

Cynulliad Cenedlaethol Cymru / National Assembly for Wales

Pwyllgor yr Economi, Seilwaith a Sgiliau/ Economy, Infrastructure and Skills Committee

Bargeinion Dinesig ac Economïau Rhanbarthol Cymru / City Deals and the Regional Economies of Wales

Ymateb gan Robert Chapman – Robert Chapman & Company / Evidence from Robert Chapman – Robert Chapman & Company

**Consultation - City Deals and the Regional Economies of Wales** <https://tinyurl.com/l24wcxo>

This quick response concentrates on one question only, namely: Comparative views on approaches taken by other growth deals and regions across the UK. The author's interest in the city region debate stems from his part-time Masters in Regeneration Studies at Cardiff University (2009 – 2011), and, under the guidance of Professor Kevin Morgan, his dissertation research entitled "*The Role of a city-region as a territorial vehicle for innovative governance and economic development*". That research was cited in Welsh Government's subsequent task and finish report on city regions chaired by Dr Elizabeth Hayward. In this document, I merely attempt to draw your attention to several sources that may assist your deliberations.

- Devolution Cities in the UK (immediately below): source Centre for Cities

As of autumn 2016 nine areas have either agreed deals or have deals in discussion:<sup>4</sup>

- Greater Manchester
- Sheffield City Region
- West Yorkshire
- Cornwall
- Tees Valley
- West Midlands
- Liverpool City Region
- Cambridgeshire
- West of England

In addition to the above, deals were reportedly under negotiation in a number of areas but subsequently foundered due to disagreements among the district and unitary authorities, and opposition to directly elected mayors.

- North East<sup>5</sup>
- Portsmouth, Southampton and the Isle of Wight
- Gloucestershire
- Greater Lincolnshire
- Cheshire and Warrington
- Cumbria
- North Midlands
- Norfolk and Suffolk

- Some suggested benefits of Devolution Deals: source Centre for Cities

## Key benefits of the deal:

- Enhanced powers to speed up delivery of new housing in line with the Joint Spatial Plan
  - Powers to resist unsustainable developments not in line with jointly agreed planning policies.
- Responsibility for the Adult Education Budget from 2018/19
  - Fully devolved to the WECA, helping to ensure that adult skills provision meets the needs of local businesses and learners in the WoE.
- Co-design with the DWP of the new Work and Health Programme
  - Focusing on supporting those with a health condition or disability and the very long-term unemployed. The WoE will also bring forward a pilot scheme to offer intensive support to those furthest from the labour market.

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- All core cities have a city deal, not all have a devolution deal. Information is available on the Core Cities web [www.corecities.com](http://www.corecities.com)

Seven city regions have reached an agreement with national government on a devolution deal so far and will be electing their first metro mayors <http://www.centreforcities.org/metro-mayor-regions-facts-figures/> in May 2017. The following city regions are advancing their deals and will be electing a mayor in May 2017 (scroll below):

- Cambridgeshire and Peterborough:
  - Constituent: Cambridge City Council, East Cambridgeshire District Council, Fenland District Council, Huntingdonshire District Council, Peterborough City Council and South Cambridgeshire District Council
- Greater Manchester:
  - Constituent: Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan
- Liverpool City Region:
  - Constituent: Liverpool, St Helens, Sefton, Knowsley, Wirral and Halton
  - Non-constituent: Warrington, West Lancashire
- Sheffield City Region – **In January 2017 it was suggested that the Sheffield City Region will now be electing a mayor in 2018.**
  - Constituent: Sheffield, Doncaster, Rotherham, Barnsley, Bassetlaw, Chesterfield
  - Non-constituent: Bolsover, North East Derbyshire, Derbyshire Dales
- Tees Valley:
  - Constituent: Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton-On-Tees.

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- **West Midlands:**
  - Constituent: Birmingham, Wolverhampton, Coventry, Dudley, Sandwell, Solihull and Walsall
  - Non-constituent: Cannock Chase, Nuneaton and Bedworth, Redditch, Tamworth, Telford and Wrekin
- **West of England** (<https://tinyurl.com/mmyeqll>)
  - Constituent: Bristol, Bath & North East Somerset, South Gloucestershire. Combined Authorities work together in defined areas. For the South West, the WECA (<https://www.westofengland-ca.org.uk/>) will secure £900M. This new spend power will focus on improving transport, affordable homes, and skills training. The West of England Mayoral Election (a consequence of the The Cities and Local Government Devolution Act) takes places on 4<sup>th</sup> May and the new Mayor takes office on 8<sup>th</sup> May 2017.

