

West of England Partnership
12th March 2009

Core Cities Update

Purpose of Report

1. To update the Partnership on the work of the Core Cities Group.

Background

2. The work programme of the Core Cities Group has recently focussed on the following issues:

The Parkinson Report

3. The Core Cities Group contributed to a study by Professor Michael Parkinson who was commissioned by CLG to undertake a study into the effects of the credit crunch on regeneration. His final report - "The Credit Crunch and Regeneration: Impact and Implications" - was published in January 2009. A copy can be seen at: www.communities.gov.uk/documents/citiesandregions/pdf/1135143.pdf.

Accelerated Development Zones

4. The Core Cities commissioned a report on '*Unlocking City Growth*', which looked at different ways of funding major infrastructure and concluded that not enough money was available. It proposed the introduction of 'Advanced Development Zone' (ADZs) which would work as follows:
 - Local authorities identify a regeneration area / development site, the costs involved in bringing it forward (for infrastructure, remediation, etc) and the potential financial return in terms of increased business rates over a 10 – 20 year period. Sites would generally need to be quite large to be viable or could be a series of linked smaller sites, eg areas linked by a new tramline.
 - Subject to various approval processes, the local authority borrows the money required from a Regional Infrastructure Fund (RIF) or similar and develops the site.
 - Additional business rates resulting from the investment are retained by the local authority for a set period and used to pay back the RIF – potentially over a period as long as 20 years.
 - Once the RIF loan has been paid back in full, business rates revert to central government.
5. "*Unlocking City Growth*" was formally launched at the party conferences in autumn 2008 and received a very favourable response. Several core cities are undertaking feasibility studies into the possibility of introducing ADZs and the West of England's

bid to become a city region forerunner floats the possibility of introducing one in this area. The Core Cities Group has lobbied Government to consider the formal introduction of ADZs and HM Treasury has recently agreed a “dry run” of the proposals.

City Region Forerunner Initiative

6. The Government's Pre-Budget Report in November 2008 introduced an initiative which offers additional policy and financial flexibilities to city regions which can demonstrate the ambition and capacity to deliver real improvements in economic growth and resilience, jobs, skills, housing and transport. The Core Cities Group has discussed the initiative and five of the core cities' city regions - including the West of England - intend to apply to become one of these “forerunners” (the other 4 are Birmingham, Manchester, Sheffield, and Leeds). The deadline for submissions is 6th March. The Group is lobbying for the successful forerunners to be from the Core Cities. An issue which arose during the discussion was the difficulties working in areas with two tiers of local government. Work is underway to produce examples of these difficulties, and ways of overcoming them, for presentation to central government.

Relationships with other UK capitals

7. The Group has approached representatives of Belfast, Cardiff, Edinburgh, Glasgow and London to explore the possibilities of an informal alliance. This has met with a very favourable response and discussions are continuing on how such an alliance would work.

Restating the Core Cities message

8. Work is underway on reasserting the importance of the Core Cities and the role they play in the economy. It is proposed to produce a document which would be used in talking to adviser of the main political parties in the run up to a general election. A more detailed prospectus will be launched at the Core Cities Summit in November. Also, once again, the Core Cities will have a significant presence at the party conferences in the autumn.

Core Cities Summit

9. The next Core Cities Summit will be held on 2nd - 4th November 2009 in Liverpool.

Core Cities Youth Summit

10. The Core Cities Group held a summit specifically for young people in Nottingham on 19th and 20th February. Young people from Bristol attended the summit, which came up with the idea of a National City Travel Card for young people. This idea will be taken forward by the Core Cities with Government.

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