



## Smart Growth: Policy Tools and Fiscal Instruments that Promote Balanced Growth and Economic Regeneration in the City Core

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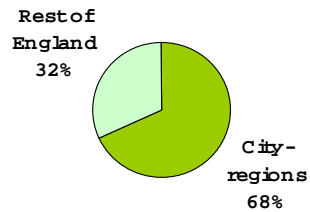


### Cities drive national economies

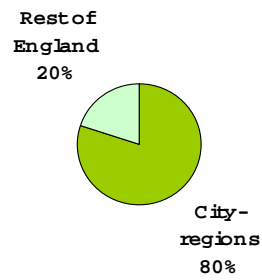
- 2008 = world's urban pop topped 50%
- England – 58% live in cities, 63% work in cities. 75% live in city-regions, 80% of jobs.
- *State of the English Cities Report* (UK Govt, 2006): cities are “motors” of national economy
- *Two-Track Cities* (Centre for Cities, 2007): cities are the national economy



### POPULATION



### JOBS



## Urban economies and structures do not match

- Urban economies now function at very wide scale - due to globalisation, pop growth, technology
- Cities are under-bounded
- Cairo, Sao Paolo, Manila, Mumbai – real economies spill over traditional political boundaries, across multiple municipal jurisdictions, or into institutionally undefined peri-urban areas
- Manchester city is less than one-fifth of Greater Manchester: 450k out of 2.6m people



## Realignment

- Existing legal frameworks and admin boundaries do not take into account urban expansion
- Fragmented, multiple governance structures have led to policy co-ordination problems – vertical and horizontal
- Need to realign outdated admin structures with metropolitan areas' economic footprint



## Case for city-regions

- Co-ordination
- Collaboration and Inclusive Growth
- Decentralisation and Accountability
- But difficult...
- City-regions challenge local identities, have fuzzy boundaries, are seen as extra tier, and are selective

# city leadership

giving city-regions the power to grow

adam marshall  
and dermot finch  
with chris uwin



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## Co-ordination



- City-regions match up delivery of economic development, with functional economic areas
- Right spatial scale for economic development = transport, housing, job training
- Horizontal and vertical co-ordination, fewer actors, better decision-making



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## Collaboration & Inclusive Growth

- **Big disparities with English cities: city centre, “doughnuts of deprivation”, suburbs**
- **City-regions promote cross-boundary collaboration across large urban areas. Hinterland and core.**
- **Promote inclusive growth, connecting prosperous and job-rich areas with under-performing areas.**



## Decentralisation & Accountability

- **England = excessive centralisation, rhetorical devolution. Cities have little financial power, 80% funding from centre.**
- **City-Region Contracts = devolved, pooled funding for metro areas like Gtr Manchester. New revenue-raising powers. (Centre for Cities, 2006)**
- **City-regions = bottom-up accountability, local elected leaders.**

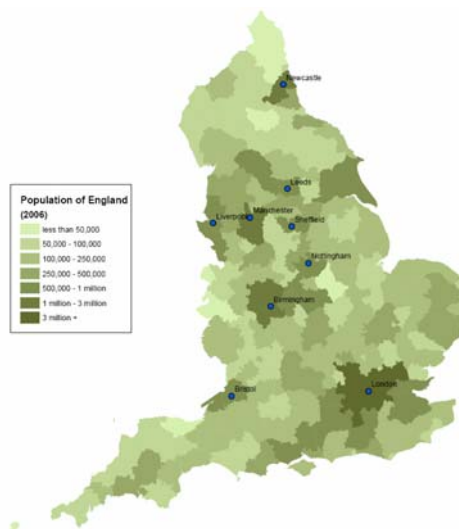


## English cities

- Recent revival - transformed city centres, employment growth, population rebound
- Positive drivers of national economy – 75% live and 80% work in city-regions
- **But** “unfinished business” – deprivation concentrated in cities, wide disparities, smaller Northern cities struggling
- First downturn since early 90s

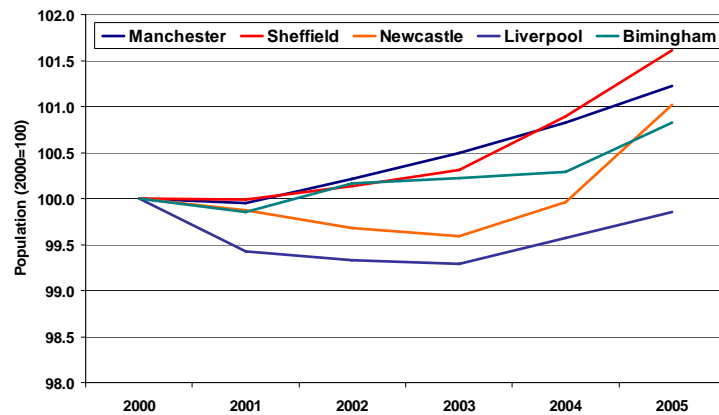


## English cities





## Population trends in English cities, 2000-05



## Active central government

- Very centralised political system = good/bad
- Central planning targets, to combat sprawl. Secretary of State “call-in” powers.
- But cities have little financial power – central govt collects and distributes 95% of all public funds, only 25% of local spending comes from local taxpayers
- Only one major elected mayor, in London



## City governance in England

- Incremental steps towards city-regions. Local authorities too small, 9 RDAs too big.
- Sub-National Review of Economic Development & Regeneration (2007):  
*“The need for co-ordination is greatest in cities, as they have larger functional economic areas than other places. Better decision-making for transport, planning and regeneration at the city-regional level would be likely to support economic growth.”*



## Manchester city-region

- 2nd largest conurbation in UK, largest “Travel to Work Area” outside London.
- Recent pop growth: up 1.5% since 2000 – mainly in city centre. 10% non-white.
- Economic centre of North West = 2.6m pop, 40% of NW, 5% of English economy.
- Economic restructuring = 31% fall in manufacturing jobs, 47% rise in ICT jobs
- Best example of UK’s urban revival. But....





## Key Statistics

**Area:** 1,259 km<sup>2</sup>  
**Population:** 2.6 million  
**Employment Rate (GB):**  
71.7% (74.3)  
**% working age with NVQ  
4+:** 25.3 (27.4)  
**Average earnings p.w.  
(2007):** £504.7 (£553.0)  
**GVA:** £42,000 million


*Source: ONS, NOMIS,  
Greater Manchester  
Forecasting Model*



## Manchester's economic problems

- Economic output per head is below national average.
- Wide internal disparities – high inactivity rates in the centre and north, employment higher in south
- 240k on out-of-work benefits, 400k poor basic skills, 18% no qualifications
- Fragile economic base. Downturn = risk of job losses



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## The Manchester MAA

- **Multi Area Agreement = voluntary partnership, 10 AGMA authorities, within real economic area.**
- **Exec Board of 10 leaders, 7 Commissions, single Strategic Plan, Business Leadership Council.**
- **Pools targets and funding for transport, housing, job training, and regeneration.**
- **Frontrunner among first 7 MAAs. But limited devolution so far, could be more radical.**
- **Congestion charge will be major test.**



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## Lessons

- **City-regions are right level for economic development**
- **Can co-ordinate between multiple agencies**
- **Promote inclusive growth across urban areas**
- **Vehicle for greater decentralisation**
- **But complex, politically difficult, and untested**



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