**Devolution deals have been proposed in other regions and city regions with negotiations ongoing.**

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- Latest List of City Region Authorities (below): source – Core Cities

Bristol LEP	Leeds LEP	Liverpool LEP	Manchester LEP	Newcastle LEP	Nottingham LEP/ Core City Region	Sheffield LEP	Glasgow City Region (Glasgow and Clyde Valley)	Cardiff City Region (by NUTS 3 definition)
Bath and North East City of Bristol North Somerset South Gloucestershire	Barnsley Bradford Calderdale Craven Harrogate Kirklees Leeds Selby Wakefield York	Halton Knowsley Liverpool Sefton St. Helens Wirral	Bolton Bury Manchester Oldham Rochdale Salford Stockport Tameside Trafford Wigan	County Durham Gateshead Newcastle upon Tyne North Tyneside South Tyneside Sunderland Northumberland*	Broxtowe Gedling Rushcliffe Nottingham	Barnsley Bassetlaw Bolsover Chesterfield Derbyshire Dales Doncaster North East Derbyshire Rotherham Sheffield	Glasgow East Dunbartonshire East Renfrewshire Inverclyde North Lanarkshire Renfrewshire South Lanarkshire West Dunbartonshire	Cardiff Vale of Glamorgan Bridgend Rhondda Cynon Taf Caerphilly Merthyr Tydfil Blaenau Gwent Torfaen Monmouthshire Newport

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- **Other Cities**

<b>The Glasgow City Region comprises the local authority areas of:</b>
Glasgow
East Dunbartonshire
West Dunbartonshire
Renfrewshire
North Lanarkshire,
South Lanarkshire,
East Renfrewshire
Inverclyde.
<b>Source:</b>
<a href="http://www.west-dunbarton.gov.uk/media/1300268/cvcpp.pdf">http://www.west-dunbarton.gov.uk/media/1300268/cvcpp.pdf</a>
<b>Edinburgh is defined as:</b>
City of Edinburgh
East Lothian
Midlothian
West Lothian
Scottish Borders
Clackmannanshire
Falkirk
Stirling
Fife
<b>Source:</b>
<a href="http://www.scotlandsglobalhub.com/media/downloads/edinburgh-city-region-benchmarks-2011.pdf">http://www.scotlandsglobalhub.com/media/downloads/edinburgh-city-region-benchmarks-2011.pdf</a>
<b>Aberdeen comprises:</b>
Aberdeen, city of
Aberdeenshire
<b>Cardiff is part of the South East Wales City Region:</b>
Cardiff
Vale of Glamorgan
Bridgend
Rhondda Cynon Taf
Caerphilly
Merthyr Tydfil
Blaenau Gwent
Torfaen
Monmouthshire
Newport
<b>Belfast is defined as the Belfast Metropolitan Area:</b>
Belfast
Lisburn
Carrickfergus
North Down
Newtownabbey
Castlereagh

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- Agreed devolution deals so far

Peterborough and Cambridgeshire – [Read the original East Anglia deal](#)

[Greater Manchester](#)

[Liverpool City Region](#)

[Sheffield City Region](#)

[Tees Valley](#)

[West of England](#)






[West Midlands City Region](#)

NB: City Deals and the Regional Economies of Wales <http://www.senedd.assembly.wales/mgIssueHistoryHome.aspx?Ild=18468>

Scroll below to see tabular format of agreed combined authority powers in the different city regions so far, source: Centre for Cities



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	Cambridgeshire and Peterborough	Greater Manchester	Liverpool City Region	Tees Valley	West Midlands	West of England
 <b>30-year investment fund</b>	<b>£600m</b>	<b>£900m</b>	<b>£900m</b>	<b>£450m</b>	<b>£1.1bn</b>	<b>£900m</b>
 <b>Education &amp; skills powers</b>	Apprenticeship Grant for Employers. Adult Skills Budget. Post-16 further education system.	Apprenticeship Grant for Employers. Adult Skills Budget. Post-16 further education system.	Apprenticeship Grant for Employers. Adult Skills Budget. Post-16 further education system.	Adult Skills Budget.	Adult Skills Budget.	Apprenticeship Grant for Employers. Adult Skills Budget. Post-16 further education system.
 <b>Housing &amp; planning</b>	£170m affordable housing grant. Strategic planning. Mayoral Development Corporations.	£30m a year Housing Investment Fund. Strategic planning. Land Commission. Compulsory purchase powers. Mayoral Development Corporations.	Strategic planning. Compulsory purchase powers. Mayoral Development Corporations. Control of Key Route Network	Mayoral Development Corporations.	Compulsory purchase powers.	Strategic planning. Compulsory purchase powers. Mayoral Development Corporations.
 <b>Transport</b>	Consolidated transport budget. Local roads network. Bus franchising. Smart ticketing.	Consolidated transport budget. Local roads network. Bus franchising. Smart ticketing.	Consolidated transport budget. Local roads network. Bus franchising. Smart ticketing.	Consolidated transport budget.	Consolidated transport budget. Local roads network. Bus franchising. Smart ticketing.	Consolidated transport budget. Local roads network. Bus franchising. Smart ticketing.
 <b>Health &amp; social care</b>	Planning for health and social care intergration	Control of £6 billion integrated health and social care budget	Planning for health and social care intergration			

