

Seeing the Light?

Next Steps for City Regions

The New Local Government Network is an independent think tank that seeks to transform public services, revitalise local political leadership and empower local communities. NLGN is publishing this report as part of our programme of research and innovative policy projects, which we hope will be of use to policy makers and practitioners. The views expressed are however those of the authors and not necessarily those of NLGN.

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Foreword

Despite all the talk of an urban renaissance, Britain's regional cities still lag far behind their European counterparts. The consequences of this failure are economic – with fewer jobs, businesses, and GDP contributions coming from our leading urban areas compared to London and the south east – but the causes are political. For even after some five years of 'New Localism' and 'earned autonomy', Whitehall still retains an iron grip on the town hall. That is why the New Local Government Network's City Regions Commission are this week arguing for a federation of 'City Regions' to break the London logjam.

A City Region is the official realisation that a municipality's economic, cultural and demographic reach can extend beyond the political boundaries of the city itself. As such, the idea is as old as the city itself: the great urban civilizations of ancient Greece, medieval Germany, and Renaissance Florence were City Regions as much as city-states. The commercial writ of 15th Century Florence, for example, extended far beyond the city walls deep into its Tuscan hinterland.

Today is little different. The corporate and cultural significance of Paris, Birmingham, Milan and Brussels similarly stretches far beyond their geographic contours.

But the unfortunate difference between Britain and the Continent is that Westminster has signally failed to appreciate the democratic demands of City Regions. Whereas European cities have enjoyed a steady flow of power and privilege from central government, Britain's urban heartlands still labour under Treasury diktat. This is all the more surprising given the official verdict within government. According to recent figures from the Office of the Deputy Prime Minister, there is a clear link between municipal autonomy and economic success.

Comparing the relative performance of Britain's eight Core Cities to their Continental competitors, officials have concluded that cities which enjoy greater fiscal and political independence are 'more proactive, more entrepreneurial and probably more competitive'. Germany's system of devolved authority, for example, means that despite the federal slow-down some 15 of its cities have made their way into Europe's top 20 urban centres in terms of GDP, innovation, quality of life, political capacity and connections with wider territories.

Much of this is the product of a cohesive urban strategy. In Stuttgart, with the city facing commercial collapse and municipal grid-lock during the early 1990s, the metropolitan region's 179 local authorities voted to transfer resources to a central association to kick-start economic development. With control over planning, marketing, transport and major construction projects, the regional association managed to turn around the city's waning prospects.

Similarly in France, Lille's 1.1m residents are governed by the Métropole Communauté urbaine – a partnership of 86 local governments acting as a metropolitan authority. The broader, regional approach pursued by the local authorities ensured, for example, that the benefits of a TGV connection were felt beyond the city centre.

Outside of an increasingly autonomous London, this urban ambition is being suffocated in Britain. Not least because of a monstrous democratic deficit across the regions. The rejection of Regional Assemblies in the North East referendum means that we are currently left with unelected Regional Development Agencies along with a welter of uncoordinated local institutions. Some have proved more successful than others, but all lack the authority which comes with democratic accountability.

Meanwhile, regional cities are facing some stark economic realities as lifestyle patterns and global competition bites. The mushrooming of suburbia and exurbia has led to a declining tax base for many cities together with businesses heading from city centres to low-rent, transport friendly out of town developments. At the same time, multinational corporations have ever less regard for geographical location and, without constant fiscal nurturing, are more than ready to up-sticks for Warsaw or Washington.

But a German urban-federal solution is not necessarily transferable. Britain boasts a different municipal history to the Continent with a proud heritage of local authorities (stretching back to Henry VI) who do not take kindly to having their rights infringed. The tradition of regionalism, which is such a component of modern European post-Fascist states, is notably absent from most parishes and councils. And even though Whitehall has grabbed far too many powers, there would nonetheless quickly emerge deep hostility to ceding up any more. In the Black Country,

for instance, the residents of Dudley and Walsall have no wish to be governed by the burghers of Birmingham.

However, if our urban areas hope to compete more effectively then they need a solution for improving local services and wrenching power back from Whitehall. But as the response to regional assemblies showed, the answer does not lie in another costly tier of government. Nor does it lie with a vast metropolitan reorganization of existing authorities.

To build pragmatic, powerful City Regions we need to develop a variable geometry of autonomous authorities across urban Britain. By following a model not dissimilar to Barcelona, we can try to construct for individual areas a coalition of local, regional and national authorities. These regional coalitions must enjoy a series of Parliament approved freedoms which provide for local tax distribution, regional planning, and powers over transport, skills and training. In turn, City Regions need to provide clear lines of leadership together with the active involvement of civil society. The needs of Bristol will be different to Glasgow will be different to Liverpool: but each would profit from a locally tailored tool-kit of regional powers to help raise its global competitiveness.

There is currently a very much design-led debate about the nature of urban regeneration, but it is too often forgotten that cities need to be wealth-creators not just visitor attractions. Sympathetic urban architecture and high end cultural institutions are part of that commercial strategy. But we must not lose sight of the more fundamental economic realities that our urban areas need to confront. If Britain's regional cities are going to curtail London's dominance and challenge their Continental peers, they need to start thinking like city-states not parish councils.

Tristram Hunt

Queen Mary College, University of London
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Preface

While this report is the culmination of the City Regions Commission, it is only the beginning of the City Regions process. The Commission was established to look at principles for a new settlement for English city and regional governance. Through deliberations, coupled with the background research by the NLGN Secretariat, I hope we have achieved this.

NLGN conceived of the Commission a year ago, recognising that a number of factors were beginning to converge. The failure of the government's plans for Elected Regional Assemblies caused organisations like NLGN to look at new models of local governance. Alongside this was increasing evidence, in the UK at least, that cities were the key drivers of regional economies. By looking at building strategic overview around metropolitan centres, it was possible to envisage a model where cities could grow in tandem with their hinterlands.

During 2005, the Commission looked at these ideas in full. Making use of NLGN research (presented in Part I of this report) and the submitted evidence to the Commission (referred to throughout Part II) the Commission has devised a route for City Regions to emerge that combines the benefits of local and regional governance. What follows outlines the Commission's goals for evolving City Regions, with local authorities working together for mutual benefit. Such City Region alliances will be able to direct with more precision and nuance some of the roles currently within the gift of existing regional bodies.

Although the general message of the Commission represents the wishes of all, there are issues on which unanimous agreement could not be reached. Notable among these is the speed and extent to which City Regions might replace existing regional arrangements. Some members of the Commission were strongly of the opinion that City Regions could in time take over powers currently held by Regional Development Agencies and Regional Assemblies. Others were more conciliatory, keen for City Regions to work within the current regional framework.

The unifying feature is that City Regions should emerge at a pace suitable to those that will form them. The failure

of previous attempts at reorganising governance levels is because of the imposition of arbitrary plans. As a genuine reflection of contemporary lifestyle patterns and informal co-operation, City Regions hold the potential for success.

In this report, the Commission attempts to guide the way. We look forward to seeing the principles we have arrived at develop over the months and years to come.

Roger Blitz

Chair of the NLGN City Regions Commission and UK Affairs Editor, Financial Times

Part I – City Regions and the case for change

1 city regions: the background

Cities are high on the UK policy agenda. No longer considered economic basket cases, they are now viewed by many as motors for the national economy – assets not liabilities. But there is also growing acknowledgment that UK cities lag behind their European and global counterparts, and that something needs to be done to make them more attractive to international business.¹ At the same time, there is widespread understanding that the overall national economic development will not be sustainable if we continue to rely on “the London effect”.

What is a City Region?

The term ‘City Region’ has been in use since around 1950 by urbanists, economists and land-use planners; and refers to a strategic and political level of administration and policy-making, extending beyond the administrative boundaries of single urban local government authorities to include urban and/or semi-urban hinterlands. This definition includes a range of institutions and agencies representing local and regional governance that possess an interest in urban and/or economic development matters which, together form a strategic level of policy-making intended to formulate or implement policies on a broader metropolitan scale.

Source: Tewdwr-Jones and McNeill (2000)

A City Region is not just the administrative area of a recognisable conurbation but also its hinterland (an often far bigger area). Conventionally, if one lives in an apparently rural area, suburb or county town where a majority of wage-earners travel into a particular city for work then one is (in effect) residing in the city region. City Regions inevitably change shape over time and, quite reasonably, politicians seek to redraw administrative boundary maps to keep

in tune with perceived geographic reality. The extent of a City Region is usually proportional to the intensity of activity in and around its central business district, but the spacing of competing centres of population can also be highly influential.

Source: Wikipedia

Given the rather confusing mix of governance arrangements at sub-national level, and a vacuum at regional and City Region level, Ravetz may be right to call City Regions “the missing element in English government”.² While the focus of the current debate is largely about the economic case for City Regions, there is also a political case – with the governance of urban areas becoming of increasing interest to academics and policy analysts. With effective leadership vital for economic success, City Regions might revitalise the devolution debate, and also function as a counterbalance to a strong London. Indeed, there is no reason why the capital’s system of metropolitan governance could not work elsewhere in the UK.

Although the Labour Party’s election manifesto did not explicitly feature City Regions, the Government is showing interest in the idea. The Office of the Deputy Prime Minister (ODPM) has commissioned an eight-month project, *A framework for city-regions*, to examine the potential benefits for Whitehall departments.³ It is still to be proven however, that they would offer solutions to greater competitiveness, economic success, more efficient service delivery and better governance.

The debate is not new to the UK. The case for City Regions was made regularly from the 1960s onwards, although this ended more or less with the 1986 abolition of the metropolitan counties. The 1990s saw the development of a regional interest in political circles, albeit with a focus on the regions’ urban cores.⁴ Since 1997, Labour in government has been primarily focused on elected regional assemblies (ERAs). That was until ‘No’ vote in the North East referendum, when the concept of City Region-based devolution came back on to the menu.

It is important to consider why the North East opted

¹ DTI (2003) *Innovation Report – Competing in the Global Economy: the Innovation Challenge*, London: DTI

² Ravetz, J. (2000) *City-Region 2020: Integrated Planning for a Sustainable Environment*, London: Earthscan

³ SURF (forthcoming) *A framework for City Regions*, Manchester: University of Salford.

⁴ Tewdwr-Jones, M. and McNeill, D. (2000), ‘The Politics of City-Region Planning and Governance: Reconciling the National, Regional and Urban in the Competing Voices of Institutional Restructuring’, *European Urban and Regional Studies*, 7:2, p. 130

against a regional assembly. Election analysts Rallings and Thrasher identified several reasons, including the greater effectiveness of the 'No' campaign, which appeared more committed to stopping an Assembly than 'Yes' supporters were to setting one up.⁵ Another issue was the lack of information, with two-thirds of respondents to a MORI poll knowing nothing about the current appointed Assembly. There was also general dissatisfaction with government regional policy, reflecting the sense that the North East is unfavourably treated compared to other parts of England. Many people also feel nervous about new institutions *per se*, and that more bureaucracy would be wasteful and lead to higher taxes. Such fears and perceptions need addressing if any future proposals for electoral-based reform are to succeed.

In the context of the UK debate City Regions, while lacking administrative identity, can be identified with regards to the housing market, transport planning, retail catchment, land-use planning, or as an area with a coherent 'cultural' identity. In this sense UK City Regions already exist as organically occurring manifestations of people's lifestyles. The challenge we face is to capture and reflect these patterns in institutional form. We need therefore, to establish minimum criteria, based on population, leisure and work journeys, image and leadership. Further issues must also be addressed. Who would oversee the City Region? Could it exist without a major city? How would things work in a two-tier area? There are currently more questions than answers. However, there remain many reasons why City Regions are worth a closer examination:

- New Localism: devolving power to a more appropriate level makes for better decision-making.
- The economic case: we need to make our regions more competitive in a European and global context, and reduce regional disparities within the UK.
- The democratic deficit: there are low levels of public engagement, and current regional authorities do not enjoy popular legitimacy.
- Efficiency: a strategic approach to finding service delivery solutions in planning, transport, waste and housing is required.
- The London experience: the metropolitan

governance system works well in Greater London, and could do so elsewhere.

⁵ DTI (2003) *Innovation Report – Competing in the Global Economy: the Innovation Challenge*, London: DTI

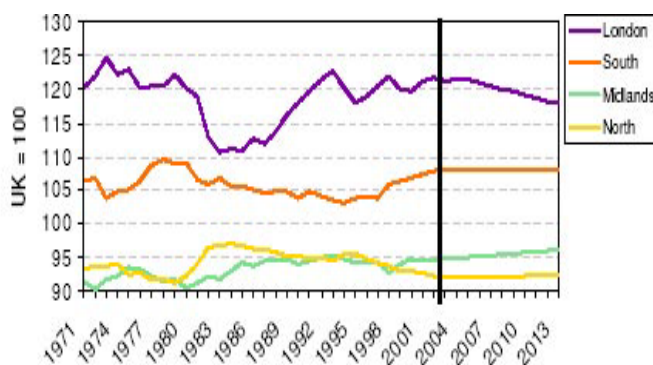
2 city regions: the problems we are trying to solve

As made apparent already, the debate on City Regions is primarily focused on the economic case and the role to be played in increasing the UK's competitiveness. The main imperative is to attract external investment and thereby reduce disparities between English regions. The other important issue is the role City Regions might play in delivering more efficient public services, allowing some delivery to be managed at a more strategic level, i.e. transport and housing. Only to a lesser degree is the debate around the potential introduction of metropolitan governance models concerned with devolution or the democratic deficit at regional level.

i) the competitiveness of England's Core Cities vs. European counterparts

Despite the economic renaissance of many UK cities, concerns remain that they are not punching their weight in the national context and continuing to fall behind London. The Government has set the objective of raising the rate of economic growth in all regions, as well as reducing the persistent gap in growth rates between them. As Fig. 1 reveals (below), there is currently a large differential in productivity (GVA/employed person) between London and the South on the one hand, and the Midlands and North on the other, with no sign that this is reducing.⁶

Fig. 1: GVA per employed person



Source: ODPM (2005)

Across much of the Midlands and North, and in parts of the South West, the prospect is of continuing decline in manufacturing employment, with growth sectors unable to provide jobs on the same scale and in the same locations. The exceptions are in some of the main cities and surrounding hotspots, which have been experiencing faster economic growth. In the South East meanwhile, London has been expanding within its boundaries, driven by the rapid growth in business services, into a "mega-City Region" of over 18m people.

