



## Japan Local Government Centre, London

### Monthly Report for August 2011 – Home Rule for the North?

In July the UK Government announced that Minister for Decentralisation Greg Clark is to become the first ever Minister for Cities, in addition to his current role, reporting jointly to the Secretaries of State for Business, Innovation and Skills and Communities and Local Government, working within both of those departments. This will be backed up by the creation of a Ministerial Group chaired by Deputy Prime Minister Nick Clegg to develop new policies for cities in England and consider the impact of existing policies on urban areas. The group will initially focus on the Core Cities, the eight largest cities outside of London (Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham, Sheffield), and represents the first time the Core Cities Group<sup>1</sup> and its economic and political role has been accepted by central government. Lord John Shipley, the former Liberal Democrat Leader of Newcastle City Council (2006-2010), will act as unpaid adviser to the ministerial group. The appointment and ministerial group will only cover England's cities however, as urban policy is devolved to Scotland and Wales.

The appointment was widely welcomed, even among the government's political opponents. The Labour Leader of Manchester City Council Sir Richard Leese commented: "Certainly the indication that the government is looking to grant greater autonomy to the core cities is a welcome one. We believe there are many instances where a 'one size fits all' approach simply isn't appropriate and cities are much better placed to realise their own ambitions." Urban policy think tank the Centre for Cities also supported Mr Clark's new role: "Cities are the powerhouses of the UK economy and this appointment presents a real opportunity for government to step up engagement with the cities, businesses and local enterprise partnerships to drive economic growth."

In August Mr Clark announced his intention to hold 'conversations' with each of the Core Cities which could lead to tailor-made devolution deals with each for mini 'Home Rule' powers over transport and skills to aid their economic growth. Mr Clark told the cities that they should look to London as their 'role model' and that the potential could exist for cities to arrange PPPs between themselves to provide high speed rail links.

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<sup>1</sup> The Core Cities Group was founded in 1995 as voluntary association of England's eight largest cities outside London

## Northern Economic Futures Commission

In 2004 the Northern Way initiative was launched as a coalition of the three Regional Development Agencies (RDAs) of the North<sup>2</sup>. Partially a response to the failure of the then Labour government's attempts to introduce elected regional government outside of London, the Northern Way attempted to address the question of a 'North/South divide' while promoting the regional economies through effective policy research and intelligence, private sector engagement and partnership working across boundaries, particularly among the eight city regions which were created through its City Region Development Plans (including the two pilot city regions of Leeds and Manchester). However, following the May 2010 general election, the new coalition government announced that the RDAs would be abolished and the Northern Way ceased functions in March 2011.

In July 2011 the Institute for Public Policy Research (IPPR) launched its Northern Economic Futures Commission, an 18-month long study led by regional leaders from business, academia and the community sector. The commission's objectives are threefold:

- *To articulate a strong vision for the kind of economy we are seeking to develop in the North of England, understanding its role within a national and global context.*
- *To propose a coherent policy agenda and spatial framework within which national government and other players can take decisions about strategic investment.*
- *To provide a clear evidence base for strategic planning and local decision-making within and between LEPs.*

It will do this by seeking to analyse the "shared history of unfinished industrial change" in the North and the "deep public sector cuts" more recently, as a contribution towards 'rebalancing' the UK economy away from London and the South East. It will look at where the jobs will come from to replace those lost in the recession and the cuts, where should the North focus its attention to promote economic growth and increase productivity, and what are the priorities for innovation, infrastructure, investment and skills.

The work is overseen by Newcastle-based IPPR North, which "seeks to produce innovative policy ideas for fair, democratic and sustainable communities across the North of England" and was launched as the first ever think tank for the North in 2004. At the launch of the commission in Leeds, Minister for Cities Greg Clark promised to "listen to what the North needs".

Meanwhile, recent research by the OECD claims that any UK economic recovery is dependent on so-called lagging regions, such as those in the North. Rather than treating their revival as 'social policy' to alleviate poverty, the UK government should see their economic growth as integral to the fortunes of the national economy, it

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<sup>2</sup> The three RDAs were North East, North West and Yorkshire and Humber

argues. The Labour Market Outlook survey, published by KPMG and the Chartered Institute for Personnel Development, also found that a lack of confidence in manufacturing and public sector job cuts had hit the North harder and more disproportionately, exacerbating the North/South divide. The centre-left Smith Institute in response called for a modern day resurrection of the Council of the North, which existed between 1484-1641 as a means to give Northern England more resources from the Crown after centuries of depression. Mark Kleinman, an Assistant Director for economic policy at the Greater London Authority, argued that UK cities are interdependent, such as the links between the City of London and finance centres in Leeds and Edinburgh and that it was more appropriate to make global capital flow more easily into all regions and nations of the UK, rather than simply denigrate London's success and output. A 2006 OECD Territorial Review (*Competitive Cities in the Global Economy*) called on the UK government (then Labour) to devolve more power down to city regional level in England, particularly in the North, to make the UK economy more globally competitive, but this call went largely unheeded.

*Any opinions expressed in this report, which is prepared for translation, are solely those of the author and do not necessarily represent those of JLGC or CLAIR.*