Agreed combined authority powers in the different city regions so far

- Analysis of Devolution Agreements ([below](#)), source: MillionPlus, House of Commons Library and Local Government Association

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MillionPlus analysis drawing on devolution agreements and bid documents, and analysis by the House of Commons Library and Local Government Association

Overview of devolution powers	Greater Manchester	Sheffield	North East	Tees Valley	Liverpool	West Midlands	Cornwall	West Yorkshire	Cambridgeshire	Norfolk and Suffolk	Greater Lincolnshire	West of England
Review and redesign of post-16 FE system	Y	Y	Y		Y	discussions	Y	Y	Y	Y	Y	Y
Apprenticeship Grant for Employers	Y	Y			Y			Y	Y	Y	Y	Y
Adult Skills funding by 2018-19	Y	Y	Y	Y	Y	Y			Y	Y	Y	Y
Growth Hubs	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Joint working with UKTI	Y	Y	Y	Y	Y	Y		Y		Y	Y	Y
Devolved business support services from 2017	Y	Y	Y	Y	Y	Y	Y	Y		Y		
Intermediate body for European Union Structural Funds	Y	discussions	Y	discussions	Y	discussions	Y			discussions	discussions	discussions
Investment fund (per year)	£30m	£30m	£30m	£15m	£30m	£36.5m			£20m	£25m	£15m	£30m
Single funding pot	Y	Y	Y	discussions	Y	Y			Y	Y		
Retention of 100% of business rates growth	Y	Y	Y	Y		Y				Y		
Pilot retention of 100% of business rates revenue	Y				Y							
Mayoral business rates supplement	Y		Y		Y	Y			Y	Y	Y	Y
Joint commissioning of support for 'harder-to-help' claimants	Y	Y	Y	Y	Y	Y			Y	Y	Y	Y
Health and social care integration	Y											
Planning for health and social care integration			Y		Y		Y		Y	Y		
Children's services	Y				discussions							
Possible full joint commissioning from 2017	Y	Y						Y		Y		

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Overview of devolution powers	Greater Manchester	Sheffield	North East	Tees Valley	Liverpool	West Midlands	Cornwall	West Yorkshire	Cambridgeshire	Norfolk and Suffolk	Greater Lincolnshire	West of England
Public land commission	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Housing Loan Fund	Y	discussions		discussions	discussions	discussions						
Mayoral Development Corporations	Y	Y		Y	Y	discussions			Y	Y	Y	Y
Consultation on strategic planning applications										Y	Y	Y
Housing grant fund									Y	Y		
Devolved consolidated transport budget	Y	Y	Y	Y	Y	Y	Y	discussions	Y	Y	Y	Y
Bus franchising	Y	Y	Y	discussions	Y	Y	Y		Y	Y	Y	Y
Joint working with Highways England and Network Rail	Y	Y	Y			Y		Y			Y	Y
Responsibility for local roads network		Y			Y	Y	held already		Y	Y		Y
Smart ticketing	Y	Y	Y		Y	Y	Y	Y		Y		Y
Offender management, probation, prison estate	Y										discussions	
Mayor to become Police and Crime Commissioner	Y					discussions					discussions	
Responsibility for the fire service	Y					discussions	held already				discussions	

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Of course, local authorities per se have strategic plans. But then, there are layers of governance in the form of Local Enterprise Partnerships (LEPs) Strategic Economic Plans (SEPs), and increasingly city deals with evolving mayoral plans. The emergence of LEPs is shown in the following link <https://tinyurl.com/lt4l2tl> LEPs decide what the priorities should be for investment in roads, buildings, and facilities in regional areas. They also hold strategic responsibility for the planning for, and delivery of, City Deals.

