

West of England Partnership  
22 October 2009

## Core Cities Update

### Purpose of Report

1. To update the Board on the current work of the Core Cities group.

### Background

2. The group is a network of England's major regional cities: Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield. It is a strong cross-city and cross-party collaboration with a track record of more than 10 years. Leadership across the Cities takes in all three major political parties. It is a self-selected and self-funded group.

### Clinton Climate Initiative and Buildings Energy Efficiency Programme

3. The Core Cities group has been approached by the Clinton Climate Initiative (CCI), part of President Clinton's Foundation, to participate in / implement large-scale projects that cut carbon dioxide emissions. CCI is the 'exclusive action arm' of a C40 global network of cities leading on sustainability.
4. Partnering with the CCI requires cities to identify and implement significant carbon-reduction projects. CCI supports cities around the world to design and implement large-scale, market-based projects including:
  - Buildings Energy Efficiency Program (BEEP)
  - Outdoor Lighting
  - Transportation
  - Other programs (waste to energy/airports/ports/new building developments).
5. The Core Cities group has agreed to sign up to a Memorandum of Understanding, agreeing in principle to work together with CCI to identify public buildings for energy retrofitting through the BEEP programme.
6. BEEP is a flagship programme to reduce the carbon footprint of cities by addressing one of the largest sources of greenhouse gas emissions in urban areas – the energy used by existing buildings. BEEP is a EU-compliant process to procure building retrofit services supported by CCI. It is a cost-neutral means to reduce energy bills and carbon footprint of buildings. A supplier (Energy Service Company – ESCO) guarantees a set level of energy savings – therefore financial savings over a period of years. CCI state that this guarantees a future income stream to fund investment in energy efficiency improvements. The project does not need to impact existing facilities management contracts or energy procurement.

## Accelerated Development Zones

7. Accelerated Development Zones (ADZ) is a mechanism, developed in the US, for financing the infrastructure costs of a development up-front, securing borrowing against the expected increase in business rates to be generated by that development. Known as Tax Increment Financing (TIF), the Core Cities believe that this would provide an effective tool for unlocking stalled regeneration, as well as having a longer-term role to play in driving appropriate and sustainable development in England's major cities.
8. The past 12 months or so have seen concerted efforts from the Core Cities group and its secretariat to make a strong case to Government for Accelerated Development Zones. The Chancellor's Budget speech, under the heading of innovative financing, said Government have undertaken to:

*"Explore with local authorities the potential benefits, costs and feasibility of piloting such an approach. In the 2009 Pre-Budget Report, the Government will report on this analysis and the options for taking it forward."*

9. Two parallel processes are now in motion:
  - i. A working group comprised of Treasury, Communities and Local Government (CLG), Core Cities, Chambers of Commerce, and the British Property Federation is seeking to define and answer a series of challenges and questions for ADZ/TIFs, in order for officials to put up a recommendation to ministers prior to the Pre-Budget Report.
  - ii. Initiated by a letter from John Healey, proposals have been gathered from other local authorities that had not previously expressed a direct interest in ADZ/TIF (now closed). This resulted in about 80 proposals including some 100 projects.
10. Ministers and officials are generally supportive of the ADZ concept, and an announcement is expected in the forthcoming Pre-Budget Report. However, current feedback suggests that pilot schemes will *not* be announced, raising a question about the extent to which ADZs/TIF will be prioritised in the run-up to a General Election.

## Core Cities Pledge

11. This year has seen the development of a Core Cities Pledge that outlines the key policy asks from Government, and highlights what the cities will deliver in return. Please see Appendix 1.

## Partner Cities

12. The Core Cities have recently agreed that a relationship will be maintained with the other UK capitals: Belfast, Cardiff and Edinburgh, plus Glasgow. This will be to share best practice and be able to speak with a strong and unified voice on issues of joint interest. These cities have been invited to send delegates to the Core Cities Summit in November (see below), and are keen to support the relationship.

## Core Cities Summit 2009

13. The 2009 Summit will take place in Liverpool on the 3<sup>rd</sup> and 4<sup>th</sup> of November. The summit will be run in three sessions based on the themes of the Pledge:
  - i. Safeguarding employment
  - ii. Promoting investment
  - iii. Enabling sustainable growth
14. Speakers at the Summit include Liberal Democrat leader Nick Clegg, and Will Hutton from the Work Foundation. The Summit will be chaired by BBC Politics Show presenter John Sopel. Further information can be found at [www.corecitiessummit.com](http://www.corecitiessummit.com) - registration forms are available at this meeting.
15. The Summit will see the launch of two key pieces of work commissioned by the Core Cities group:
  - i. **Skills & Employment research project** jointly published by Core Cities and the Improvement & Development Agency (IDeA). The work looks at key issues of policy and delivery important to Core Cities as employers, and in their strategic leadership role for their places and communities, in driving up skills and employment rates. The policy proposals are a good fit with the asks of Government signed up to in the West of England Multi-Area Agreement (MAA).
  - ii. **Beyond recession: A new vision for sustainable economic growth in the Core Cities** has been developed by the Work Foundation in collaboration with Oxford Economics. This work aims to model various scenarios for the future economic development landscape, post recession, to help Core Cities prepare and plan, and to determine future priorities for our relationship with Government, its agencies and the private sector.

## Urban Hub Fringe Events at the Party Conferences

16. At each of the recent Party Conferences, the Core Cities group put on an 'Urban Hub' fringe event in conjunction with Centre for Cities, London Councils, RIBA and The Work Foundation. These events included a range of speakers at each conference, speaking to topics such as tackling unemployment, transport, and achieving sustainable economic growth. Further information about the Urban Hub project can be found at: <http://www.urban-hub.org>.

## Recommendations

That the Board notes the content of this report.

## Appendices

Appendix 1: Core Cities Group: A Pledge for Cities

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