Fig. 2: Job Creation, 1971 - 2004

	Average Annual Net Job Creation 1971-2004	Total Net Job Creation 1971-2004
North	306	10,100
Midlands	18,748	618,700
South	82,830	2,733,400

Source: ODPM (2005)

The pattern is also evident in City Regions in the Midlands, North and South West, with some places experiencing increased economic growth. There are significant variations within these city regions. The main issue however, is the extent to which public policy and investment should support growth, particularly in the South East, East and London.

While regional disparities are not limited to the UK, England's cities are more peripheral than their European counterparts. The ODPM commissioned a research study comparing many of the Core Cities group to their counterparts on the continent.⁷ Although performance has improved in recent years, many lag behind their European competitors in terms of GDP, innovation and educational levels, connectivity, social cohesion, quality of life, political capacity and connections with their wider territories. Most crucially, they lag in the eyes of international investors.⁸

⁶ ODPM (2005) *Regional Futures: England's Regions in 2030*, London: ODPM

⁷ Parkinson, M. et al (2004) *Competitive European Cities - Where do the Core Cities stand?*, London: ODPM

⁸ Brenner, N. (2003) 'Standortpolitik, State Rescaling and the New Metropolitan Governance in Western Europe', *DISP*, 152, pp. 15-25

Fig. 3: GDP per Capita 2001

Rank	City	Euros per Capita
1	Frankfurt am Main	74,465
2	Karlsruhe (Germany)	70,097
3	Paris	67,200
4	Munich	61,360
5	Düsseldorf	54,053
6	Stuttgart	53,570
7	Brussels	51,106
8	Copenhagen	50,775
9	Hanover	47,223
10	Hamburg	43,098
11	Mannheim	41,674
12	Nuremberg	41,456
14	Augsburg (Germany)	39,360
14	Cologne	39,108
15	Amsterdam	38,203
16	Münster (Germany)	38,149
17	Wiesbaden (Germany)	37,454
18	Dublin	36,591
19	Vienna	36,572
20	Stockholm	35,733
21	Gelsenkirchen (Germany)	35,688
22	Helsinki	35,322
23	London	35,072
24	Bremen (Germany)	35,022
25	Edinburgh	35,018
26	Bonn	34,112
27	Antwerp (Belgium)	33,090
28	Milan	32,122
29	Glasgow	31,893
30	Utrecht	31,712
31	Saarbrücken (Germany)	30,368

Rank	City	Euros per Capita
32	The Hague	30,110
33	Essen (Germany)	29,760
34	Bristol	29,437
35	Lyon (France)	28,960
36	Bologna (Italy)	28,282
37	Bochum (Germany)	27,900
38	Parma (Italy)	27,491
39	Dortmund (Germany)	26,548
40	Rotterdam	26,227
41	Strasbourg (France)	26,015
42	Florence (Italy)	25,693
43	Leeds	25,619
44	Duisburg (Germany)	25,259
45	Eindhoven (Netherlands)	25,226
46	Turin	25,042
47	Toulouse	24,852
48	Rome	24,766
49	Bordeaux	24,252
50	Malmö (Sweden)	24,233
51	Gothenberg (Sweden)	24,065
52	Grenoble (France)	24,026
53	Verona	23,954
54	Berlin	23,428
55	Marseilles	22,809
56	Birmingham	22,069
57	Manchester	22,099
58	Newcastle-upon-Tyne	20,499
59	Lille	20,191
60	Barcelona	18,449
61	Liverpool	16,466

Source: Barclays Bank 2002

According to the ODPM research, capital cities tend to be at the top of the league table, and large cities also do well. Despite Germany's current economic difficulties, its cities perform very well – with 15 in the top 20. This contrasts starkly with the experience in England. Bristol and Leeds, at 34 and 43 respectively, perform best; several others meanwhile, are at the bottom end of the list (Sheffield and Nottingham were not included in the study). What makes this particularly bleak reading is the fact that the majority of England's cities have per capita GDPs less than one-third of the richest cities in Europe.⁹

The situation is not hopeless. Research led by the European Institute of Urban Affairs (at Liverpool John Moores University) observes how other cities have significantly improved their performance over time.¹⁰ Significantly, the study concluded that one of the major differences between England's Core Cities and their European counterparts is that "the continental cities have responsibilities for a wider range of functions which affect their economic competitiveness".¹¹ The mix varies but their combination of powers and resources makes them "more proactive, more entrepreneurial and probably more competitive".¹² Moreover, the overall trend in Europe is to decentralise and regionalise decision-making, placing powers at the lowest level.

So far, there has been little recognition in the UK of the contributions different cities make on the national context, or how they impact upon each other and their hinterlands. The exact opposite is true of Europe, where most governments have recognised the contribution that cities make to regional economic performance.

ii) community engagement & the democratic deficit

The Core Cities report notes how the appropriate space and level at which to tackle economic competitiveness needs to be of growing concern for policy-makers.¹³ While agreement exists that the city level is too small a space to tackle these issues, there is a predominant view that in many cases the region is too large. When examining some international examples of governance arrangements,

the picture is very mixed and most face territorial tensions. Smaller municipalities are often hesitant to be overwhelmed by the larger city or cities; and central governments are often reluctant to strengthen already powerful cities. Many are creating informal strategic alliances involving elected mayors; for example, Lyon, Barcelona and Helsinki. One exception is Stuttgart, which has created a structure that undertakes the full range of economic development functions for the metropolitan region.

The suggestion that the UK – and in particular England – needs a new 'City Regional' tier of governance to fill a democratic deficit at regional level does not feature very strongly outside of academic discourse. Nevertheless, this area of debate can broadly be split into two camps: pessimists and optimists. Those in favour argue that new forms of government contribute to a 'recomposition of the political'¹⁴ and a 'transformation of democracy'¹⁵; those against see City Region governance as lacking in 'democratic quality'.¹⁶

iii) efficiency in service delivery: what role for regional bodies

There are many service challenges, particularly around waste, planning, housing and transport that need to be managed at a more strategic level. Spatial planning is particularly important in bringing about social and economic change. While many key issues might only be addressed effectively at the level of the metropolitan region, this will require key competencies, capabilities and processes to be in place.

There is also the productivity and efficiency dimension. In England, the Regional Centres of Excellence play a key role as a delivery mechanism for improving procurement, partnering, efficiency and services across local government. Such bodies act as the first line of support and guidance on procurement, partnering and efficiency for local authorities in their region. Great potential exists for more efficient service delivery through collaboration fostered at this level and the possibility for future regional delivery of back office functions.

⁹ Parkinson et al (2004), p. 34

¹⁰ *ibid.*, p. 52

¹¹ *ibid.*, p. 7

¹² *ibid.*, p. 7

¹³ *ibid.*, p. 54

¹⁴ Le Gales, P. (1998) 'Regulations and governance in European cities', *International Journal of Urban and Regional Research*, 22, pp. 482-506

¹⁵ Heinelt, H. (1997) 'Neuere Debatten zur Modernisierung der Kommunalpolitik. Ein Überblick', in Heinelt, H. and Mayer, M. (eds.) (1997) *Modernisierung der Kommunalpolitik. Neue Wege zur Ressourcen-mobilisierung*, Opladen: Leske & Budrich. See also Kübler, D. and Heinelt, H. (2005) 'Metropolitan governance, democracy and the dynamics of place' in Heinelt, H. and Kübler, D. eds. (2005) *Metropolitan governance: capacity, democracy and the dynamics of place*, New York, London: Routledge

¹⁶ Benz, A. (2001) 'Vom Stadt-Umland-Verband zu "Regional Governance" in Stadtregionen', *Deutsche Zeitschrift für Kommunalwissenschaft*, 40, pp. 55-71

3 city regions: how things work elsewhere

The many international attempts to establish City Regions cited in policy research reveal a multiplicity of approaches. While some have formal governance arrangements in place, the majority work on a co-operative and voluntary basis. The route chosen largely depends on local circumstance, the local government tradition and the national policy context. In short, “place matters”¹⁷; and there are no simple transferable models. One thing is certain however, many European and North American cities have recognised that to be competitive in the global marketplace, they have to organise and act at a wider metropolitan or sub-regional level.

i) examples from North America

Chicago (United States)

Although strategies of municipal annexation, merger and consolidation date to the mid-19th century within US City Regions, the first concerted projects crystallised during the early 20th century – the high-point of competitive industrial urbanisation. This early approach to metropolitan and regional planning was tied closely to business organisations such as the Commercial Club of Chicago, which viewed regionalism as a means to accelerate local economic growth. During the same period, municipal reform initiatives began to articulate their urban visions and planning programs in a regional or metropolitan perspective.¹⁸

With a population of almost 9m people, the Chicago metropolitan area covers over 8,690 square kilometers, and is administered by 270 local governments and over 1,200 governments and special purpose districts. While the population grew by only five percent during the last decade, the urbanised area expanded by over 25 percent. This posed a range of management challenges.

In the mid-1960s, a group of civic and business leaders revived the call for metropolitan government, but their achievements remained largely on paper, as they lacked real authority to guide development.¹⁹ Instead, a maze of

special districts with operational responsibilities carved up the region into functional areas for water, parks, and waste disposal. For the most part, the problems of growing suburbs were addressed through these ad hoc, functionally specific entities, with little coordination or vision.

Although some business groups showed an interest in devising a regional perspective, these ideas never made any headway in the Illinois state legislature – largely due to political divisions between the city of Chicago and its suburbs. Of critical importance was the power of the city’s Democrats, who dominated the Chicago delegation. Although Chicago never commanded a majority in the legislature, the tight organisation of its representatives allowed the city to make deals in its favour. Chicago was able to get state approval for major development initiatives, such as convention centres, designed to ensure its primacy in the metropolitan region.

Chicago therefore had little interest in regionalism, because it could generally get what it wanted and accordingly, saw no real threat to its dominance in the region. Moreover, through the Democratic organisation, Chicago effectively controlled political arenas outside the city; and any new regional organisations would only dilute this power.

It was not just Chicago that was uninterested in regionalism; the suburbs strongly opposed the idea. They had a longstanding and deep animosity toward the city, compounding which were sharp partisan differences. Most of the suburbs had long been dominated by Republicans and any form of regional government was viewed as a potential disruption to the political balance in the metropolitan area. Indeed, as the suburbs gained population and power, the city’s strategy of domineering at state level became less successful. When suburban Republican leaders took over the state legislature in 1993, they made their desire to advance an anti-Chicago agenda clear and blocked key development initiatives, making Chicago more inclined toward City-Regional governance.

The late 1990s saw the creation of the *Chicago Metropolis 2020* – a non-profit organisation with a strong base in the business community, and which proposed the creation of a Regional Co-ordinating Council to bring local governments

¹⁷ Heinelt and Kübler (eds.) (2005) p. 2

¹⁸ Brenner, N. (2003) *Decoding the Newest ‘Metropolitan Regionalism’ in the USA: A Critical Overview*, Oxford: Pergamon

¹⁹ Weir, M. (2000) *Coalition Building for Regionalism*, Washington, DC: Brookings Institution Press

together in dealing with a broad range of regional needs.²⁰ The Commercial Club of Chicago would give a new council the authority to grant bond funds to local governments to further regional objectives. While a coherent regional plan would be developed, little became mandatory and few results have so far been generated.²¹

Portland Metro (United States)

Portland Metro is the directly elected regional government that serves more than 1.3m residents in Clackamas, Multnomah and Washington Counties and the 24 cities in the Portland, Oregon metropolitan area.²² From 1950 to the late-1970s, the area saw the rapid proliferation of government units and special districts. Local and state officials, and the general public, became increasingly concerned that these districts were too small to provide adequate services. This led to a number of changes with the creation of a regional sewerage agency, a Metropolitan Service District, and the Columbia Region Association of Governments (CRAG). In addition, the increased number of residents in unincorporated areas created a fiscal crisis – necessitating some form of regional authority to control service delivery.

Metro was formed in 1979 when voters of the region approved the transition from CRAG to an elected body, the primary mission of which is to manage growth in the region.²³ In 1992, voters approved a home-rule charter that established Metro as having primary responsibility for regional land-use and transportation planning. The charter also outlines other responsibilities, such as solid waste disposal, and the operation of cultural facilities. Metro officials are accountable to the region's citizens, and it is the only directly elected regional planning body in the US. The governing body includes the Metro Council, which is responsible for policy formulation, legislation and budgeting. An executive officer, elected at-large, is responsible for daily management.

Despite rather limited authority, Metro has had both popular and political success over the years. Upon its creation, there was little disagreement among government officials or the electorate, and Metro was seen as a rational method of streamlining service delivery throughout the region. Recently however, it has come under attack.

With the creation of an urban growth boundary around Portland, Metro and other agencies had hoped to reduce urban sprawl, clean up brownfields and add to the city's quality of life. But opponents have argued that it has artificially increased the prices of land, as well as property taxes, for commercial and residential purposes.

Toronto Metro (Canada)

Almost all metropolitan areas in Canada have some form of area-wide government. Most were established during a host of activity in the 1970s. Primarily imposed by provincial governments, such amalgamations were based on the rationale that this would rationalise services and reduce costs.

