THE CHALLENGE FOR CITIES IN THE 21ST CENTURY

Throughout history cities have been places where people have come together to live, do business, and enjoy culture and leisure experiences together. Cities are complex and vibrant places. They are centres for connectivity and diversity. Successful cities are major sources for wealth creation and for innovation – in business, in education and in life styles. Countries which create successful cities are countries which then have successful and prosperous regions. Cities are therefore central to achieving national goals for sustainable economic growth, greater social equity, and a high quality environment.

“People make cities, but cities make citizens” – Lord Rogers of Riverside.

In 1995 the City Councils of seven major English regional cities began working together to set out a vision of the distinctive role that big cities must play in national and regional life in the new century. These cities – Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle and Sheffield (and more recently joined by Nottingham) – subsequently agreed to formalise their association to become “the English Core Cities Group”.

Our motivation in forming the Core Cities group flows from our determination to ensure that the profile and prosperity of our cities in the 21st century compares favourably with the best regional cities in our competitor countries – particularly in other parts of the European Union.

And there is no doubt that we face a real challenge to achieve this goal. Although allowance has to be made for different boundary definitions the GDP figures for successful Continental city-regions are starkly different from what we see here. For example the 1996 GDP figures for Antwerp (137% of EU average), Stuttgart (135%), and Salzburg (120%) are well ahead of the West Midlands County (93%), West Yorkshire (92%) and Greater Manchester (91%) which are the city-regions of Birmingham, Leeds and Manchester.

Unless this disparity can be reversed Britain risks becoming an increasingly divided country – with a capital city which ranks as one of the world’s leading business centres, but at the cost of growing congestion in the South East and under performing economies in most of the other regions.
We recognise that England’s major cities contain both the seeds which are vital for the renewal of the regions and also many legacies from the past which have created major problems which must now be tackled.

Our cities are home to some of the country’s best universities which produce highly qualified graduates and undertake leading edge research. We also have a wide range of very successful businesses. Cities provide transport hubs for their regions and act as capitals of culture. And they also provide a vibrant quality of life where people from all kinds of backgrounds and experiences can mix and mingle in a creative environment.

But our cities also show all too clearly the legacies of their history – the social and environmental consequences from industries which once created prosperity but whose time has now passed. So our cities need to address the needs of communities that have become progressively excluded as the jobs on which they depended have disappeared. Equally we need to reclaim large areas of former industrial land that have become derelict and unwanted.

Cities need to provide the modern infrastructure and services which communities – both in cities and in their regions – which are now looking forward into the new century expect and have a right to receive.

That is the size of the challenge the Core Cities are determined to meet successfully. It is a challenge that requires a positive and effective partnership between the cities and Government. We are fully committed to playing our full part to achieve that relationship.
THE CORE CITIES GROUP IN ACTION

The collective policies and actions of the Core Cities Group are discussed and agreed at regular meetings of the City Council Leaders and Chief Executives. The increasing strength and credibility of city-wide strategic partnerships – in which City Councils are pivotal players - has greatly enhanced the means and opportunities for building a consensus on the strategic issues facing cities, and the work of the Core Cities Group has undoubtedly benefited from this. The Cities have set up a range of joint working groups on specific subjects to take forward key issues and to prepare detailed papers for the Cities’ ongoing dialogue with the Government.

Our work is focussed on issues that reflect the distinctive nature of major regional cities. Our starting point is that the future economic prosperity of Britain requires regional cities which are as distinctive and successful in their chosen roles as London has been in becoming one of the world’s leading business centres. Our focus includes the economic relationship between our cities and their regions in the same way that the prosperity of the South East is fundamentally determined by London’s success.

In 1999 we held our first Core Cities Conference in Birmingham. This event enabled representatives from the leading walks of life in each city to meet not only with people from other cities but also with Ministers, senior civil servants and representatives of national and regional organisations. The success of this conference was repeated in 2000 in Sheffield – and will be continued at our future annual summits.

