



What next for UK city devolution?

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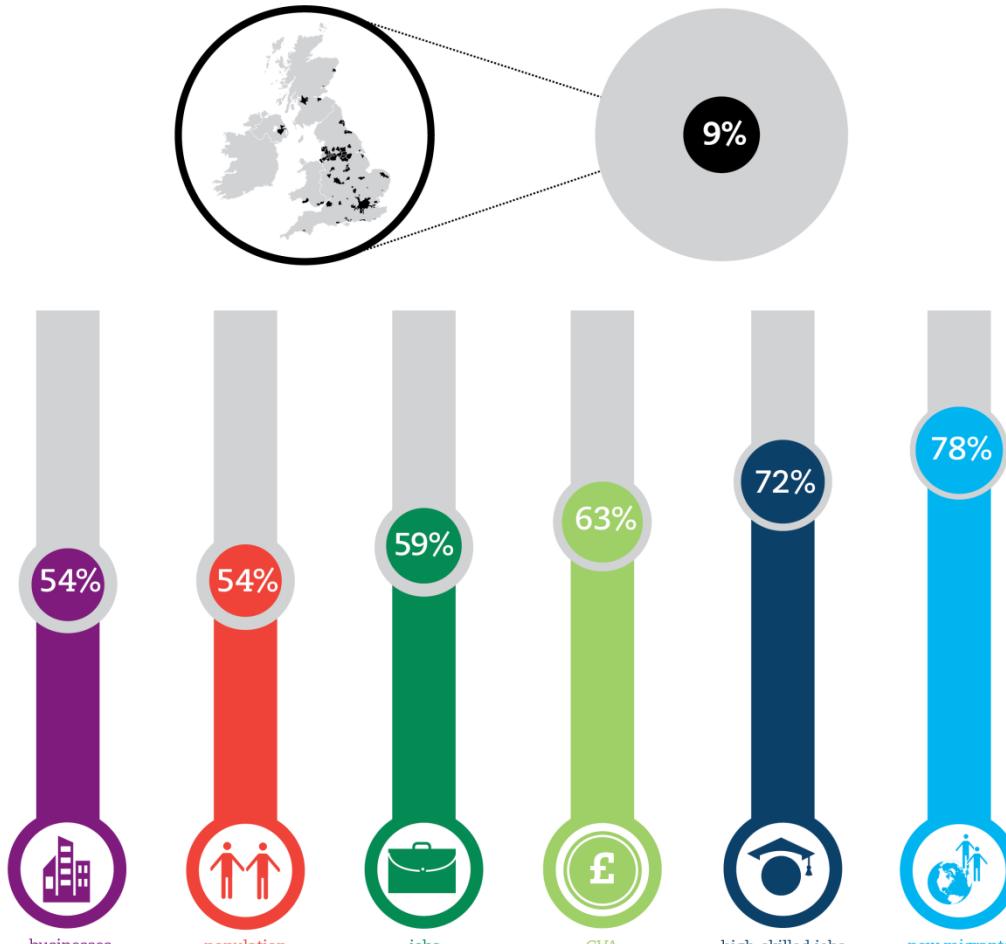
 @BenCities





Cities matter to the UK economy

Cities make up just 9% of the UK's landmass ...