Metropolitan Toronto (or Metro) was established in 1953 by an act of the provincial parliament in Ontario, and despite considerable local opposition. The first ever formal metropolitan government in North America, its rationale was to improve levels of services and respond to uncoordinated physical development in the new suburbs.²⁴ The decision was taken not to force annexation of the suburbs (despite the city's initial request), but to create a two-tier administrative structure combining the city and 12 existing suburban municipalities (later reduced to six in total). Local governments retained certain functions while Metro secured those deemed to be regional in scale, including water, sewers, housing, transportation and schools.²⁵

With its directly elected council representing Toronto and its consolidated suburban communities, Metro had authority for local planning review and regional tax sharing. Its notable successes were in providing an efficient system of physical infrastructure over a huge area (700 square kilometres), and in ensuring a relatively high degree of inter-municipal equity in the quality of local services, through the pooling of tax revenues. It was able to substantially meet other objectives, such as preserving downtown Toronto as the region's main commercial and cultural centre; developing secondary centres of activity and high density housing linked to public transportation; locating job sites throughout the area to enable people to live closer to work. At the same time, the two-tier system worked well, balancing the need for regional co-ordination

²⁰ Chicago (1999) *Chicago Metropolis 2020: Preparing Metropolitan Chicago for the 21st Century*, Chicago

²¹ Libby, L. and Nalukenge, I. (2001) *Metro Growth: A Mandate for Reinventing regions in the 21st Century*, Columbus: Ohio State University

²² Percy, S., Sager, S., Singer, L. and Parker, J. (2002) *Creating Metropolitan/Regional Government: The Tales of Five Cities*, Center for Urban Initiatives and Research, Wisconsin: University of Wisconsin-Milwaukee, Research and Opinion, 15: 2

²³ Nelson, A. (1996) 'Portland: The Metropolitan Umbrella' in Savitch, H. V. and Vogel, R. K. (eds.), (1996) *Regional Politics: America in a Post-City Age*, Thousand Oaks, CA: Sage Publications, pp. 253 - 271

²⁴ Goldsmith, M. (2002) *The Experience of Metropolitan Governance*; Manchester: University of Salford, p.11

²⁵ Fontan, J-M. et al (1999) *Community Economic Development and Metropolitan Governance: A Comparison of Montreal and Toronto*, Canadian Journal of Regional Science, pp. 201 - 217

on the one hand and the desire for continued local political autonomy on the other. It is widely seen as one of the most effective two-tiered metropolitan governments in North America.

From its establishment until the early 1990s, several attempts were made to modify the basic Metro structure, to accommodate new growth and changing needs, and to reduce continued friction among local municipalities and Metro. During this period, the population of the urban region grew more than fourfold to 4.7m; and its geographic area, now called the Greater Toronto Area (GTA), expanded to over 7200 square kilometres.²⁶ The original Metro itself was essentially built-up by the mid-1970s. Its population stabilized at around 2.3m, and it continued to lose new jobs and investment to the outer suburbs. Faced with the obvious political consequences of a fragmented urban region, the provincial government decided not to extend the Metro boundaries but instead to establish four additional two-tier regional governments in the new suburbs. This arrangement and the uncoordinated actions of various provincial government ministries has been by some as unstable.²⁷

Unlike the original experiment, the establishment of the new suburban regional governments provided for no overall coordination, no standardisation of services, and only limited means of revenue sharing. The only modest step in this direction was the creation in 1988 of the Office of the Greater Toronto Area (OGTA) within the provincial government, and the establishment of a GTA Co-ordinating Committee. Both were aimed at encouraging greater co-ordination in the activities of local and regional municipalities, but they have proven to be largely ineffective to date.

The latest attempt in the continuing efforts to re-organise governments in the region began with the establishment of the GTA Task Force in 1994. The primary incentive however, was to respond to the political fall-out from the persistent recession (since 1989) and widespread feeling that the region was losing out in the intense competition for economic growth with other urban regions in North America.

Although limited by a newly-elected conservative provincial government, the Task Force report (published

in 1996), recommended the establishment of a Greater Toronto Area Council (but not as a directly elected regional government) and a complex set of flexible regional service districts for delivering individual regional functions. The report also recommended a single regional-level economic development agency to market the region abroad more effectively. It further suggested a revised property tax regime, a limited degree of revenue pooling for educational purposes over the entire province, and a major reallocation of municipal-regional-provincial responsibilities. Finally, the report argued for a strengthening of the role of local government, presumably as a trade-off designed to win political acceptance from the suburban municipalities for the establishment of the GTA Council.

While the Task Force's recommendations on governance have been largely ignored, its views on promoting region-wide collaboration on economic development and the need for tax reform were turned into legislation in early 1997. It did little however, to reduce the unwillingness of the new suburbs to contribute to a regional sharing of the costs of social services. Indeed, it may have strengthened the resolve of the suburban municipalities to maintain their autonomy from the new city of Toronto.²⁸

With little consensus over the report, the provincial government generated its own efficiency driven policies in 1996: to streamline Metro Toronto by amalgamating all of its municipalities into one mega-city, effectively ending the metro model. Even so, the provincial government was not seeking to foster a particular regional development policy. It was pushed by primarily economic drives to streamline, and to some extent disengage from, local government.

Many commentators view the current configuration of government in the Toronto region as neither stable nor viable in the long term. A large single-tier central city authority surrounded by four two-tier regional governments covering the new suburbs is neither an efficient nor equitable arrangement. Two of the elements referred to above as key to Metro Toronto's early relative success – region-wide co-ordination of infrastructure and financing, and the provision of relatively uniform collective services and the extensive redistribution of tax resources over the entire area – are no longer the explicit responsibilities of the remaining regional governments.²⁹

²⁶ Bourne, L. (1999) *Alternative Models for Managing Metropolitan Regions: The Challenge for North American Cities*, Santa Cruz: International Forum on Metropolization

²⁷ *ibid.*

²⁸ Liebovitz, J. (2003) *Institutional Barriers to Associative City-region Governance: The Politics of Institution-building and Economic Governance in 'Canada's Technology Triangle'*; London: Carfax Publishing²⁹ Bourne (1999) *op. cit.*

ii) examples from Europe

Association of the Urban Region of Stuttgart (Germany)

With a population of around 2.56m people, Stuttgart is the fifth largest agglomeration in Germany. Fundamental reforms were made to the structures of the urban region of Stuttgart in 1994, following the Länder parliament's adoption of an Act designed to strengthen co-operation in the region.

Institutional change at metropolitan level came about for largely structural reasons, in the fact that in Germany reforms to territorial organisation come under the legal competence of the Länder and is therefore decentralised. The immediate drivers for change however, were due to Stuttgart and the surrounding area being confronted with an economic recession in the early 1990s where employment dropped by 6.3 percent (71,600 jobs) and business activity fell by 15 percent in the industrial sector.³⁰ The resulting social pressures and demands for action from regional business players such as Daimler-Benz, led the Land (Baden-Württemberg) and communes to consider the option of strengthened co-operation.³¹

The new Act replaced the former structures for intercommunal collaboration by creating a new kind of institution, the Verband Region Stuttgart (VRS) endowed with new authority and a directly elected assembly.³² Election to the VRS is based on proportional representation, and 179 local authorities voted to transfer powers and resources to the new body to promote the economic development of the Stuttgart urban region.

The wider constitutional framework in Germany means that the federal government does not intervene in matters at metropolitan level. Functions include planning, public transport, regional waste disposal and regional marketing. It may also initiate projects if they are deemed important for regional development, such as airport enlargement or the reconstruction of the main railway station.³³ The VRS has significantly improved the region's ability to cope with economic change. It has also been responsible for a more flexible and comprehensive regional economic development strategy. In 1995, an economic development agency for the region was created; the VRS holds

the majority, but the municipalities, the Land-owned development bank, the chamber of commerce and the trade unions are also shareholders. In 1998, a regional spatial development plan, which is legally binding for the zoning of the municipalities, was enacted.

One of the most remarkable aspects of the changes in Stuttgart governance is that the creation of the VRS has been accompanied by a broad array of municipal alliances and civic associations which have established themselves on a regional scale. Led by the Forum Region Stuttgart, an initiative of leading business people, municipalities have joined forces and found formal alliances around culture, sports and tourism.

The VRS did not mark a geographic expansion of the regional scale of governance, since this jurisdiction covers the same territory as its preceding planning association: the central city and five surrounding counties. This is one of the key criticisms since major functional interdependencies have grown beyond this scale.³⁴ Nevertheless, the VRS is highly active, opening a lobbying office in Brussels – something unique for a German metropolitan region in which the central city does not have the status of a Land.

More recently however, after its very strong start, the VRS has begun to meet increased resistance. Where in 1999 the Land granted it more responsibilities and power, 2003 saw a major organisational reform of Land administration, that resulted in the competing local authorities being strengthened rather than the VRS.

Lille Métropole Communauté Urbaine (France)

Government in France is well known for its size, complexity, and top-down nature. These characteristics extend to local government with a vast number of municipalities: 36,000 in total. To deal with this number, France has established around 18,000 structures of inter-municipal cooperation.³⁵ In 1999, a new law was passed which attempted to simplify the cooperative bodies into three categories:

- the Communauté de communes formula for those areas with under 50,000 inhabitants;

³⁰ Blatter, J. (2004) *Metropolis unbound, rebound or unbundled? New Forms of Regional Governance in German Metropolitan Areas*, Stuttgart: ECPR

³¹ Benz, A. and Frenzel, A. (2002) *Institutional policies in a federal state: the creation of the Association of the Urban Region of Stuttgart*, London: Frank Cass Publishers

³² *ibid.*

³³ Fürst, D. (2005) 'Metropolitan governance in Germany' in Heinelt, H. and Kübler, D. eds. (2005) *Metropolitan governance: capacity, democracy and the dynamics of place*, New York, London: Routledge, pp. 151-168

³⁴ Heinz et al. (2003) *Interkommunale Kooperation in Baden-Wuerttembergischen Stadtregionen: Stuttgart, Karlsruhe, Freiburg, Berlin*, Deutsches Institut für Urbanistik, pp. 40, 42

³⁵ Negrier (2002) *A French Urban Powershift. The Invention of Institutional Metropolization*, ECPR Joint Sessions, University of Turin, 23-27 March, p. 2

- the Communauté d'agglomération formula for those between 50,000 and 500,000; and
- the Communauté urbaine for those above 500,000.³⁶

As of 2003, there were 15 Communautés urbaines and about 3500 Communautés de communes; and 82% of areas eligible to become Communautés d'agglomération had done so.³⁷

Metropolitan governance was being considered for the greater Lille region as early as 1964, the year in which eight regional capitals were designated as counterweights to the dominance of Paris.³⁸ These included Lille-Roubaix-Tourcoing, which in 1966 officially became the Communauté Urbain de Lille (CUdL). Geographically, the region is fairly large, with a widely spread population – Lille itself only accounts for one fifth of the population. The area also contains 85 local authorities, making regular attempts at regional governance difficult. Initiatives in the late-1980s however, provide interesting lessons about more voluntary forms of cooperation. The *accord des grands maires*, signed in November 1988, was the result of an unofficial process emerging from the frustration created by the CUdL, including the alleged resistance of elected community officials “more interested in moving toward a redistributive urbanism than paying attention to appeals for the coherent governance structure”.³⁹

The *accord* led a year later to an agreement between the elected president of the CUdL and the *grands maires* that emphasised co-operation in how the region would be run. This principle however, was tested quickly with the proposed TGV Nord railway extension to Lille. Essentially, the CUdL wanted financial support from all of its communes, but faced resistance from a Lomme representative, who argued that the economic benefits would only be felt by the city of Lille. To gain the support of all CUdL members, the agreement was tied to a comprehensive rethink of transport policy and infrastructure, emphasising the expansion of the service sector.

One important outcome was a change in the distribution of funds within the region toward the major population centres, which led to different conditions of financial

negotiation and “a new system of political debate”.⁴⁰ Perhaps more important was the way that the voluntary nature of funding rendered the CUdL president dependent on, first, good relations with the mayors of the communes; second, the allowing of coalition members to withdraw from the CUdL at any time; and, third, being able to convince them instead to benefit from the co-ordination that the CUdL provided.⁴¹ Furthermore, the fact that the president could not dominate the stridently independent communes meant that the latter felt comfortable enough to allow the CUdL to use collective funds for the benefit of wider community modernisation. At the same time, the ability of the president to strike deals outside the region's framework brought with it the power to enforce consensus among the smaller communes who would lose out on funding if he only dealt with larger ones.

The CUdL, now known as the Lille Métropole Communauté urbaine (LMCu) is currently a partnership of 86 local governments as a metropolitan authority with joint regional decision-making for metropolitan Lille. The area has a population of 1.1m inhabitants, making it the fourth largest in France. As of 2003, it had a budget of €1.8bn. Measures to promote cooperation and attract development include a tax base sharing agreement introduced by the local governments themselves. The LMCu draws on these funds to help promote economic development in the region. Mechanisms to discourage local governments from operating alone include, for example, a measure whereby any authority that independently develops an industrial estate must transfer 25 percent of the taxes on the estate to the LMCu.⁴² And the LMCu also handles all of the *taxe professionnelle d'agglomération* previously collected by individual authorities.⁴³

Bologna (Italy)

Bologna is another example of an inter-municipal model of metropolitan governance, based on a voluntary association. In 1994, 48 municipalities and the province of Bologna signed the *Accordo per la Città Metropolitana* (ACM). The main political body of this, Conferenza Metropolitana is composed of all town mayors, and presided over by the province's president. Each municipality is free to withdraw at any time and may

³⁶ Negrier (2002) p. 3

³⁷ *ibid.*, p. 4

³⁸ Randles, S. and Dicken, P. (2000) 'Scale and the Instituted Construction of the Urban: Comparing the Cases of Manchester and Lyon' in Beynon, H., Harvey, M. and Quilley, S., *Capitalism or Capitalisms? Approaches to Economic Variation*, Manchester: Manchester University Press p. 19

³⁹ Mabrouk, B. (2002), *Le Jeu Politique Métropolitain: Origin, Modes de Constitution et Dynamiques D'expression: Le Cas des Aires Urbaines de Lyon et Lille*, Lyon: Institut d'Etudes de Lyon p. 4

⁴⁰ *ibid.*, p. 9

⁴¹ *ibid.*, p. 9

⁴² McCarthy (2000) 'Competitive Regionalism: Beyond Individual Competition', *Reviews of Economic Development, Literature and Practice: No. 2, Toledo*: US Economic Development Administration, p.18

⁴³ Lille Métropole, (2002) 'Un nouvel acteur du développement économique', Lille Métropole Communauté urbaine website

participate as it chooses.⁴⁴ However, because of the high degree of flexibility and the nature of the agreement, the Conferenza has become more a forum for discussion than decision-making.