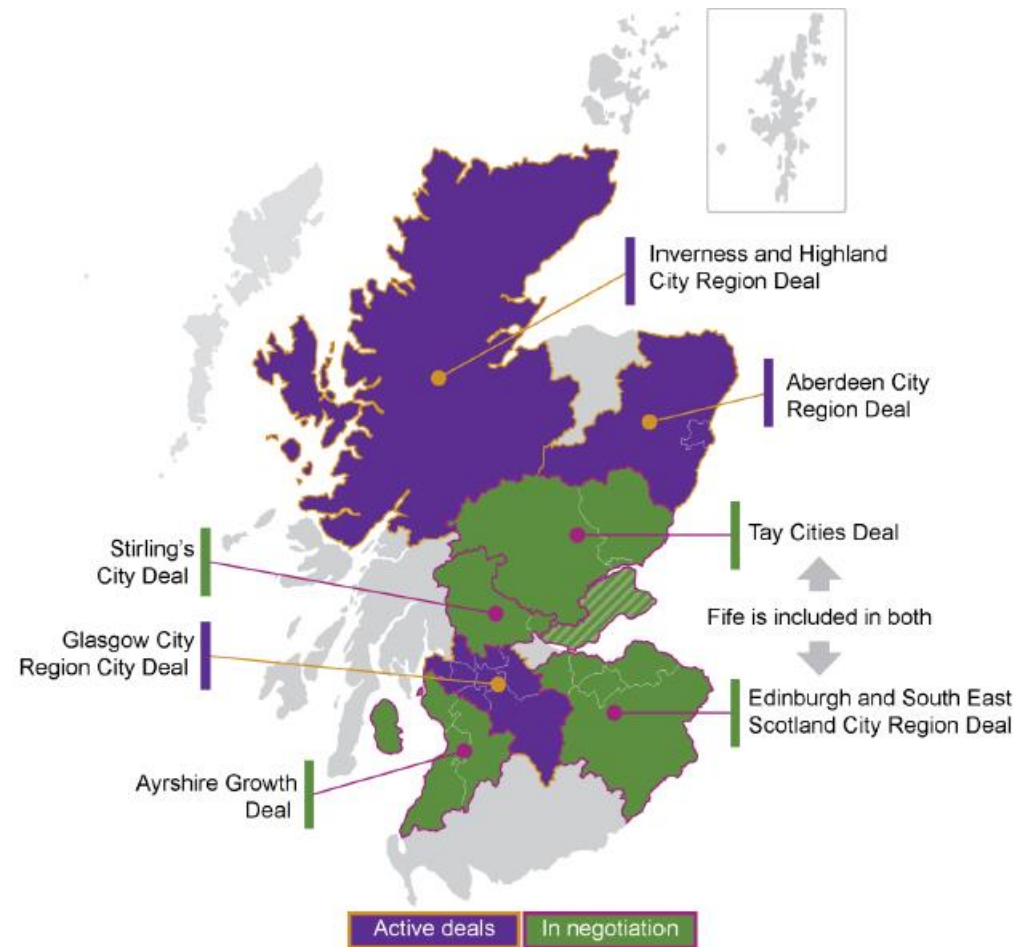
Growth Deals have been made with all 39 English LEPs, which means that all of the cities which have City Deals also have Growth Deals. In many cases - according to research by SPICe - the funding for Growth Deals represents a far greater sum than that allocated through City Deals. E.g. the Greater Birmingham and Solihull LEP (GBSLEP) was allocated £16m of funding through the City Deal agreement, and a further £62m through Growth Deal funding. The projects funded are similar in nature, and reporting on spend projects and economic priorities tends to focus on the Growth Deals. This raises questions on both the importance of the City Deal as a discreet pocket of funding, and evaluating the outcomes from City Deals v Growth Deals.

In addition to City Deals and Growth Deals (research by SPICe), the UK Government, from November 2014 onwards, announced a series of Devolution Deals for English regions designed to support localism and decentralisation. The House of Commons Library's paper, Devolution Deals and Housing (England) (Jones, 2016), explains that Devolution Deals are underpinned by the Cities and Local Government Devolution Act 2016, which enables the Secretary of State to lay secondary legislation to establish an elected mayor of any combined authority area, and to confer local authority and public authority functions onto combined authorities. All Devolution Deals to date have centred on housing and planning policy, and there is a strong focus on the transfer of powers, funding and accountability for policies and functions previously undertaken by central government, to local government.

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City Deals and the Regional Economies of Wales is currently the subject of a consultation <https://tinyurl.com/n4o5o3c> and there is the emergence of talks in Belfast <https://tinyurl.com/n5wo3eq>

The graphic below shows a visual representation of 'city deals' in Scotland.



City Region and Growth Deals in Scotland