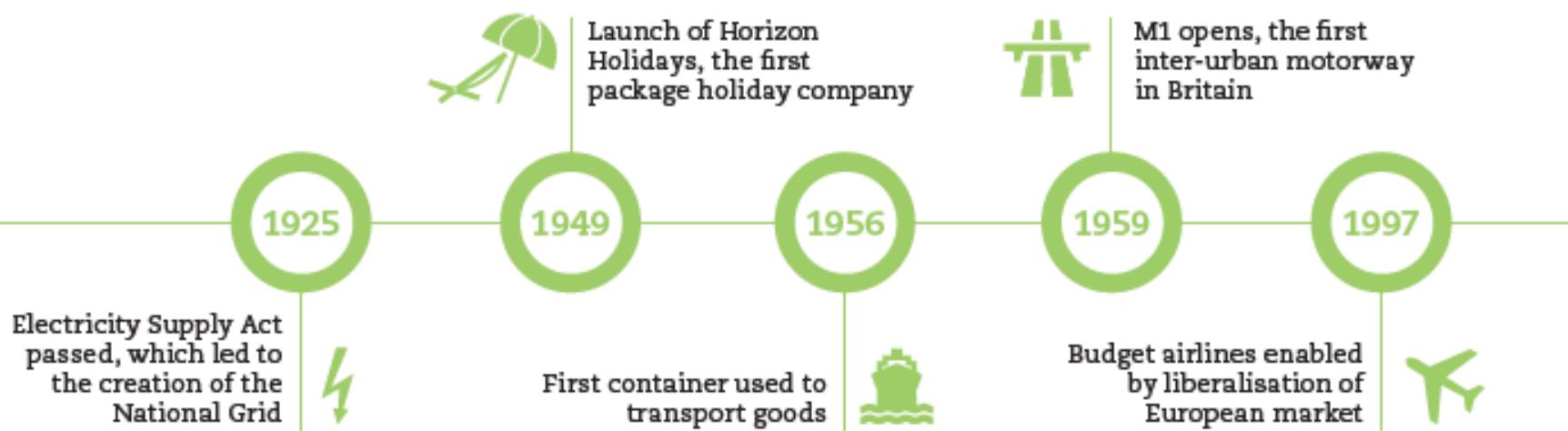


... but make a much bigger contribution to the national economy



But the 20th century saw huge change...

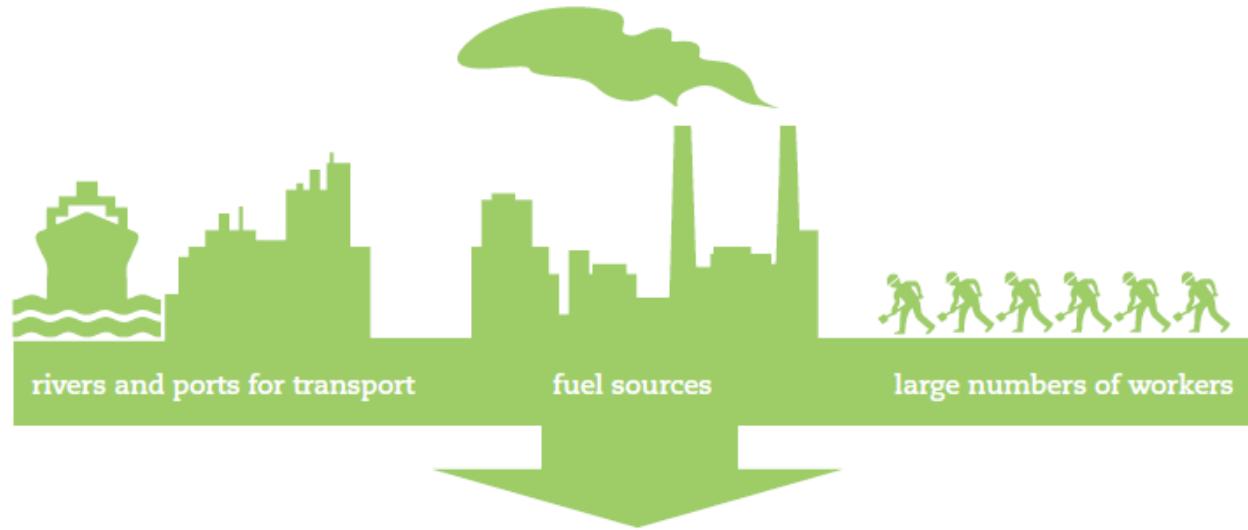
Figure 4: A century of change





...which has shifted the role of cities

100 years ago the main benefit to business of locating in a city was lower costs, taking advantage of...

