



Japan Local Government Centre, London
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Monthly Report for May 2009 (England) – Leeds and Manchester city regions

Background

Following the decisive defeat of the government's proposal for a regional assembly in the North East of England in its November 2004 referendum, ministers began to examine the alternatives for devolution in England. One concept which quickly gained currency, owing to a favourable intellectual climate among pro-government think tanks¹, was that of city regions, which were first proposed in the Derek Senior 'Memorandum of Dissent' to the Redcliffe-Maud Commission's Report of 1969. Though increasingly common in Europe, such as the *intercommunal* arrangements in French urban areas and the urban regions in Germany, such structures have never existed in England. The closest in fact would be the Metropolitan counties and districts established following Redcliffe-Maud under the 1972 Local Government Act, though the counties were later abolished under the 1985 Local Government Act.

In spite of declared ministerial interest, the October 2006 Local Government White Paper *Strong and prosperous communities* did not propose any new city regional structures or powers as anticipated. Instead it proposed more sub-regional working across the whole of local government. This included new Multi-Area Agreements and the reform of the Passenger Transport Authorities (since renamed Integrated Transport Authorities) established in the six metropolitan counties following their abolition in 1986. In November 2006, the OECD also argued strongly in favour of devolution to city regions as a means to bolster national economic prosperity².

In November 2008, the Department for Communities and Local Government outlined its response to the public consultation on the Review of Sub-National Economic Development and Regeneration of July 2007. The response stated that the government's view on the future of urban governance was in favour of either statutory Economic Improvement Boards or statutory/non-statutory Multi-Area Agreements in city region areas, depending on local preferences between the neighbouring councils. This was further endorsed in the November 2008 Pre-Budget Report, which promised "new agreements with at least two frontrunner city regions at Budget 2009".

¹ See New Local Government Network *Seeing the Light? Next Steps for City Regions* (2005) and Centre for Cities *City Leadership: Giving city-regions the power to grow* (2006)

² OECD *Territorial Review: Competitive Cities in the Global Economy*, November 2006

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Budget 2009 announcement

In the 2009 Budget, delivered 22 April, the Chancellor announced that the two frontrunner city regions chosen would be Greater Manchester and Leeds³:

“Recognising the importance of city-regions to future growth, the Government announces new pilot city-regions in Greater Manchester and Leeds. The pilots will be overseen at ministerial level, and will draw on recent work from the Manchester Independent Economic Review and on innovation in the Leeds city-region in order to agree joint priorities with the Government that will support economic growth. The Government will work with the pilots to develop proposals for new strategy-setting powers over adult skills funding, expected to be in place within three to six months, new joint investment boards with RDAs, the Home and Communities Agency (HCA) and other partners to coordinate and align investment and pilot new employment programmes.”

Other areas in contention were the West Midlands and the Tees Valley. The deputy leader of Birmingham City Council Paul Tilsley said the decision was “appalling” and “a real kick in the teeth”⁴. The Tees Valley proposal was thought to have additional merit as its small size compared to the Manchester metropolis would demonstrate how the partnership arrangements could work in a smaller conurbation with no core city. The chairman of Tees Valley Unlimited partnership of public, private and voluntary sector bodies Hugh Laing said it was “disappointed” but would continue its work as one of the first parts of the country to sign a Multi-Area Agreement with central government⁵.

The two city-regional Economic Prosperity Boards and any statutory Multi-Area Agreements will be given the necessary legislative effect under the Local Democracy, Economic Development and Construction Bill, currently being considered by Parliament.

³ Budget 2009, p83

⁴ ‘West Midlands counts huge cost of City Region snub’, *Birmingham Post*, 22 April 2009

⁵ ‘Tees Valley chiefs vow to overcome City Region blow’, *Evening Gazette*, 23 April 2009

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