The agreement followed an attempt at top-down institutional reorganisation in 1990⁴⁵; and there is some suggestion that a voluntary basis was chosen over a more formalised one because of the improving state of the economy.⁴⁶ In any case, the organisation was strongly 'bottom-up' in nature, with its constitution decided by members of the group who created it.⁴⁷

The ACM created three structures through which it works: the political (as above), a minimal management structure, and three technical structures – the 'economic-territorial' (transport, environment, and planning), administrative and financial, and health and social services sectors.⁴⁸ What is important to remember however, is that the Conferenza does not hold any formal decision-making powers. It only establishes the priorities of the technical structures, which must be voted for unanimously, and allows for metropolitan-level questions to be posed and answered. The technical committees provide an organisational structure in which representatives from individual towns can collaborate on 'micro-projects' encouraged by the free nature of the ACM.

Attempts by Italy's government to jump-start the idea of City Regions saw a law passed in 2000, which aimed to bring legitimacy to more formal metropolitan-level structures. This is based on consensus being initiated by the local authorities themselves, local referenda and the subsequent acceptance of both the regional authority and central government. Designed to provide maximum flexibility and respect local autonomy, the law's complexity and subjection to various vetoes has meant that the creation of an institutional framework for metropolitan governance has not occurred.⁴⁹

One reason for the slow progress of metropolitan governance in Italy has been the regional clustering of a multitude of local societies. With their own networks,

strategies and cohesion at the municipal and provincial levels rather than a genuine separate regional scale of government, the result has been that there is no dynamism to translate into region-based policies and networking within the state system.⁵⁰ A significant amount of resistance remains on the part of local authorities to top-down solutions, something they see as representing a weakening of their powers.⁵¹ Yet there is also a very strong and well developed sense of local identity in Italy that may prevent metropolitan-level coordination. The continued refusal of Imola, the second city within the province of Bologna, to join in efforts to strengthen the ACM supports this view.⁵²

The most recent attempt at establishing institutions of metropolitan governance is taking place with the support of the new mayor of Bologna, Sergio Cofferati and involves revising the 1996 *Convenzione quadro per I servizi comuni nell'area metropolitana Bolognese*.⁵³ A meeting in April 2005 decided that further collaboration should occur in areas such as "the environment, employment, equal opportunities, social and sanitary services, economic growth, and tourism".⁵⁴ Major hurdles however, still need to be jumped before metropolitan governance is formalised in the province, with the territorial remit of the project yet to be decided.

Autonomous Community of Madrid (Spain)

The city of Madrid has had a metropolitan governance structure since 1983, with the Autonomous Community of Madrid (ACM) co-ordinating relationships between actors and legitimised the decision-making process and policy implementation.⁵⁵ Yet in many ways, Madrid is a special case. Much of its development as a major metropolis took place under the Francoist dictatorship. The institutional structure of post-Franco Spain however, has led to a situation in which the city has no formal metropolitan government, yet is run by a regional body that fulfils a very similar role. Moreover, the fact that it is the capital has meant it has enjoyed special benefits that other cities in Spain have not had access to.

⁴⁴ Bird, R. M. and Slack, E. (2004) *Fiscal Aspects of Metropolitan Governance*, Toronto: University of Toronto p. 14

⁴⁵ Text of the Legge 142/90

⁴⁶ Boelens, L. (2005) 'Inaugural Lecture at the University of Utrecht'

⁴⁷ Lefèvre, C. (1998) 'Metropolitan Government and Governance in Western Countries: A Critical Review', *International Journal of Urban and Regional Research*, p. 19

⁴⁸ *ibid.*

⁴⁹ <http://images.torino-internazionale.org/fi/ApprofondimentiGM/TE/TE51.pdf>, p. 63

⁵⁰ Parkinson, M. (2005) *The forms, diversity, and consequences of city/regional relationships – A Review of the Literature*, *Core Cities Working Group* p. 29

⁵¹ Jouve, B. (2002), 'Gouvernance métropolitaine en Europe: essai de typologie', Paper presented at theau XXXVIIIème Colloque annuel de l'Association de Science Régionale de Langue Française

⁵² 'Imola non è interessata alla Città metropolitana', *Genius*, 29 June 2005

⁵³ Braga, P. (2004). Interview on the Sergio Cofferati website

⁵⁴ Comunicati Stampa, Provincia di Bologna website www.2.provincia.bologna.it (11 May 2005)

⁵⁵ Tomas, M. (2005) 'Building metropolitan governance in Spain: Madrid and Barcelona' in Heinelt, H. and Kübler, D. (eds.) (2005) *Metropolitan governance: capacity, democracy and the dynamics of place*, New York, London: Routledge

⁵⁶ Tomàs, M. (2002) 'Making Metropolitan Governance Work. A Case Study: Madrid, Paper for the ECPR Workshop 12', Turin 22-27 March, p. 4 and p. 14

During the 40 years of Franco's reign, Madrid expanded both physically (almost tenfold to 607 square kilometers) and economically.⁵⁶ Much of this growth was due to the centralist preoccupations of the Government wanting to create a strong city that would be recognised internationally. Yet the rapid growth of the city quickly brought about a situation of inadequate public services and poor governance, leading to a 1964 plan covering 23 municipalities in the greater Madrid region.

With the transition to democracy came a fundamental change to the structure of Spain's government and a focus on regional government. The 1978 constitution created a system of seventeen Comunidades Autónomas – regional governments with wide powers in housing, urban and regional planning, agriculture, transport, health, education, social welfare, and culture. It also created a two-tier local government of provinces and municipalities.⁵⁷ The regional governments however, were given wide ranging power over local governments.⁵⁸

The ACM governs 179 municipalities covering 8,028 square kilometres of territory. It abolished both the 1964 metropolitan area and the provincial government, reducing the former five-tier government of municipality, metropolitan area, province, region and nation to three levels. This simplification of structures has been widely regarded as having led to better governance.⁵⁹ But it may have been aided by the fact that from 1996 to 2004, the national and regional governments, as well as most local governments in Madrid have been held by the same political party, the Partido Popular (PP).⁶⁰ Public support for regional-level governance may also have something to do with the increased suburbanisation of Madrid over the past two decades.⁶¹

Madrid's governance is complicated by the fact that it is where central government is located, with local decisions subject to and benefiting from greater central funding and oversight. Recent studies have shown that Madrid receives a larger share of central funding than any other Autonomous Community in Spain.⁶² In terms of oversight,

especially in the case of the successful public/private partnerships, it has been necessary to achieve a high degree of consensus. This has been achieved through a focus on functional policies, with the regional government facilitating rather than engaging in more political activities.⁶³ Again, this may have been eased by PP dominance – something that has allowed Madrid's mayor to control policies and budgets tightly.⁶⁴

Disagreement exists over the quality of strategic leadership and governance in the city. Tomàs claims that it has led to good governance and economic development.⁶⁵ Parrado meanwhile, claims that a laissez-faire approach has led to the lack of either a managerial structure or quality procedures, and that success has largely been a result of its position as capital and the role of central government funding.⁶⁶

Barcelona (Spain)

As with Madrid, greater Barcelona was governed by a metropolitan-level structure set up under Franco, and called the Metropolitan Corporation of Barcelona (MCB). After the transition to democracy, this structure was expanded to cover an area of approximately 450 square kilometers and became an organ of inter-municipal coordination.⁶⁷ Unlike Madrid however, reform of the MCB did not entail its immediate abolition. Instead, the MCB was replaced at a later stage by a series of more ad-hoc groups⁶⁸; and, again unlike Madrid, Barcelona retained six levels of government (see Fig. 4 below).

⁵⁷ 'Spanish Local Government', AllRefer website

⁵⁸ Tomàs (2002), p. 12

⁵⁹ *ibid.*, p. 6 and 16

⁶⁰ 'Elections in Spain', *Wikipedia*

⁶¹ ESPON (2005), *The Spatial Effects of Demographic Trends and Migration, 2003-2006: Draft Final Report Part 3b, The European Spatial Planning Observation Network*, p. 100

⁶² Tomàs (2002), p. 18

⁶³ *ibid.*, p. 19

⁶⁴ Parrado, S. (2004) *Making Metropolitan Governance Work. A Case Study: Madrid*, Barcelona: University of Barcelona, p. 14 and p. 16

⁶⁵ Tomàs (2002) p. 19

⁶⁶ Parrado (2004), p. 4, 17, 27

⁶⁷ Clos, Joan (2005) 'The Metropolitan area, from the past to the present', *El País* in 16 May

⁶⁸ Tomàs (2002), p. 5

Fig. 4: Levels of government and administration in Catalonia⁶⁹

Level	Dates and form of operation	Planning powers
State	Democratic elections from 1977	Making of laws, influence via investment powers of ministry (MOPTMA)
	From 1977, democratically elected from 1980	Making of laws, steering through regional planning and infrastructure investment, and supervision of local planning legality and performance
Province	Indirect democratic representation since 1979	Investment coordination, and support for innovation for smaller municipalities
Comarca (county)	From 1987	Still limited and advisory, part replacing provinces
Metropolitan area (27)	Barcelona Metropolitan Corporation of 1972-1987; Association of Municipalities and other bodies from 1987 on	Since 1987, mainly advisory and supportive of effects
	Democratically elected from 1979	Prime plan-making and control powers

Source; Marshall, T. (2000)

As illustrated above, powers in Barcelona remain dispersed across six levels of government, and there is little space for more informal governance processes. Both the city council and the Autonomous Community of Catalonia (ACC) retain extensive power over the metropolitan area. The city council has adopted a leadership role, and has used its influence to attempt to steer policies. Assuming this role has been helped by the fact that the city council and many metropolitan bodies have been continuously controlled since 1979 by the Partido de Socialista Catalan (PSC).⁷⁰

Since 1987, the ACC has been responsible for drawing up a plan for the wider region, consisting of 163 municipalities, characterised as “the ‘real’ region of the city”.⁷¹ Whereas there has been a decline in population of the city of Barcelona⁷², resulting in a decreased tax base, the ACC has significant financial autonomy, collecting 30 percent of income tax from the region directly. Up until 2004, the *Convergència i Unió* party (conservative nationalists) held power in the ACC, which led to inter-institutional conflict with those institutions controlled by the PSE. Perhaps the climax of this rivalry occurred in 1987 when the *Convergència i Unió* run ACC used powers to dissolve the PSE run MCB, due to political conflict over the fact that the latter controlled much of the economic, demographic and cultural heartland of Catalonia.⁷³

Central government also remains powerful. Beyond setting framework laws, it controls major infrastructure spending for the main road and motorway network, long distance and high speed trains, and most local trains. It also allocates the majority of public funds and retains control over the port of Barcelona and the airport.⁷⁴

Despite the many different levels of responsibility, great moves toward consensus were made in the lead up to the 1992 Olympic Games – considered to have led toward a more collaborative ethos in metropolitan governance. Perhaps the most significant lesson drawn from this experience was the importance of making sure that all key organisations had a stake in the outcome of a given project.⁷⁵ There are however, concerns that the spirit of collaboration created by the pressure to finish projects in time for the Olympics may not have lasted much longer than the actual Games. Despite this, there has been much speculation that Barcelona’s system of governance could provide a model by which other regions should design their City Regions. Although Barcelona has in some respects been quite successful, the particular institutional and cultural context mitigates against a wholesale transfer of its strategies.⁷⁶

The Barcelona model has been seen to be broadly open and collaborative, involving engagement with a large number of people. Similarly, on a governmental level, the new Council of the City is a collaborative forum

⁶⁹Marshall, T. (2000) *Urban Planning and Governance: Is there a Barcelona Model?* Oxford: Carfax Publishing p. 301

⁷⁰ Tomás (2001), *Local Government and Local Democracy. A Case Study: Barcelona*, p. 13

⁷¹ Marshall (2000) p. 301

⁷² Gomà, R. and Brugué, J. (1994) ‘Public Participation in a Decentralized City: The Case of Barcelona’, *Working Paper, No. 84*, p. 6

⁷³ Tomás (2001), p. 14

⁷⁴ Marshall (2000) p. 303

⁷⁵ Menchero, M. (2003), *Practices of Contract Governance in Europe: Cases of fragmentation, competition, and cooperation*, A Paper given at the Public Administration “Challenges of Inequality and Exclusion, Miami Conference, 14 – 18 September, p. 34

⁷⁶ Herrschel, T. and Newman, P. (2004) *Scale, ‘Virtual Regions’ and Structures in City Regional Governance – A North American-European Perspective*, a Paper given at the ‘City Futures’ Conference, Chicago p. 2

bringing together politicians, trade unions, businesses and voluntary organisations from across the region.⁷⁷ Yet questions have been raised about the people being engaged with, including the claim that initiatives involving direct citizen participation “are exceptional ... and cannot be regarded as a common practice.”⁷⁸ Political decisions are in fact being decided by elites, and are neither publicised nor publicly debated – a weakness that seems to be hidden underneath the apparent success of what is a highly consensual process.⁷⁹ Before Barcelona is taken up as a model for metropolitan governance, the fundamental reality of power relations and managing democratic political debate needs to be addressed.