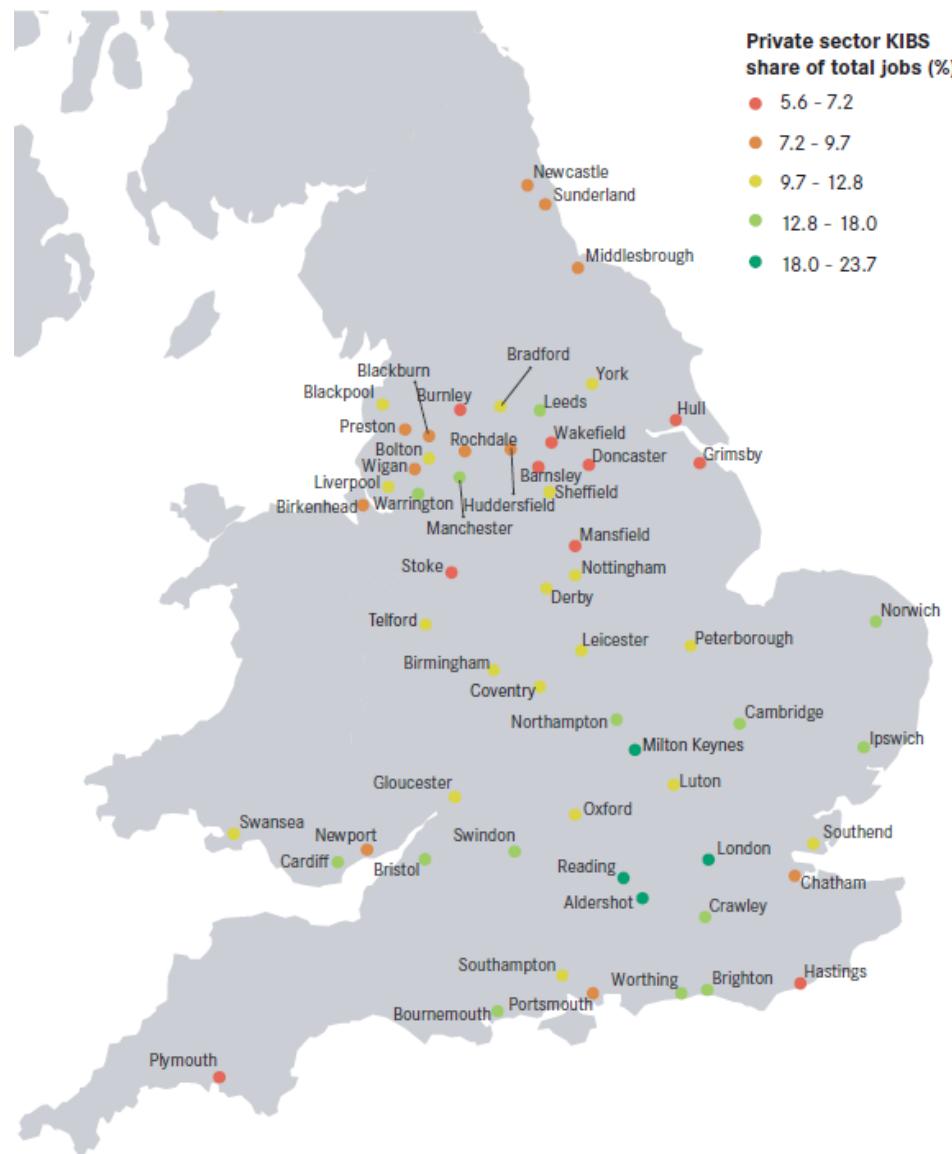


Today it's the ability to share ideas and information...





