxim is as you get bigger you get better. But how big do you need to get before you generate diseconomies of scale both within the metropolitan area and for the rest of the country? Is the well-being of the nation being inhibited by the yawning gap between London and its region and the second and third tier cities in the rest of the country? London, because of its global status, means that the UK has the biggest disparity with the next tier of cities in Europe (see Parkinson et al Second Tier Cities and Territorial Development in Europe). This research concludes that there are some simple policy messages for governments in relation to second tier cities including:

1 For city and regional leaders

City regions which strategically mobilised and exploited their assets flourished more in the boom years and are more likely to do better in the economic crisis. Increasing strategic governance capacity to deliver economic place-based policies at city region level must be a key target for all partners

2 For national governments

Strategic investment in second tier cities is more likely to maximise the economic potential of the national economy than concentrating resources on the capital city. This means that explicit territorial policies should be concerned with second tier cities. But also the different territorial impact of national policies and resources for example on innovation, research and development, education and skills, transport and connectivity and infrastructure investment on capital and second tier cities should be a crucial concern. Government's territorial investment strategies should be made much more explicit in future.

At their recent summit in London the Core Cities launched 'Core Cities, Prosperous People' – a new prospectus for change in England. They argue that the largest cities, outside London, are not reaching their potential, but says that if given localised power and resources they have the potential

to deliver £222bn in growth and 1.16m jobs to the UK by 2030: 'The eight Core Cities urban areas deliver 27% of England's wealth. Although London is important, Core Cities in fact deliver more. A total of 16million people live in Core City urban areas – one third of England's entire population, set to grow by at least 1million by 2030. The UK needs more prosperity and jobs. The Government wants to rebalance the economy. The Core Cities can deliver... Across the world, big cities usually outperform their national economies, but in England only London consistently does so. If all the Core Cities urban areas could perform at the national economic average, £1.3billion would be put into the economy every year'

The question raised by these contentions is whether more localised power and resources will be enough if it is not allied to the conditions needed for growth which appear to exist in London, as follows:

Very large and diversified population and economic base Ability to retain local and attract talent from elsewhere Critical mass of smart professionals and 'super-creatives'

Good technical skills base

Excellent universities and schools

Excellent regional, national and international transport connections Vibrant arts and cultural offer

Question 2: What does the international evidence show about the role of cities in driving growth and catalysing innovation? What are the key success factors that we can learn from?: Question 2

It may not be possible to transfer international lessons to the UK. Unpublished research by Wray into UK achievement and innovation in a wide range of infrastructure and IT planning demonstrates the key importance of individualism, improvisation and initiative outside the government machine, within local government, the private sector or some other autonomous institutional platform. This appears to reflect the reality of UK government (including the civil service and government departments) as a regulatory rather than developmental set of institutions, and the key importance of initiative outside the formal machinery of the state.

The so called 'Cambridge Phenomenon' was essentially an organic process led by educational investment within and connections to the university. It was not government planned. The invention of the electronic computer in the Second World War and its use at Bletchley Park was not commissioned by Bletchley, nor was it a government plan, but an initiative taken by one brilliant individual in the Post Office Research Branch. Bletchley Park itself was not purchased by government, but funded by private means as a personal initiative. The civil service opposed the construction of national motorways for nearly 50 years; progress was only made at the initiative of local government (which explains why the UK's first motorway was the Preston By-Pass in Lancashire, rather than the M1).

Decentralized governance and initiative seems central to the British model. Yet as Simon Jenkins has argued, the governments of Margaret Thatcher, John Major and Tony Blair all pursued a similar path, imposing a highly centralised regime on a state machine which is essentially regulatory, rather than

developmental or entrepreneurial. Arguably a transfer of powers and resources to the big cities offers an opportunity to reverse this centralising and potentially debilitating drift.

Question 3: What is the relationship between public service reform and economic growth at city level? How can more effective demand management – through public service reconfiguration and integration for instance – help to drive social and economic productivity? Can this enable our cities to become more financially sustainable?:

Planning is a vitally important component of planning for regeneration and growth. Apart from London (which has a metropolitan mayor with strategic transport and planning powers), the English planning system in the cities and elsewhere now relies entirely on district councils. These authorities are on the receiving end of enormous spending reductions, sapping their skills, resources and professionalism. There is no higher tier authority responsible for strategic planning, and thus no clear way of bringing together strategic planning, transport planning (practiced at the city region level by the PTEs and Integrated Transport authorities), and economic strategy (for which the Local Enterprise Partnerships operating at city regional level are responsible).

The reintroduction of strategic planning at city region level, either through a combined authority mechanism or through directly elected city region mayors seems to be of critical importance.

Question 4: How can decision making and responsibility for public policy and public services be better aligned with the reality of local labour markets? How can policies around employment support, childcare, skills policy, welfare strategy and economic development better reflect the needs of local people and businesses?: The model for this is alive and well in the Greater Manchester conurbation. It is called the "New Economy". This approach needs to be applied to each of the city regions and the New Economy remit is described by themselves:

"At New Economy Manchester, we deliver policy, strategy and research for Greater Manchester's economic growth and prosperity. To achieve this, we provide economic intelligence and regular analysis to underpin strategic direction.

As the conurbation's economic think-tank and advisor on best policy practice, New Economy leads on idea generation and project initiation up to the point of delivery.