There are also problems with the model, most importantly in relation to the fragmentation and complexity of the governmental structures of both Barcelona and its cooperative bodies. As Fig. 4 above illustrates, occasionally conflicting responsibilities are distributed among multiple levels, and there are a large number of cooperating bodies that deal with any given policy area within the region. A more effective metropolitan-level body might “govern different activities (economic development, urban planning, infrastructure, and social policy) in a more joined-up way”.⁸⁰

Nevertheless, the municipal democratic reform in Barcelona has seen a shift from a weak non-elected local government to a city model in which urban governance includes civil society, public/private partnerships and other institutional actors (including the EU).⁸¹ Barcelona has become an example of democratisation of local political life and of transformation of a polarised city into a more socially integrated entity. The bottom-up demand for ways in which to participate and a city model based on active citizenship have been some of the backbones of its transformation. It has had a strong associative moment, which took part in the conception of the model. Yet, metropolitan fragmentation and difficult relationships between governmental actors remain.

Randstad (The Netherlands)

The Netherlands have become well known for ‘polycentric’ City Regions, following the conception of the Randstad project in the 1930s.⁸² Amsterdam and Rotterdam dominate this, with smaller cities including The Hague and Utrecht. The Randstad is the most highly urbanised area of the Netherlands, and also where around 50 percent of employment is concentrated.⁸³ Very much a planning concept aimed at controlling and facilitating the more even spread of urban development, the polycentric structure was seen in the 1960s as a unique advantage of a major metropolis.⁸⁴ Given its background, the region is not a functionally integrated urban structure but kept together by the common economic attraction of the two main cities.⁸⁵

The Randstad is seen as an important vehicle to boost the participating cities chances of competing with London and New York.⁸⁶ However, both Amsterdam and Rotterdam remain inherently competitive, profiling themselves primarily as separate entities rather than part of the Randstad.⁸⁷

One proposal in the mid-1990s was to create larger City Regions as extended local authorities around the main urban centres, thereby effectively recommending a series of mono-centric structures as the backbone of development planning and policy. All seemed hopeful when in 1994 central government adopted a Framework Law which allowed seven urban regions to transform into city provinces by 2002.⁸⁸ Much preparation went into the proposals, building upon the established voluntary co-operation. Plans were drawn up to pool resources as a way of incentivising strategic City Regional co-operation. At the same time, Amsterdam considered the breaking up of the city into smaller units to combat fears from neighbouring authorities that it would be dominant. In the 1995 national elections however, the pro-regional coalition between the Christian Democrats and Labour Party lost power and the new government was less keen on the idea. Local referenda were held in Amsterdam and

⁷⁷ ‘Consejo de Ciudad’, *Ajuntament de Barcelona* website

⁷⁸ Tomás, M. (2001), ‘Local Government and Local Democracy. A case study: Barcelona’, Paper for the Grenoble Joint Sessions, p. 21

⁷⁹ *ibid.*, p. 14; Marshall (2001) p. 315

⁸⁰ Négrier, E. and Tomás, M. (2003), ‘Temps, Pouvoir, Espace: La Métropolisation de Barcelone’, *Revue Française d’Administration Publique* 107

⁸¹ Walliser, A. (2001) ‘Decentralisation and Urban Governance in Barcelona’ in Andersen, H. and Van Kempen, R. eds. (2001) *Governing European cities: social fragmentation, social exclusion and urban governance*, Aldershot: Ashgate

⁸² Herrschel, T. and Newman, P. (2002) ‘Governing mono- and polycentric city regions in Europe’ in *City regions, policy and planning in Europe: towards new regionalism?* London: Routledge, 2002

⁸³ Tummers, L. and Schrijnen, P. (2002), *The Randstad*, Urban Studies, Vol. 39, No. 4, pp. 819–833

⁸⁴ SPESP (2001) ‘Study programme on European spatial planning, final report’, *BBR Forschungen*, no. 103.2

⁸⁵ Lambooy, J. (1998) ‘Polynucleation and economic development: the Randstad’ in *Land Saxony-Anhalt ‘Gesetz- und Verordnungsblatt für das Land Sachsen-Anhalt*, 4 May 1998, no. 16, pp. 237–262

⁸⁶ SURF (2005) ‘City-regions: policy and practice. Lessons from France, Germany and the Netherlands’, Working Paper 2, ‘A framework for city-regions’: A study for ODP, Manchester: University of Salford

⁸⁷ Dieleman, F. and Faludi, A. (1998) ‘Polynucleated metropolitan regions in north-west Europe: theme of the special issue’, *European Planning Studies*, 6:4, pp. 365–377

⁸⁸ Buitelaar, E., Jacobs, W. and Lagendijk, A. (2004) ‘Institutional change in spatial governance: Illustrated by Dutch city-regions and Dutch land policy’, *Working Paper 2004/05*, Nijmegen School of Management, p. 9

Rotterdam, but lost with an overwhelming majority (90% voted against splitting up the municipality).⁸⁹ Although a referendum is not binding in the Netherlands, it led to the abandonment of the city provinces idea.⁹⁰ The main reasons for this failure are commonly cited as the proposals being considered “too technocratic, exclusive and elite-dominated rather than rooted in popular concerns and experiences” and general fear over loss of identity.⁹¹

Despite the failure of formal arrangements of city provinces, some voluntary City Regionalism continues to exist through indirectly-elected inter-municipal bodies. Several key ministries, including those for spatial planning, housing, environment and transport continue to use these bodies to channel funds. The authorities, through a small inter-municipal executive body, are required to agree how funding is distributed without referring to themselves, and there is a sense that the urban regions are becoming more “institutionally embedded”.⁹²

iii) lessons from international experience

Some key lessons can be drawn from international experiments with City Regional forms of governance:

- The idea of City Region wide co-operation is not new. The first attempts were made in the late 19th century when various co-operative bodies were formed; while administrative reorganisation took place in the 1950s and 1970s. There has however, been a revival of the idea in the 1990s and beyond.
- Radical proposals for re-organisation are rarely put into practice. These usually fall victim to practical restrictions, such as tax issues, political and administrative structures, and opposition from government officials afraid of losing power and authority. Many authorities prefer isolation to co-operation.
- Formal administrative reform has recently been attempted in only the Netherlands and the UK. In both countries, it failed. Most other case study examples chose the voluntary co-operative path.

- Co-operative approaches are mostly attempted in economically significant areas (for example, Toronto, Stuttgart, Lille, Randstad) to increase the City Region’s international status and ability to compete.
- Voluntary co-operation works best where national governments offer incentives for such behaviour.

It is absolutely clear that no single City Region model exists that can readily be transferred to the UK context; or at least, an approach that would be appropriate for all areas. This is partly due to existing administrative and institutional structures. Yet the drivers to co-operation at City Regional level remain equally important. These have varied among the case examples between economic competitiveness, service delivery improvements and greater efficiencies, social imbalances and more strategic policy-making.

⁸⁹ *ibid.*, p. 9

⁹⁰ Herrschel and Newman (2002)

⁹¹ SURF (2005)

⁹² Buitelaar et al. (2004), p. 10

Part II – The City Regions Commission: deliberations & recommendations

This section of the report outlines the recommendations that the NLGN City Regions Commission has drawn from deliberations in a series of meetings held between Spring and Autumn 2005, and concluding in late November. The recommendations made in the chapters that follow represent conclusions reached on how City Regions can be made a reality in a UK context.

4 Vision

NLGN's City Regions Commission calls for an incremental development of City Region governance based on local authorities voluntarily entering into associations. These City Regions could be led by an executive committee of leaders drawn from local authorities within boundaries determined by lifestyle and demographic patterns. Forming a 'Senate of Leaders', this body would offer strategic overview and policy making power over a range of functions that require spatial coordination. These can be broadly categorised as policies relating to democratic reflection of contemporary lifestyles, and economic development.

While we would not want one City Region model imposed as a centrally devised programme, it is vital that the context for their successful emergence is set in motion. This should happen through central government legislating for the empowerment of City Region entities, through a transfer of responsibility and autonomy from other levels of governance. To this end, City Regions will be subject to approval by the Secretary of State, and the need to develop sound organisation, leadership and inclusiveness. With this approval must come central government regard, embedding City Region functions into the core of their constituent local authorities duties. This is not a wholesale transfer of local authority decision-making to City Region level, rather a selective approach that would place such activities at the most appropriate

levels. The overriding principle remains that for policies to be responsive to local need they must be devised at the lowest possible level. Where strategic overview is necessary however, City Regions would offer an appropriate space for local authorities to act.

The emergence of City Regions will form a new dynamic for current regional governance. Regional Development Agencies (RDAs) will see City Regions develop as conduits of their economic development capacity, directing their resources with greater responsiveness to particular local imperatives. Alongside this, Regional Assemblies (RAs) will pass much of their accountability and scrutiny responsibilities to City Regions, with the latter evolving as a prime unit of supra-regional scrutiny.

As they develop distinct identities, we would anticipate City Regions evolving into more formal units of governance. To increase their effectiveness City Regions would need revenue raising powers. While local government finance is a matter beyond the scope of this Commission, we propose consideration of various tax levying powers that might sit with City Regions and allow them to effectively address local matters. Local authorities should consult with key partners and stakeholders on whether this is appropriate for the locality. With this in mind it is vital the now extended remit of Lyons Inquiry factors City Regions into its deliberations.

It is important to note that City Regions will not be appropriate for all areas across the UK, and where they do emerge the extent to which they are formalised will vary. City Regions are not an 'all or nothing' approach, and some may develop further than others. They are based around the idea of a clearly identifiable urban centre, around which wider activity is focused. We would propose that other forms of supra-regional activity are considered where appropriate. This may involve the formation of 'County Regions' in conurbations lacking a large urban centre.

Cities are increasingly viewed as economic drivers. For this role to be further increased, City Regions would benefit from greater economic policy coordination and planning powers to respond appropriately to concerns at metropolitan level. We believe that the model envisaged will be able to ally local knowledge, capacity

and responsiveness with the advantages of a strategic overview.

We ask policy makers at all levels of government to consider the opportunities which City Regions can offer.

5 Impetus

This chapter considers what the Commission regards to be the two prime motivations for a City Region policy. First the democratic case, with the Commission believing that a City Region level of governance would more closely correlate to contemporary lifestyle patterns than existing administrative boundaries and bring with it increased public 'buy-in' and democratic legitimacy. Second the economic case, with City Regions able to drive economic development, spreading benefits more broadly. The chapter closes with the Commission's appraisal of the regional agencies currently tasked with this role, finding a clear case for some of their work to be directed through City Regions.

Recommendations

Democratic imperatives

City Regions would allow governance institutions to work in ways that reflect contemporary lifestyle patterns, such as travel to work and travel to leisure patterns. We recommend the introduction of City Regions on the basis that they would place governance more in line with the public, putting decision-making and policy formulation at a more appropriate level.

Economic imperatives

Regional economic disparities continue to grow despite informal City Regions emerging as major economic players. We encourage the introduction of City Regions to enhance competitiveness and productivity of the major conurbations across the UK, ensuring more even growth and a balancing out of the dominance of London.

Improvements necessary for existing strategic arrangements¥

The effectiveness of RDAs and RAs should be improved through a review of their roles and organisation, in the light of the possible creation of

City Regions. With some responsibilities delegated to the level of City Regions, they would have the capacity to direct resources with greater precision, showing consideration to the differing circumstances within each region.

¥ *More detail is given within the body of this chapter, but this was a point of contention on the Commission with some holding the view that City Regions might in time absorb RDA and RA functions.*

i) **driving forces behind city regions**

Are City Regions a new approach for the whole of the UK, or is the concept only applicable to a handful of areas? Although City Regions have assumed increased prominence in policy debates it would be wrong to think they are naturally understood or of obvious merit. With this in mind the first step of the Commission was to discuss the motivating forces pushing for them, and it was immediately clear that there are two seemingly distinct imperatives.

The first reflects the desire by some to continue the devolution process halted by the 'No' vote in the North East referendum for an elected regional assembly. Early academic evidence heard by the Commission argued that the case for City Regions lies primarily in their ability to drive forward devolution, offering a counterweight to Whitehall centralism, while triggering a wider reform of local democracy.

Evidence Summary

Professor Gerry Stoker, University of Manchester

City Regions are a potential solution to achieve a more inclusive form of governance, but consideration is needed regarding how city regions would link in with other levels of government (ranging from central government to local government and neighbourhoods).

Functions that might be best dealt with at city region level:

- *Economic development and employment*
- *Transport*

- *Planning and strategic housing*
- *Large scale cultural and sporting issues*
- *Police and crime prevention*
- *Environmental sustainability*

At the same time it is important to consider that there is no public appetite for further additions to an already overcrowded government and that we need to streamline the existing model and create a more effective governance solution at a City Region level.

Professor Alan Harding, Salford University

- *City Regions are key drivers of the emerging global knowledge economy.*
- *City Regions increasingly drive regional, and by implication national, economic performance.*
- *City Regions might be a more appropriate 'unit' for managing the relationship between economic competitiveness, social inclusion and environmental sustainability.*
- *Differentials in regional economic performance are growing and the Government needs to address this.*
- *Lessons from Europe (for example, Germany, France and Netherlands) are not readily transferable.*
- *We need a better understanding of how City Regions perform and what they can achieve to win the argument.*

Although City Regions offer a new route through which to pursue devolution, new arrangements should not repeat the failings of the attempt in the North East to establish an elected regional assembly. As noted in Chapter 1, analysis in the wake of the referendum suggested a profound lack of faith in the ability of new structures to deliver on public concerns. Public cynicism about additional layers of governance and a general scepticism of what government can achieve combined with other factors, including arguments about the region's "centre of gravity". With this in mind, City Regions should not become a proxy for regionalism *per se*, as alone they cannot provide a comprehensive model of sub-national governance.