We are committed to progressively developing a long-term partnership with Government. This will ensure that national policies affecting cities are developed in the best possible knowledge of the reality of our challenges on the ground. It also means Ministers can be confident that we understand the rationale behind their policies and are therefore well placed to put them into practice. During 1999 the Cities worked together on a comprehensive submission to Government during the formative period of what became the Urban Policy White Paper. This was followed up by more detailed meetings on specific issues, and heralded the start of a strong consensus with Government on the key challenges ahead.

The Core Cities attach high importance to making a systematic and significant contribution to the level of knowledge about cities, and in particular: -

- about different models of city governance;
- about the economic relationship between cities and their regions;
• about the practical challenges of renewing deprived neighbourhoods;
• and about resolving the tensions between the demands of modern living and the desire for a high quality environment.
This above research report was prepared for the Core Cities Group by the Centre for Urban and Regional Development Studies at the University of Newcastle upon Tyne in 1999. The University was responding to a remit to examine the interaction between cities and their regions in order to understand the roles that core cities need to play, and how the strengths and weaknesses of the cities affect processes of regional competitiveness and social cohesion. This report has informed the policies of the Core Cities and its conclusions are reflected in the Group’s subsequent dialogue with Government in the context of the Urban White Paper.

The research concludes that in comparison with other major European cities the English Core Cities perform poorly with relatively low international profiles, high levels of economic and social deprivation and large losses of population. In part this position reflects the centralisation of international activity in London, but it is also a consequence of the long established roles of leading European cities as the capitals of regions with greater levels of autonomy. The researchers also pointed to more effective partnerships between central governments, regions and cities as a reason for cities playing more powerful economic roles than here.

“Core Cities: Key Centres for Regeneration” identified five challenges that English cities must meet with regard to their capacity to be the driving forces for regeneration in their regions.

The first challenge – achieving competitiveness in a knowledge based economy. In today’s “knowledge economy” competitive advantage increasingly focuses around clusters of similar businesses rather than in the performance of isolated firms. To increase their attractiveness as locations for clusters, cities must focus on building up a critical mass of knowledge institutions and leading edge research and innovation. These assets need to be backed by an institutional environment which positively supports inter-firm networking. Cities need to become centres of learning for both firms and individuals in all areas of society.

The second challenge – making cosmopolitanism a tangible reality. Cities are in essence places where different groups of people meet and mingle. This creates a cosmopolitan society and generates the seeds of innovation and cultural advances. But English cities have been less successful at creating a positive image of cosmopolitanism than elsewhere. The existence of people from different backgrounds is often portrayed in
negative terms – which in turn reduces the city’s attractiveness for strategic business investments.

**The third challenge – overcoming social polarisation.** Competitiveness is also about wealth distribution. A favourable environment for wealth creation will quickly dissipate if wealth is then distributed in ways which lead to marked inequalities – and in consequence give rise to social tensions and polarisation. A key test for cities is therefore their ability to prevent communities and individuals becoming disconnected from the economic and social mainstream, and to re-connect any that are disadvantaged in this way.

**The fourth challenge – creating environmental sustainability.** As places that enable people to benefit from services, economic functions, and leisure activities in close proximity cities offer environmental challenges as well as benefits. Successful cities get the best possible balance between the economic needs of people and their desire for a quality built and green environment. UK cities have made great strides in dealing with industrial legacies - and have ably used the many recent advances for tackling modern day environmental challenges. But the new century brings new environmental demands – which cities must be capable of responding to if they are to compete effectively in the global economy AND offer attractive, safe environments for all citizens.