As a wholly owned company of the Greater Manchester Combined Authority we work with all ten Greater Manchester local authorities, the Greater Manchester Local Enterprise Partnership, and private and public sector partners to understand, influence, and innovate, creating a better economy for Greater Manchester.

New Economy's areas of work range from

research & strategy

planning & housing

environment

public protection

science & innovation

skills & employment

project development to European policy

New Economy is part of the Manchester Family of agencies, which also includes Marketing Manchester, MIDAS -Manchester's Inward Investment Agency and the Greater Manchester Growth Company."

Question 5: How can growth in other English cities complement London's economic success? What should be the interrelationship between devolution, growth and reform strategies in London and in our other major cities?: We question the suggestion that other English cities should complement London's growth, and that there should be multi-polar growth. Individually, no English city has sufficient scale, critical mass and thus agglomeration economies. London's continued growth should be supported but we would suggest a 'bi polar' strategy involving two new 'super cities', one south and one north. The aim should be to create a symbiotic rather than complementary relationship between the two.

London and its super city would be focussed on culture, finance and creativity, and the northern super city on material production, including life sciences, sectors within which London does not appear to have an overwhelming competitive advantage. The northern super city should become a focus for national investment in basic science including life sciences. Two symbiotic national super cities would be a hedge against the risk that London's economy might falter in the longer term (as the 2008 financial crisis intimated).

We advocate a southern super city on the transport corridor which will lead to a new London airport – wherever that might be – with high speed commuting and economic connections. It should be several times the size of Milton Keynes (the last of our new towns and first designated 40 years ago). The powers in the New Towns Act can be used to designate the sites, produce the master plans and purchase the land at existing (agricultural) use value. But give the formula a 21st century twist; once acquired the land should be made over on suitable terms to sovereign wealth and pension funds, on the basis that they fund the infrastructure, in return for long term interests in the land.

The cities of Leeds, Manchester and Liverpool are less than 65 miles apart. In the United States they would be a single economic entity. Together they could form the basis for a northern super city, with political critical mass and agglomeration economies that can compete in a global economic race. They have immense assets in Manchester international airport, the Port of Liverpool, research universities, diverse manufacturing, housing stock, and much else.

To create the urban mass they need, strategic transport investment is crucial. Government is already committed to electrification of the Leeds – Liverpool - Manchester line. That investment needs enhancement, replacing the quadruple tracks lifted three decades ago, upgrading stations and signalling, and introducing high speed tilting trains, so that the high level labour markets of all three cities are integrated within a single rail commuting envelope. In parallel local rail systems serving the forgotten towns of Northern England - places like Burnley and Blackburn - need upgrading so that they can have new economic roles, as integral parts of the three cities economies. To make all this happen the cities need to be given enhanced political weight and leadership.

Question 6: What needs to change between Whitehall and our cities to multi-polar growth a reality? What does the Centre need to do to enable this and what economic and revenue levers do cities require?: To create a 'bi polar' system we argue that the three northern cities need political investment, creating powerful leadership arrangements for each city region, and replicating the system London already enjoys. That would mean city region governance, led by directly elected city region mayors. The cities need to rediscover the power and independence which underpinned their 19th century rise to globalism. Their three metropolitan mayors would be encouraged to work together in a super city troika. As powers and resources are transferred to the three cities and to London, on the devolved nations model, there would be a corresponding reduction in Whitehall's role.

Question 7: What other practical, organisational, cultural and systemic barriers stand in the way of a fundamental shift in economic power to our cities and how can these be overcome?: Our fundamental problem is to do with the political mindset of successive governments. This has been most recently highlighted by Michael Heseltine in his pleas to the current coalition to loosen the grip of central government on the regions and cities of England. In part this reflects a complete lack of faith and confidence in any form of governance not controlled by the centre. We have a uni-polar system which sucks talent and political acumen down to Westminster and is beautifully illustrated in the number of ex City leaders who have seen leading a city only as a stepping stone to securing a parliamentary seat.

One response is devolving more funds to the cities and localities as referred to above with city regional mayors but this needs to be complemented by greater involvement of MP's in their localities. You can visualise a scenario of parliamentary select committees for the major city regions and city regional mayors having ex officio status in Westminster.

There is a precedent in France where the mayors of the major cities are often members of the French National Assembly. The *cumul des mandats* (literally: "accumulation of mandates") is the

French equivalent of the dual mandate in other countries. It is a political practice particularly common in France, in comparison to other Western countries. It consists of holding two or more elective offices at different levels of government — local, regional, national and European — as mayors, MPs, senators, Members of the European Parliament, and President of the General Council in their home regions.

This approach would substitute devolving parts of Parliament to the regions for devolving powers to the regions. It might provide a mechanism for :

1 breaking down Whitehall silos;

2 ensure that MPs spend as much time in their localities as in Westminster; and

3 give city regional mayors a foothold in Westminster

Supporting document 1:

http://files.formstack.com/uploads/1611141/22289613/134277640/22289613_tcpa_article.pdf

Which question does supporting document 1 relate to?: n/a

Supporting document 2:

http://files.formstack.com/uploads/1611141/22289633/134277640/22289633_second_tier_cities.pdf

Which question does supporting document 2 relate to?: 1

Supporting document 3:

http://files.formstack.com/uploads/1611141/22289634/134277640/22289634_competitive_cities_prosperous_people_final_draft.pdf

Which question does supporting document 3 relate to?: 1