While the Commission does not want to see City Regions

imposed as external political vision, there clearly is a democratic case to be made in their favour. A clear delineation exists between contemporary lifestyle patterns and administrative boundaries. The flows of activity through which people live their lives cut across local authority boundaries, and as such current mechanisms for policy and decision-making are not necessarily able to respond. This has led some local authorities within major conurbations to form supra-local alliances, enabling decision-making at a more strategic level. It is a democratic vision based not on a policy imposed by central government, but on the need to create a more appropriate form of governance that reflects the public it serves and the lives they lead. We feel strongly that legislation and public policy should encourage and nurture these local allegiances, removing obstacles and incentivising co-operation.

Evidence Summary

The East Midlands 'Three Cities' Partnership

The East Midlands Three Cities project is an example of a City Region structure in action. Nottingham, Derby and Leicester have taken a partnership approach to jointly tackling the regions economic, social and strategic challenges.

Drivers

- *Nottingham, Derby and Leicester jointly form the urban core and economic engine of the East Midlands.*
- *The Three Cities form "a conglomeration of connected metropolitan centres and overlapping markets which provides a wide range of housing, lifestyle, education, employment, retail and public service choices to nearly 2.4 million people".*
- *The Three Cities have historical links:*
 - a) Provincial shire county neighbours.*
 - b) Major industrial cities throughout the 19th and 20th centuries.*
 - c) Past three decades have seen the cities' industrial bases replaced with new economic growth in finance and business, science, higher education, and public*

service sectors.

d) They have developed demographically, becoming diverse urban magnets.

Principles

- The partnership is made up of the three city councils, Nottingham East Midlands Airport, and other regional and sub-regional bodies.
- The partnership jointly funds a coordinator post to drive forward the 'Three Cities Action Plan'.
- This plan is the key over-arching document informing individual city and sub-regional strategies.

Perhaps more commonly invoked than democratic imperatives are those of an economic nature. Evidence suggests that the UK's informal City Regions are increasingly emerging as drivers of regional and national economic growth.

A key benchmark against which City Regions would need to be held accountable is their success in building on this trend, with the competitiveness and productivity of City Regions being supported and enhanced. For City Regions to have this impact, they should be given as much influence over physical infrastructure and resource allocation decisions as possible. International attempts to turn around failing cities, for example the regeneration of Bilbao, have been successful because the city and City Region had the fiscal and planning powers to effect large-scale regeneration projects, such as the building of a Metro system and the Guggenheim Museum without having to refer any decisions to central government. Under the current UK system, projects of this scale cannot proceed without government agreement. Moreover, they are occasionally turned down, as illustrated by the recent decision by the Secretary of State to prohibit the extension of the Metrolink system in Manchester.

Evidence suggests that decision-making takes place best at a level commensurate with the catchment area it seeks to effect. The economic case for City Regions needs therefore to be matched by the ability to raise local finance and make planning and financing decisions.

Evidence Summary

IPPR Centre for Cities

There is emerging evidence that scale matters: where administrative boundaries match economic flows, cities perform better. Empirical studies suggest that City Regional structures most closely approximate urban economic areas – and could promote growth and performance improvements. Anecdotally, UK cities such as Leeds and Edinburgh have performed well in part because they have generously-drawn boundaries that ensure greater congruity between their economic and administrative areas. Narrowly-bounded cities, such as Liverpool, Manchester, Nottingham and Glasgow, have faced serious co-ordination issues.

ii) improvements necessary for existing strategic arrangements

For City Regions to be of value, they must bring benefits that current arrangements do not. At present the issues of sub-national governance and economic development that informal City Regions face are shared between various bodies: some local, some regional and some national. For example, decisions on major road or rail investment are still held tightly by Whitehall via the Highways Agency, which in turn relies heavily on advice from Government Regional Offices and who often insist on local authorities bidding via the Local Transport Plan process. RDAs have for the most part developed a positive reputation, despite a lack of democratic accountability, and some are now themselves recognising the case for City Regions through their own sub-structures and sub-regional plans.

We are of the view that while a good case exists for regional coordination and cooperation, much of the detailed strategic planning and decisions are best focused at sub-region and City Region level, where most economic interaction occurs, where popular identity is strongest and where other agencies and stakeholders can engage more readily in governance activities. Developing City Regions represents a potential enhancement of existing arrangements, clarifying the level at which certain strategic

policy decisions are best settled.

Evidence Summary

East of England Development Agency (EEDA)

- *EEDA is developing an approach based on small/medium cities being able to develop international/national competitive competencies and cohesive networks.*
- *Has supported establishment of Regional Cities East, an initiative comprising local authorities of Peterborough, Luton, Colchester, Ipswich, and Norwich in realising economic growth through city-wide planning and management mechanisms.*
- *Considers there to be a strong case for reconfiguring the planning and management of existing growth areas around functional city regions of 300-400,000 population.*
- *Focuses specific economic and research and development specialisms in regional cities around London enhancing the overall offer of the capital.*

East Midlands Development Agency (EMDA)

Following early direction from the Government Office for the East Midlands and the Regional Assembly, EMDA is developing a regional leadership executive model as a means of bringing together a range of public sector interests (beyond those covered by the current consultation). The model should provide a mechanism for relevant regional public sector leaders to discuss priorities and reach agreement on the way in which those priorities should be addressed for the greater good of the region. The aim of the Leadership Executive will be to develop a long-term strategic approach over a 10-15 year period.

Interim feedback from consultation with key regional stakeholders on the proposal for a leadership executive endorses the need and principle for the 'Executive', provided the role of Local Strategic Partnerships, Sub-Regional Strategic Partnerships and other regional partnerships is maintained. Regional delivery partners support the idea of an 'Executive' where they can work together to identify

priorities for the region that will lead to the more effective use of resources and delivery.

The strength of the Leadership Executive and its initial role will lie in maximising spend by identifying areas of duplication, identifying priorities and targeting of resources to meet them.

To perform its role most effectively the Leadership Executive would need to:

- *Collaborate effectively on common issues with a balanced representation of interests.*
- *Agree mechanisms that will measure the impact to the regional picture of targeted resource and effort.*
- *Commission a system/s to share data, evidence and common intelligence about the region.*
- *Develop effective communication channels with regional partnerships and local authorities.*

While the benefit of RDAs, when working effectively, is apparent, the same cannot be said to be the case of the existing RAs and Regional Chambers. These add little value to notions of public accountability or legitimacy, with their purpose unclear and a disconnection existing between their functions and composition. We consider this failure to represent and engage localities with regional coordination a major motivator behind the more recent collaborations emerging across City Regions.

Notwithstanding these shortcomings there has been no overt desire from the majority of the Commission to see City Regions replace regional bodies *per se*. The latter are seen as serving an important role in offering co-ordination, scrutiny and mediation. However, some members of the Commission did consider going further in our recommendations in this area; most notably Graham Stringer who held a strong view that once City Regions develop and progress, they could absorb all the functions of the RDAs and RAs.

Nevertheless, for most of the Commission, the purpose of City Regions would be to enhance the effectiveness of regional bodies rather than supplant them. Regional

bodies need to adapt to accommodate 'layers of thinking', moving towards a more pluralistic view of their regions. Effective City Regions offer a route through which to do this, becoming a channel of communication from intra-regional localities, and an avenue down which to direct resources.

The role of City Regions as a means of resolving the flaws of current arrangements does not lie therefore, in wholesale transformation but in adapting and re-evaluating relationships between local and regional governance. We call for a review of the functions, responsibilities and organisational structures of current regional bodies. This would bring a clarity that would in turn serve to guide a streamlining of how regional work is done. The outcome should be regional organisations fit for purpose and which work with City Regions.

6 Structures

This chapter considers the Commission's discussions on the structural arrangements that would best deliver City Regions. The key conclusion is that City Regions will be most able to deliver when they are made up of existing local institutions. Through their existing knowledge and capacity, local authorities offer the ideal foundations upon which to build structures. This would ensure that the arrangements which develop are fit for local purpose, able to respond to the particular in a way a monolithic imposition would not. Even allowing for this diversity however, there are common principles which all City Regions should uphold. Most importantly these are clearly defined leadership, with attributable responsibilities and the incorporation of all areas within the City Region. The final part of the chapter focuses on relationships between City Regions and other levels of governance, with local government being their composite, regional bodies forming their partners, and central government empowering them.

Recommendations

Building from existing institutions

We would like to see partnerships of local authorities (and other appropriate stakeholders) emerging in localities to deal with their particular concerns, rather than imposing a universally applied single model. This would lead to a plurality of models, each fit for specific purpose.

Common principles of City Regions

The City Regions we seek must demonstrate organisational soundness through meeting a set of basic criteria: leadership within partnership to direct decision-making and co-ordinate action; organisational legitimacy through holding accountable membership and clearly outlined responsibilities; and demonstrable benefits across the entire City Region, through accommodating all voices.

Relationships with other levels of governance

We recommend that City Regions are formed through positive relationships with existing institutions. Specifically, this means that local government will make up City Region partnerships; RDAs will see their economic strategies more formally composed of City Region and sub-regional partnerships; RAs in time will pass scrutiny and spatial planning powers to these partnerships; and central Government will recognise and empower City Regions.

i) **building from existing institutions**

For City Regions to deliver on their democratic and economical imperatives, as well as enhancing the effectiveness of existing regional bodies, they must be based around organisational structures that are 'fit for purpose'.

City Regions should not be realised through the imposition of new administrative structures. A clear message from the outcome of the North East referendum was that there is little appetite for additional levels of governance. Public fears over increased costs and bureaucracy bring popular resistance to what is considered an already cluttered governance arena.

In addition, we feel that the introduction of another new layer of governance would diminish and clash with existing institutions, particularly local authorities. In considering what the fundamental building blocks of City Regions should be, we found that their character is more tied to urban identity, strengthening the voice and clout of large conurbations. Consequently, they are best developed as the next wave of reforming and strengthening local government, rather than as a proxy alternative for regionalism. Local authorities offer capacity for action and knowledge of local concerns which would be lacking in wholly new institutions and City Regions would best be realised by building on these foundations, with local authorities adapting to collectively form them.

The starting point of planning City Regions should be a recognition of what needs to be achieved and the bodies' best placed to achieve it, rather than a focus on building a universally applied structure. The key is that City Regions

must develop organically as an extension of both local authority working and existing regional bodies. Such a process of development would form around real strategic concerns, not an artificially created imposition to tackle imagined issues.

Consequently, policy-makers will probably have to reconcile themselves with the 'variable geometry' of these structures. This would mean a plurality of approaches across the nation, each accounting for a particular set of circumstances. While there are obvious areas where City Regions would be very appropriate, there are equally many areas where they would not. In the absence of a single, dominant city or a cluster of cities around which activity can be based, a holistic sub-regional or county approach may be the best route to strategic governance. The key is that City Regions should not be the only route to achieving supra-local arrangements that fit within a regional framework. Where there is a clear case for activity emerging around a city based on lifestyle patterns and public identification, this should be built on. The economic policy coordination of regional institutions (such as the RDAs) will need to develop new relationships with these more powerful and identifiable sub-regional arrangements and City Regions.

City Regions then should be developed through an evolution of the role of existing levels of governance and activity. There is a case for the remit of City Region local authorities to be developed to include a much stronger push towards taking a role beyond their own boundaries. This would embed the idea of City Region level working within local authorities, giving it default status.

Evidence Summary

West Midlands Regional Assembly (WMRA)

- *WMRA has an active interest in the city region concept based on its statutory responsibility to scrutinise Advantage West Midlands, and for the Regional Spatial Strategy (RSS)*
- *Has participated in Birmingham Regional City Region Officers Network, an informal working group*
- *Establishment of formal city region administrative*

level is only logical if there is clear evidence of a deficit in policy and operational decision making. In most cases this can be countered through strong cross-boundary partnership arrangements

- *Government should not be prescriptive but supportive in encouraging local authorities to step up the level of partnership working*
- *Single, all encompassing city region structures with defined spatial boundaries would be difficult and unproductive. Evidence suggests different areas would be appropriate for different functions*
- *This 'variable geometry' model of partnerships and arrangements to match specific interdependencies would maintain links with community through LA engagement. This approach would serve to use existing administrative arrangements to build bespoke, flexible arrangements*
- *Important that city region arrangements are developed with consideration to the wider regional and national strategic, policy, and political landscape, working with existing structures rather than seeking to dismantle or supersede them*
- *consensus for 'variable geometry' arrangements needs to be built through widely shared vision towards productivity and economic advances, coupled with urban renaissance objectives making urban areas more attractive to live and work in*
- *Debates over leadership should not detract from sense of purpose. Legitimacy of arrangements stems from genuine involvement of all partners in developing programmes around this*

This would most effectively be achieved through local authorities entering into strategic alliances, with other stakeholders joining where appropriate. The composition of these alliances would be determined not by arbitrarily drawing up geographic boundaries, but a reflection of the actual flows of activity around a core. There is much evidence of these partnerships already forming to tackle specific development concerns, in particular through the 'Northern Way City Region Development Programmes',

and the 'Three Cities' model set up in the East Midlands. Successful development of City Regions will build on these, giving motivation to forming partnerships through increased institutional recognition and resource.

Evidence Summary

Northern Way City Region Development Programmes

Northern Way City Region Development Programmes (CRDPs) represent City Region working in action. They have been produced to address economic underperformance of the North of England, recognising the need to better utilise the regions' assets and to focus on areas that can produce internationally competitive industries and services. These programmes offer a clear guide towards identifying the principles which prospective City Region structures and models will have to embrace if they are to support economic development goals.