**The fifth challenge – aligning governance with economic and social objectives.** The English city-regions, and in some case the cities themselves, are fragmented between different local authorities and the mechanisms for achieving co-ordination on key policy goals are very limited. Urban policy and Government relations with local government tends not to differentiate the distinctive roles which core cities play in relation to their region.
PROSPEROUS CITIES MAKE PROSPEROUS REGIONS – AN AGENDA FOR ACTION

A number of urban policy initiatives affecting the Core Cities have come to the fore in recent years. 2000 Conference came at a very significant time. The Government published its Spending Review in 2000 and finalised its Urban Policy White Paper at the end of 2000. The Core Cities have worked together to develop their own vision of the unique contribution major cities can make to achieving national goals for sustainable economic growth and shared prosperity. The theme ‘Prosperous Cities make Prosperous Regions’ has formed the backdrop to a number of recent Core Cities events, and emphasise the inextricable link between the fortunes of cities and their regions.

Following the last Core Cities Conference in September 2000, the group adopted a shared agenda focussing on the twin objectives of ‘creating prosperity’ and ‘sharing prosperity’. This shared agenda is the key to further progress, to deliver locally in ways appropriate to individual city-regions in order to meet key national goals.

Creating Prosperity

There is recognition that cities are the driving force of regional but not yet national competitiveness. Now the focus is on:

- **Global Competitiveness** and the role of city regions within this. City economies are moving on from their industrial past.

- **Knowledge-based economies** now characterise successful continental European and US Cities that have diversified and moved on to develop new forms of employment and wealth.

- **Cultural assets** are key to successful city living, recreating the attractiveness of city centres. They are now a feature of most city activity, and are fast becoming integral to creating prosperity.

- **The European/international role of cities** requires that we move from being focused on internal issues to seeing the world role of cities and their key to national prosperity.

If we do these things well, Cities will be recognised as national assets, rather than problems, and in turn, will fulfil their full economic potential.
Sharing Prosperity

It is not, however, enough to simply create prosperity. The Core Cities are committed to spreading prosperity widely throughout their cities and to towns and villages in the city region. All the Core Cities need to continue to address the following issues:

- **Education, learning and skills** base both to provide the skills for new knowledge-based, high value-added activities and to ensure the spread of advantage.

- The **cultural and multicultural assets** of cities must be successfully developed and converted into competitive advantage. They could provide the basis for much of the home-grown development within cities.

- The need for **human scale regeneration** challenges many physical plans for our cities, to ensure we develop in a way that encompasses and doesn’t exclude people.

- The **City-Region relationship** provides for spreading the benefits of both prosperity and city assets. The relationships between city and town and urban and rural communities needs to develop such that the benefits from each flow both ways.

Partnerships

The Core Cities have long advocated and practised a partnership approach in delivering urban regeneration. Many exemplar projects have been achieved via cross-sector partnerships and the approach is now increasingly a feature in Government developments. This can lead to a plethora of initiatives all with different partnership arrangements. The Core Cities believe:

- We need **dynamic but simpler and fewer partnerships arrangements** that combine economic and social objectives.

- **Regional level organisations and their programmes** need to be more closely integrated with those at the more local (eg. New Deal for Communities) level to ensure there are strong bridges between the economic and the social.

- One approach is to develop a **contract model** with partnerships bringing different funding models together into a package, led by an agreed local strategy.

- **Government should support this** work through the RDA’s as regional partners and equally with all other local and sub-regional partners.
THE NEXT STEPS

The last two years have brought a growing national recognition of the role and importance of Core Cities. The **Next Steps** for the Core Cities will be to develop our shared and work towards its implementation. The **Urban White Paper** provides a framework for that shared agenda and its publication has determined that the core cities need to:

1. **Identify the gaps** in the White Paper

2. **Sharpen our proposals** with a view to putting forward to Government a number of discrete ‘demonstration’ projects in the immediate term and identifying medium to long-term issues

3. **Engage directly with Government** in order to determine and agree objectives, outputs and timescales for ‘demonstration’ projects and to embark upon a ‘pathways’ dialogue with respect to longer-term issues

4. Establish practical **ways to deliver** - with a role for all **partners**