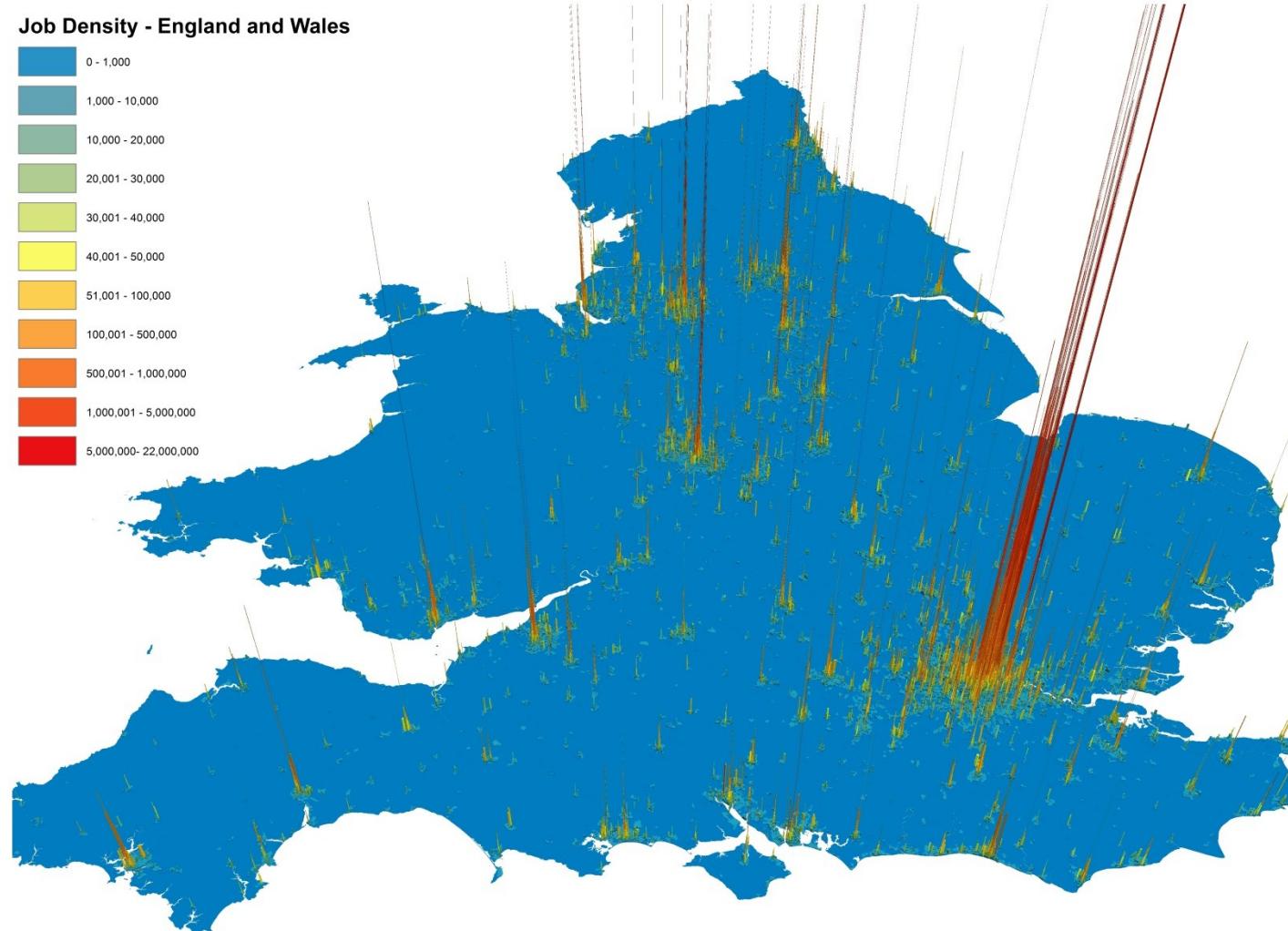
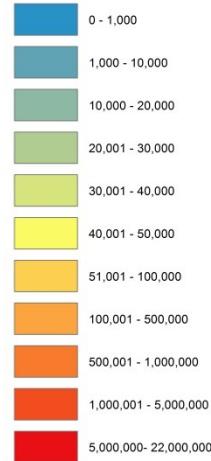
Today geography of knowledge shows a distinct southern bias





Home to largest concentrations of jobs

Job Density - England and Wales





National recovery has been led by cities

Contribution to national private sector job creation, 2010-2012



Source: NOMIS 2013, Business Register of Employment Survey, 2010-2012 data



Most of UK's large cities punch well below their weight

	Employment rate, Jul 2012-Jun 2013 (%)	Business start-ups per 10,000 population, 2012	Residents with high level qualifications, 2012 (%)	Residents with no formal qualifications, 2012 (%)	Workplace earnings, 2012 (£)
UK Average	71	42.3	34	10	502
London	71	75.5	47	8	684
Bristol	73	44.1	39	8	489
Birmingham	63	33.5	26	15	474
Glasgow	65	34.3	41	13	486
Leeds	69	39.2	35	10	489
Liverpool	63	30.1	23	16	479
Manchester	68	43.7	33	11	484
Newcastle	65	30.0	31	11	469
Nottingham	66	29.8	31	8	452
Sheffield	68	28.7	30	11	444