Drivers

The CRDPs each carry the shared vision of seeking to build parity of economic growth with the rest of the UK. Central to this is identification by each of the Northern Way City Regions of the particular contexts they present. Each CDRP largely consists of an evidence base supporting the proposals which need to be acted on to realise the economic aims they are working towards. The common themes they seek to address can be broadly summarised as:

- *Exploiting the full potential of city region assets and infrastructure.*
- *Making better use of workforce capacity through widening employment and tackling skills shortages.*
- *Creating a climate for entrepreneurial culture through establishing a context agreeable to business start up.*
- *Improving connectivity through investment in transport links and capacity and means of information flow.*

Common to all CRDPs is the use of partnerships to develop strategies and, in varying ways, to drive them forward.

Talk of adapting the local authority remit inevitably leads to the issue of reorganisation. Some members of the Commission feel that the current multi-layered system of district and county councils is a confusing accident of history. If local authorities are to be able to ally across their boundaries, there is a clear case for rationalisation. The issue of unitarisation has been a nettle which central government has been reluctant to grasp, but perhaps the time has come for it to consider doing so. If authorities are to represent their localities on a larger stage there will need to be clarity over their particular remit. The clear advantage of stronger City Region, sub-regional or county arrangements could be that they might form a starting point for considering whether, and if so how best, to unitarise local government. This could be the catalyst that sees a single authority structure become the accepted norm.

ii) common principles of City Regions

While City Regions will best emerge through local cooperation, with the diversity this would bring, principles are evident which should be common to all.

The first of these is leadership. We are aware of concerns that a newly created model of executive leadership for the entire City Region might override and dominate the powers of existing councils. Despite this, we feel that City Regions undoubtedly need some form of effective leadership to drive decisions and overcome potential blockages. Without stable and accountable leadership City Regions would be liable to constant renegotiation and unfocused decision-making. Several options are available for City Region leadership.

Importantly though, this leadership must be a directing and co-ordinating rather than an executive role. All partners across the City Region should be considered as holding the same level of influence within the partnership, with the lead authority being a 'first among equals'.

Evidence Summary

Solihull Metropolitan Borough Council

- *Partners in the Birmingham City Region have made a commitment to work together to take forward the growth agenda and to engage partners from surrounding areas as the agenda is developed.*
- *Need for clear and effective leadership for the City Region at strategic delivery level.*
- *The economic geography of City Regions is fluid and therefore better suited to partnership and alliances rather than formal structures.*
- *RDAs could benefit from very clear direction to work with and support City Regions, recognising them as critical to the delivery of their economic strategies.*

The second common principle of City Regions is that they should be clearly defined, both in their composition and their responsibilities. Membership must be an attributable component of local authority duties, to which it is publicly held to account. To this end the responsibilities of the partnership must be clearly outlined, and legislatively allocated. Without this identification, City Regions lack the legitimacy and authority to affect real change. For this ideal to be made real, partnerships must attain a formal status – with the resources and powers this would bring.

Finally, City Regions should be developed around the needs of the city region in its entirety, with benefits being spread throughout the area. City Regions should not work merely for the benefit of the urban centre. There must be a ripple effect, with the impact of action in one area spreading around the city and its hinterland. This will require the full involvement of representatives throughout the City Region, with it being made implicit that membership is not held for the good of individual local concerns but the entire conurbation.

iii) relationships with other levels of governance

Alongside these organisational criteria, it is important to

define the position of City Regions with regard to other levels of governance. Existing local authorities should make up the composition of City Regions, making them a route through which councils enact on their cross-boundary concerns, forming a symbiotic relationship.

With regards to RDAs, City Regions should be incorporated into them, helping drive the sub-regional planning that at present could benefit from greater local engagement. City Regions should emerge as the avenue of communication which prompts regional action, and the channel through which their resources are deployed.

RAs and Regional Chambers of all local councils in a region, as currently constituted, are in theory the vehicle by which the RDAs are held accountable and scrutinised. They are also institutions with powers to coordinate strategic spatial planning. City Regions (and outside urban areas, county or other sub-regional partnerships) will be better placed to undertake many of the functions currently held by these bodies. City Regions are better interlocutors between the local public service issues facing local government and the broader strategic economic issues tackled at a regional level by RDAs.

Central government offers a more complicated relationship dynamic, with it setting the context within which City Regions can emerge, and then awarding them legitimacy through recognition. With this in mind, the ideal relationship between City Regions and central government is one of mutual trust, with the latter giving the former autonomy and powers with which to be effective. Central government should relate to City Regions as the most powerful advocates of urban development and local economic growth.

7 Functions

This section outlines specific proposals for functions that the Commission believes would benefit from City Region coordination. In keeping with our intention not to devise a definitive one-size-fits-all model of a City Region to be applied across the board this is not an exhaustive list. Rather it is a guide towards the policy areas where City Regions are able to offer new opportunities and functional capacity, in particularly those with a strong spatial element and need for integration.

These proposed functions are broadly divided into two categories. Firstly, areas where City Regions are able to take a direct role in the development and implementation of policy solutions, identified here as transport and economic development. Secondly, areas where City Regions can take a scrutiny and oversight role, identified as housing and planning. There should be no set mode in which City Regions take on these roles. Rather, individual City Regions should be equipped to choose whether a direct or scrutiny role would be most suitable for their particular function needs.

Recommendations

Transport

Current transport powers lie at regional, metropolitan and local authority level. The Commission believes that some of these should be transferred to City Regions, where they are created. At the same time City Regions must be allocated transport funding to autonomously develop and act on capital spending projects. In time City Regions must be allowed to develop their own revenue raising mechanisms, through borrowing powers and, as part of wider restructuring of local government finance, tax levying powers.

Economic development and Regeneration

City Regions should complement RDA's through directing their resources with precision. In addition, City Regions should be able to bid for business investment, developing institutional identities able

to advocate their offer in the global economy. This will be aided by developing physical and workforce capacity, through adopting a City Region wide version of existing Local Area Agreements and co-terminosity with Learning and Skills Councils.

Housing and Planning

Regional Spatial Strategy should be located with City Regions – where created – as an incremental step towards them developing their own policy making powers over housing. This will encompass the needs of each composite City Region local authority, and with regard for wider spatial issues through City Regions forming planning networks.

i) **transport**

If City Regions are to be formed around contemporary economic and lifestyle patterns then they must have the ability to exert influence over the factors that affect this. With this in mind, transport is an obvious policy area that would benefit from coming under City Regions jurisdiction.

For City Regions to truly be effective drivers of transport policy they must have the resource freedom necessary to deliver on the needs of their area. Current distribution mechanisms for transport capital funding are overly complex, requiring the negotiation of a multi-layered terrain across local, regional, and national levels of governance. This has hampered the ability of City Regions to develop new transport infrastructure, placing decision making at a level remote from the area it will affect. This has resulted in the failure to develop specific projects aiding connectivity within City Regions. The Manchester Metrolink project is an example of this, with a centralised decision meaning the abandonment of a locally desired project. Clearly there is a case for resources available to a City Regions which are responsive to local need. This would also serve to aid the involvement of business in developing transport infrastructure, with City Regions forming a single point of contact in place of the current multiplicity.

We call then for City Regions – where created – to be given the fiscal autonomy to develop their own transport

infrastructure projects. In the first instance this will involve the reallocation of existing funding directly to City Regions. Where appropriate, and where regard is given to the wider regional and national issues, funding currently allocated through RDA and central government channels should be directed to City Regions, with freedom allowed for them to develop and implement projects around their own needs.

The ability of City Regions to more fully control existing funds must be matched with powers for them to generate fresh revenue. In the first instance, City Regions must be given authority to negotiate partnerships with business to develop transport infrastructure. Secondly, City Regions should be given the freedom to borrow money necessary for capital spending projects. Finally, consideration should be given to City Regions being able to generate their own tax revenue contribution towards transport infrastructure capital spending. While the latter point relates to issues beyond the scope of this Commission, it is vital that City Regions are considered as a potential level at which taxation could be levied, with the Business Rate perhaps the most appropriate form.

With the power for City Regions to develop their own transport capital spending projects must also be the means to hold accountability over existing transport systems. It is clear that transport issues extend beyond the boundaries of cities, and patterns of travel are rarely confined to existing divisions of responsibility. City Regions present an opportunity for cross-conurbation integration of transport networks, and are the most appropriate level for coordination to be held at. To this end, the existing Passenger Transport Executives should be brought under the auspices of City Regions, becoming co-terminus with the geography they will cover. This will involve a streamlining of responsibility, with powers currently fragmented across local and central government being consolidated within City Regions.

We do not propose an exhaustive and definitive list of powers to be transferred to City Region level, rather we ask for enabling legislation to allow the transfer of specific transport functions to City Regions where it is found to be appropriate. Notable among these could be powers for City Regions to assume primary role in bus tendering; highways planning; and rail scrutiny. It is important to stress that each City Region will face its own

particular issues, with variations in the particular 'toolkit' of responsibilities held.

ii) **economic development and regeneration**

Economic development is currently the primary task of RDAs, and it will be important that City Regions serve to enhance the work that they are already doing. To this end it will be important for RDA's and City Regions to complement each other, with the latter not being viewed as a threat by the former. City Regions then need to develop in ways that are accepted by the RDA's within which their work will be taking place, offering clear benefits beyond current RDA mechanisms.

City Regions offer a route for RDA resources to be administered with greater precision, addressing the particular needs and complexities of the areas they cover. While RDAs will still have an important role in coordinating wider strategic activity, City Regions should develop the capacity to respond to the issues and challenges of developing their own economies at a more local level.

One of the benefits of City Regions will be to offer an identifiable unit around which economic activity can be driven. They should emerge as identifiable bodies able to express the advantages their areas offer for investment. This means that City Regions must not only be functional bodies but also advocates, able to form a point of contact to business, attracting investment in a global economy. They must be held in sufficient regard, through empowerment and recognition from central government, to enable them to do this.

As with transport, it is important that City Regions are given the resource and autonomy to develop the capacity and infrastructure to back up their offer to inward investors. This will involve an evolution of the current economic development remit carried by local authorities through Local Area Agreements (LAA's). City Regions should build on the principles of LAA's, where local authorities are given the freedom to set their own priorities. Applying a similar model across the wider area they cover would allow City Regions the ability to co-ordinate action aiding in their economic development. Again, there is no single set of outcomes that can be applied across City Regions. Each

should be given the freedom to recognise and develop the specific specialisations, capacity and infrastructure that would best serve their economic goals.

In carrying out this capacity building co-ordination, City Regions will have to work in partnership with other agencies. In particular, City Region workforces will have to be developed in partnership with Learning and Skills Councils (LSC's). There is a case then, for these to become co-terminus with City Regions, working with them in matching human development to the economic and commercial aspirations of City Region economies.

With powers over directing RDA resources; promoting their areas for investment; freedom to set economic priorities; and a role in developing physical and workforce infrastructure City Regions can develop as primary units of economic growth.

iii) housing and planning

Powers to co-ordinate housing already exist through the Regional Spatial Strategy (RSS). Currently sitting within the remit of regional bodies, we would recommend that these would be well served by passing to City Regions. With their composition of local authorities, City Regions would be able to accommodate and co-ordinate local housing needs, with regard to wider spatial concerns.

The transfer of RSS powers to City Regions must be a step on the incremental journey to them developing formal institutional recognition. Eventually, as is appropriate we would anticipate City Regions developing their own housing policy making powers, aligning the needs of individual local authorities within the conurbation with the economies of scale offered at City Region level.

As this policy capacity develops it will have need to incorporate regard for the competing housing needs across City Regions, with a networked approach working to prevent undesirable urban sprawl.

8 Implementation

This chapter outlines the Commission's views on the best methods for introducing City Regions. As indicated previously, central government has a role in setting the conditions to allow City Regions to emerge and in incentivising their formation. They should not however, impose the model. To this end, the Commission feels it is necessary to legislate for a series of freedoms and autonomies, awarded to local authorities entering into effective City Regions. In addition, authorities failing to maximise the potential of City Regions should be incentivised, and in extreme cases where particular councils are deemed to be holding back the formation of City Regions face possible government intervention.

Alongside this, it is vital that a prescriptive model is not imposed by central government. In allowing arrangements to grow organically at a local level out of existing structures, public resistance towards further layers of bureaucracy might be countered. This will also limit the need for referenda, with democratic legitimacy transferred from local authorities. As made apparent in the final section of the chapter, the success of City Regions will lie in their ability to respond to public concerns. It will be vital for City Region work to be done in a transparent way, with appropriate levels of public communication and consultation.

Recommendations

Incentives from central government

Central government needs to give incentives to local authorities to group together as City Regions, particularly through the promise of greater autonomy and resources. The onus is on central government to legislate for such partnership recognition, creating a context in which they are seen to have worth.

Referenda not needed

City Regions made up of local authorities will carry sufficient democratic legitimacy, with no additional mandate necessary. We call for arrangements to

emerge and demonstrate their worth without the need for referenda. Public involvement and intervention would follow the local democratic path, holding the constituent councils to account in the first instance.

Public engagement through transparency

It is vital that City Region working is done openly, with partnerships being proactive in demonstrating their worth. Channels of communication must be embedded, bringing democratic legitimacy and opportunity for public engagement.

i) **incentives from central government**

While City Regions should be allowed to evolve from localities, we would call for boldness in setting the circumstances for this to happen. We do not propose a purely organic growth of partnership arrangements. Relying entirely on those areas which would potentially benefit from City Regions to develop unprompted, independent solutions would in practice lead to little change. Institutional inertia could easily see City Regions going unfulfilled in many areas, with little apparent appeal seen in breaking the status quo.

Central government therefore, has a role to play in creating a clear policy on City Regions and an environment where entering into a City Region partnership is seen to hold obvious and tangible benefits. This would be achieved through offering a 'toolkit' of resources and autonomies available to local authorities who form City Regions. These will largely be the functional freedoms expressed through City Regions outlined in the previous chapter. Central government needs to show its faith in City Regions, through being prepared to give local authorities the freedoms to enable them to be effective in partnerships at this level. If such partnerships do not hold real power, and the ability to affect change, membership will be limited – with strategic decision-making being confined to a select few. With little call coming from the public for City Regions, central government must act as a catalyst where necessary.