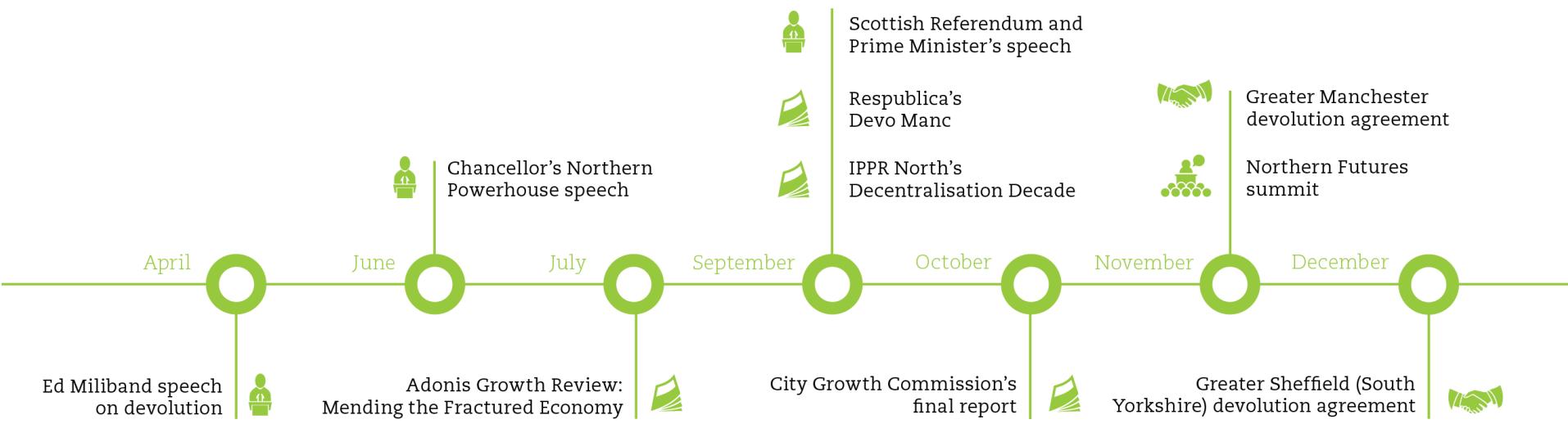
Source: NOMIS 2013, Annual Population Survey, residents analysis, July 2012- June 2013, 2012, data; ONS 2013, Business Demography, 2012 data; NOMIS 2013, Mid-year population estimates, 2012 data; ONS 2013, Annual Survey of Hours and Earnings (ASHE), average gross weekly workplace based earnings, 2013 data.
 Green signifies that a city outperforms the national average, whereas red means that it underperforms it.

The devolution bill and the Northern Powerhouse

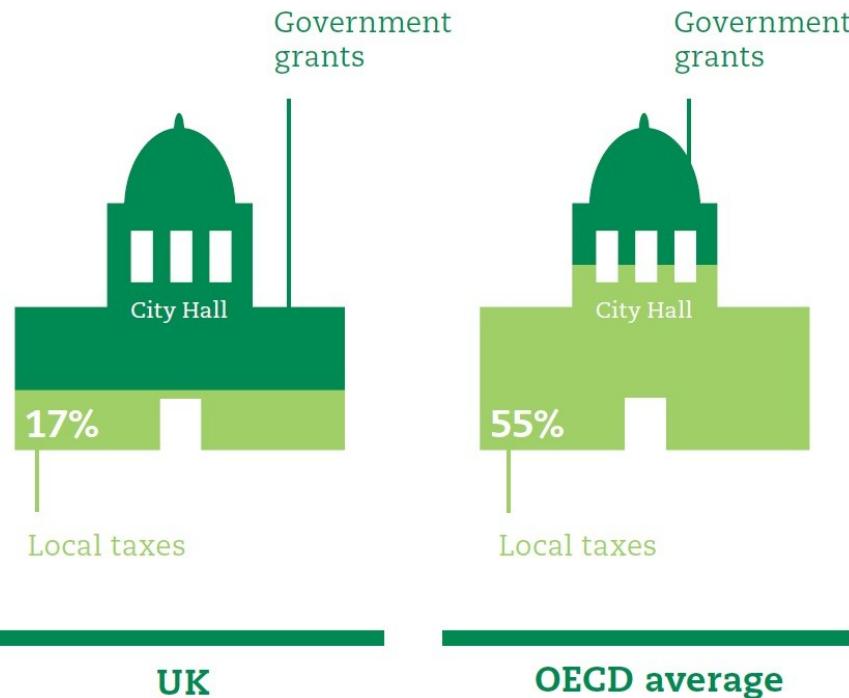




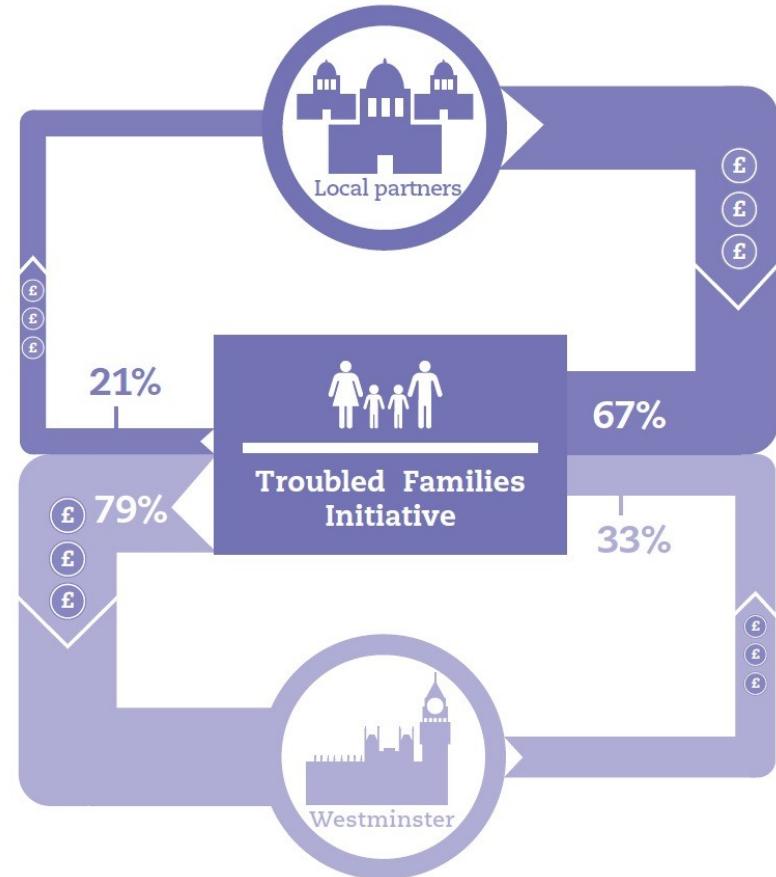
The rising tide of devolution in the UK



Yet the UK remains highly centralised



Source: Blöchliger H & Petzold O (2009) *Taxes or Grants: what revenue source for sub-central governments?*
OECD Economics Department Working Paper,
No. 706. France: OECD Publishing





The Cities and Local Government Devolution Act

- Enabling legislation that allows for expanded combined authorities and directly elected Mayors
- Could be law by the end of 2015
- Will apply to all parts of England and Wales, but nature of deals determined by cities and, crucially, George Osborne