Although, as noted, we discount the imposition of a single

standard model of City Regions, there is an opportunity for central government to introduce enabling legislation. This would allow for councils forming City Regions – which match the organisational criteria outlined in the previous chapter – to be given institutional recognition. This brings with it a reallocation of resources and powers released in particular from the RAs but also from a general policy strengthening of local government. In addition, Whitehall departments covering policy areas which could be better dealt with by City Regions (for example, transport, traffic, workforce and planning), should be prepared to relinquish decision-making powers. Central government should view such empowerment as part and parcel of the devolution, freedoms and flexibilities agenda for local government, to strengthen the local voice and give it greater power.

Conversely, in light of powers enabling local authorities greater autonomy through City Regions, there is case for central government giving active encouragement where local authorities do not form partnerships. Here, central government might speak first to those conurbations sufficiently well organised to coalesce around stronger leadership arrangements, or along with the RDAs it might retain a default control over strategic decision-making affecting those areas. This earned devolution offers the right mix of ‘carrots and sticks’ to encourage local authorities to devise their own City Regions.

ii) referenda not needed

In the absence of a wholly new level of governance being introduced, there is little need for public referenda. Indeed, referenda might hamper progress toward City Regions. As previously mentioned, City Regions structures are not a subject which encourages democratic fervour with the public, and discussion of their introduction is unlikely to be entered into *en masse*. Debates of this nature can easily slip into being process-driven and technocratic, compounding disengagement and hostility towards perceived further bureaucracy. With the North East referendum, this was considered by some to have led to a climate of misinformation, with vested interests allegedly setting the terms of debate and working to maintain the status quo.

The democratic case for referenda becomes invalid when the arrangements being introduced are made up of bodies

holding existing legitimacy. This is the case with City Regions of local authorities. With an executive based on elected local politicians, City Regions would hold enough democratic legitimacy from the elected local level to diminish the need for a new mandate. Legitimacy will lie in demonstrating that City Regions are the best means to deliver on popular local concerns. In time, City Regions may act as a catalyst towards reviewing current local authority structures and boundaries.

iii) public engagement through transparency and communication

While a new democratic mandate for City Regions would not be needed at first inception, public support and engagement is vital. In particular, City Region activity must be visible and transparent. A key benchmark lies in the ability of City Regions to be seen as concerned with matters effecting people’s everyday lives. This would counter accusations of a purely bureaucratic agenda, which might breed public alienation. It is not enough for City Regions to work in an opaque manner, with discussions held behind closed doors. Success must be reached through incorporating open channels of communication through which City Regions demonstrate the worth of particular projects and agendas, as well as being directed by public concerns. Not only would this be valuable for being democratically sound, it would ensure that City Regions are able to fulfil the responsive role currently lacking in the present RA partnerships.

Just as City Regions must be implemented through recognition from central Government, they must be also recognised by the public. By becoming a clearly attributable aspect of a local authority’s remit and communicating their worth through effective communication and transparency, such partnerships can win public support without resort to referenda.

In due course, City Regions, where they succeed in boosting local economic prosperity and inward investment, may become the obvious next step forward in local government reform, rationalising two-tier systems or amalgamating fractured city structures. Such change though is best considered step by step and hopefully driven by a proactive enthusiasm from existing local authorities, rather than imposed from above.

Part III – City Regions and their application in England

9 NLGN's reflections on the City Regions debate

City Regions are not an answer for every area of the UK; nor are they a substitute for comprehensive regional policy coordination; nor are they the last word in local government reform. What they do provide however, particularly to a few major conurbations in England are opportunities to pull together and obtain a fairer share of attention from the wider public and private sectors. As the successful Olympic bid and the response to the 7 July terror attacks both illustrated, strong leadership in Greater London can make an appreciable difference. The public in our other City Regions deserve the right to benefit from stronger, clearer leadership too.

For now, radical reform is only realistic in a few areas – with the areas around Manchester, Birmingham and Liverpool being the more obvious contenders. Beyond these however, there is perhaps a case to be made for Sheffield, NewcastleGateshead and Bristol to embrace the concept – organically and in a way that is most appropriate for their patch.

And why stop there? Maybe City Regions are possible for smaller entities such as Stoke-on-Trent, which as the only city outside of London to have a directly elected mayor may in fact bring alternative solutions to some of the questions the City Regions Commission has posed. If City Regions are a step towards stronger and more vocal conurbations in England, there is perhaps a case to be made for even more radical governance change. Alliances and consortiums of authorities forming City Region arrangements would be welcome, but how much more transformational would be a stronger executive clearly straddling this in the way that the Mayor of London has achieved in our capital? A 'senate of leaders' in City Regions would be an interesting development – but elected City Region Mayors are not impossible either.

Not everywhere is ripe or appropriate for a City Region structure, with or without a mayor and executive. This is why NLGN has often talked of 'variable geometry' or in more common parlance, 'horses for courses'. As made clear in the report, voluntary co-ordination is taking place between existing councils, and in the case of the 'Three Cities' model in the East Midlands working well. Yet while there are too many diverse identity and structural differences for wholesale, across the board amalgamations to occur, there is no excuse for holding up those who want to embrace the City Region way.

Either way, there are five golden rules to bear in mind as we consider City Regions as a way forward for devolution in England. First, we need a balanced system of government, recognising the importance of London but not obsessed with the capital at the expense of the rest of the country. Second, nobody can invent a utopia from scratch – political structures will emerge from existing demographics, evolving from local identity and consent, not imposed from the top down. Third, local government needs strengthening, even if at varying speeds in different areas. Fourth, public services cannot coordinate from Whitehall alone, they need to settle at other levels, for sound reasons of efficiency and economy. And fifth, decisions should be democratically informed as far as possible, because the public should always know where the buck stops.

David Miliband, the Minister of Communities and Local Government, has spent the past few months visiting the Core Cities, raising some speculation that City Regions are an alternative shape of things to come. We should hope that this is so.

Unlike existing local authorities, City Regions would bring scale and more readily identifiable presence. Unlike existing regional bodies, they would benefit from strong popular identity, formed around real life demographics rather than administrative boundaries. In time, they could form the next step of local government reform, better placed to integrate within regional economic planning and hold regional arrangements to account more effectively. So in light of the Commission report, NLGN urges the more natural City Regions of England to be brave and blaze a trail, to set aside existing vested interests and to demand a louder voice for their wider community. How best to win

the billions of infrastructure investment needed to keep our major cities competitive? There is strength in numbers, and by pulling together these local authorities can achieve much more than at present.

Appendix A: full list of attendees at Commission meetings

Details correct at time of attendance

Sheila Ahmed, *Cabinet Office*

Marianne Abery, NLGN (on secondment from *London Borough of Lewisham*)

Mark Ambler, *Pricewaterhouse Coopers*

John Biggs, Assembly Member, *London Assembly* and Vice Chair, *London Development Agency*

Suzanne Bond, Director of Strategy & Communications, *South West Regional Development Agency*

Roger Blitz, UK Affairs Editor of *The Financial Times*

Sir Sandy Bruce-Lockhart, Leader, *Kent County Council* and Chairman, *Local Government Association*

Mark Fuller, Policy Officer, NLGN

Catherine Garnell, Policy Advisor, *Liverpool City Council*

Andrew Hall, 'Three Cities' Coordinator, *Nottingham City Council*

Professor Alan Harding, SURF, *Salford University*

Mick Henry, Leader, *Gateshead Metropolitan Borough Council*

Lin Homer, Chief Executive, *Birmingham City Council*

Dr Nick Hubble, Centre for Suburban Studies, *Kingston University*

Sir Robert Kerslake, Chief Executive, *Sheffield City Council*

Lindsey Kirkley, Special Advisor, Projects, *Gateshead Metropolitan Borough Council*

Chris Leslie, Director, NLGN

Yvette Livesey, Visionary Director, *In the City*

Ben Lucas, *LLM Communications* and NLGN board member

Gordon Mitchell, Chief Executive, *Nottingham City Council*

Ian Parker, Head of Strategic Communications, NLGN

Ian Piper, *South West Regional Development Agency*

John Rigby, Economic Strategy Manager, *Sheffield City Council*

Wayne Shand, Head of Economic Policy, *Manchester City Council*

Professor Gerry Stoker, Institute of Political & Economic Governance, *University of Manchester* and NLGN board member

Graham Stringer MP

Natalie Tarry, Research Manager, NLGN

Tony Travers, Director of the Greater London Group, *London School of Economics*

Juliet Williams, Chair, *South West Regional Development Agency*

Anthony Wilson, *In the City*

Appendix B: UK evidence base

Below is a list of organisations and individuals who gave evidence to the Commission.

Written submissions

Association of Greater Manchester Authorities

East England Regional Development Agency

East Midlands Regional Development Agency

English Regions Network

Hartlepool Borough Council

IPPR Centre for Cities

North Tyneside Council

Passenger Transport Executive Group

Sandwell Metropolitan Borough Council and Black Country Consortium

Sefton Metropolitan Borough Council

Solihull Metropolitan Borough Council

South Tyneside Metropolitan Borough Council

South West Regional Development Agency

Veredus

West Midlands Regional Assembly

Yorkshire and Humber Regional Assembly

Professor Gerry Stoker, Institute of Political & Economic Governance, University of Manchester

Professor Alan Harding, SURF, Salford University

Dr Nick Hubble, Centre for Suburban Studies, Kingston University

Mark Ambler, Pricewaterhouse Coopers

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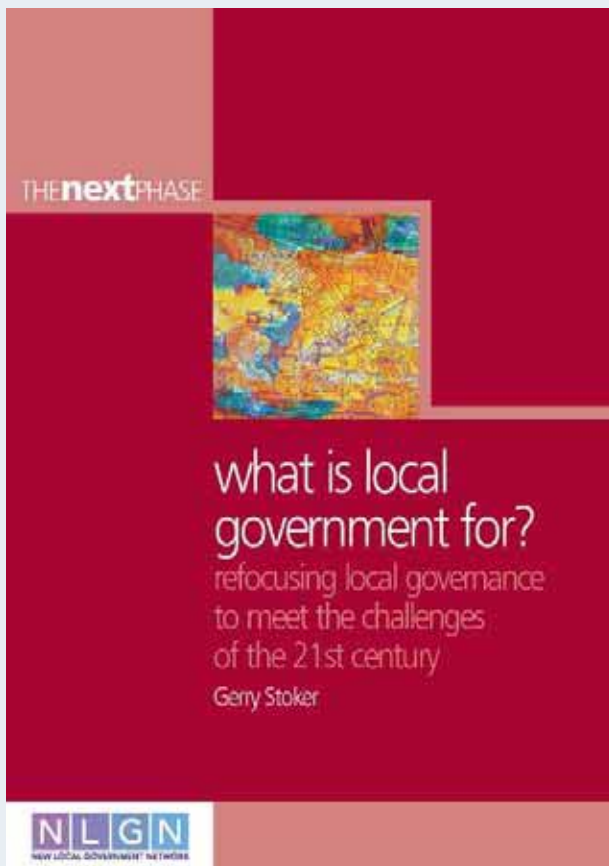
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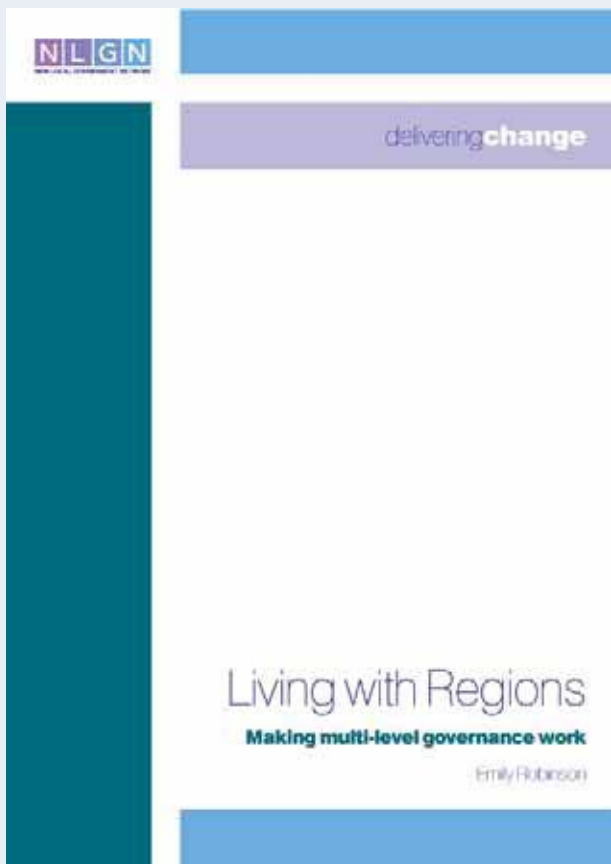
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City Regions are high up on the UK policy agenda, with the potential to drive economic development and enable institutions to work in ways that reflect contemporary lifestyle patterns. Early in 2005, the New Local Government Network established a 'City Regions Commission' to investigate further the prospects for the UK adopting such governance arrangements, particularly in England.

Seeing the Light? Next Steps for City Regions is the culmination of the work carried out by the Commission and an in-house NLGN Secretariat providing background research and collated evidence from a host of UK organisations. Together they have attempted to develop a clear vision for City Regions.

As the report makes apparent, the Commission has concluded that City Regions will best come about through local authority confederations, developed incrementally through local context and knowledge. The types of City Regions proposed in the report are those that will evolve organically, making full use of existing capacity and democratic legitimacy.

While the Commission has attempted to show the way forward for City Regions, it is up to others to deal with the practicalities of how to get there. Armed with the lessons and recommendations outlined here as well as NLGN's concluding reflections, central and local government should embark on this worthwhile journey together.