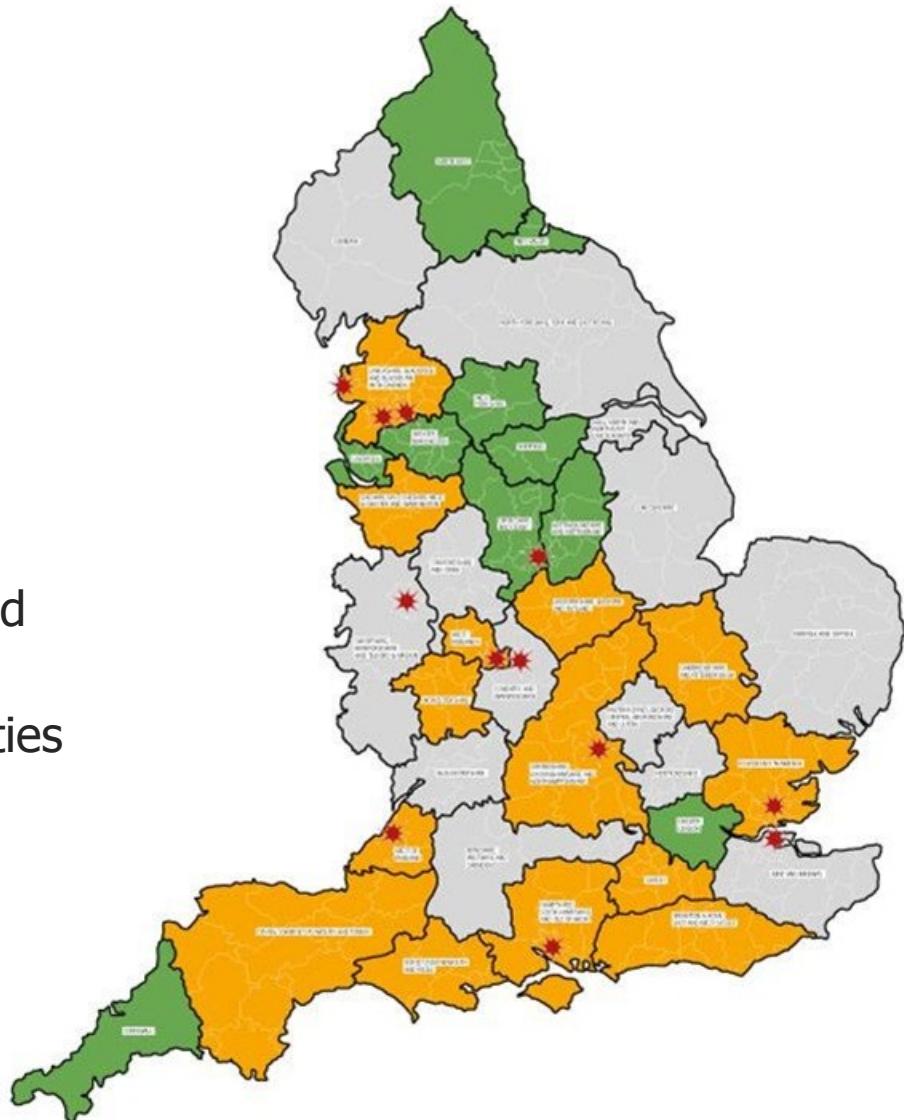
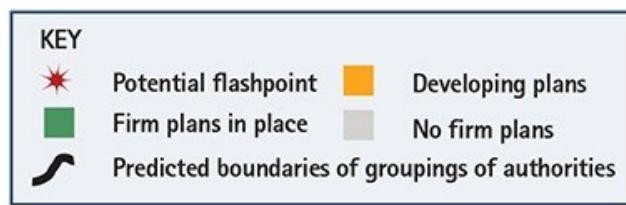
Increasing importance given to Combined Authorities

Powers & Functions

- Public transport network (strategy)
- Skills
- Business support
- Inward investment

Funding

- Transport: levy its local authorities and able to borrow
- Operating costs: met by local authorities





Greater Manchester Devolution



Greater Manchester devolution settlement and metro mayor

- Devolved powers of welfare, housing, transport, employment and business support
- Long-term funding and strategic planning devolved on condition of a directly-elected metro mayor
- £6bn to integrate health and social care



What is the Northern Powerhouse?

- Political shorthand to allow the Government to make tangible their programme to “rebalance” the economy
- A genuine acknowledgement that boosting agglomerations in the North will be key to future of the region
- A loose framework for specific infrastructure investments to be delivered through the course of this Parliament



What the Northern Powerhouse is not

- A single functional economic area
- A single political geography
- A comprehensive, coherent policy programme



What is the Northern Powerhouse?



Implications of these changes and initiatives





Implications

- Changes are likely to be slow to become visible, but long term and significant
- Devolution will be uneven, with different places moving at different speeds
- More city-region control should lead to better planning, transport, housing and economic development policy



By 2020?

- A few Metro-Mayors
- Many more combined authorities
- Devolution agenda will focus on fiscal issues



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