

THE STATE OF THE CITIES REPORT 2006

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THREE QUESTIONS

1. What we did?
2. What we found?
3. So what for policy?

KEY MESSAGES

- Legacy - benchmark on performance
- Cities matter national success
- London global player
- Sustain/expand recovery cities
- Learn from successful cities abroad
- Policy going right direction
- Trust and empower cities

1. WHAT WE DID?

4 Themes:

- Social cohesion
- Economic competitiveness and performance
- Liveability
- Governance

In addition:

- Demographic change
- Public attitudes
- International dimension

Evidence base

- State of Cities Database
 - 65 indicators
 - 56 PUAs
 - 7 spatial levels
 - 3 time points
 - 10 fold typology
- 12 case studies
- Interviews 250 policy makers
- Literature reviews

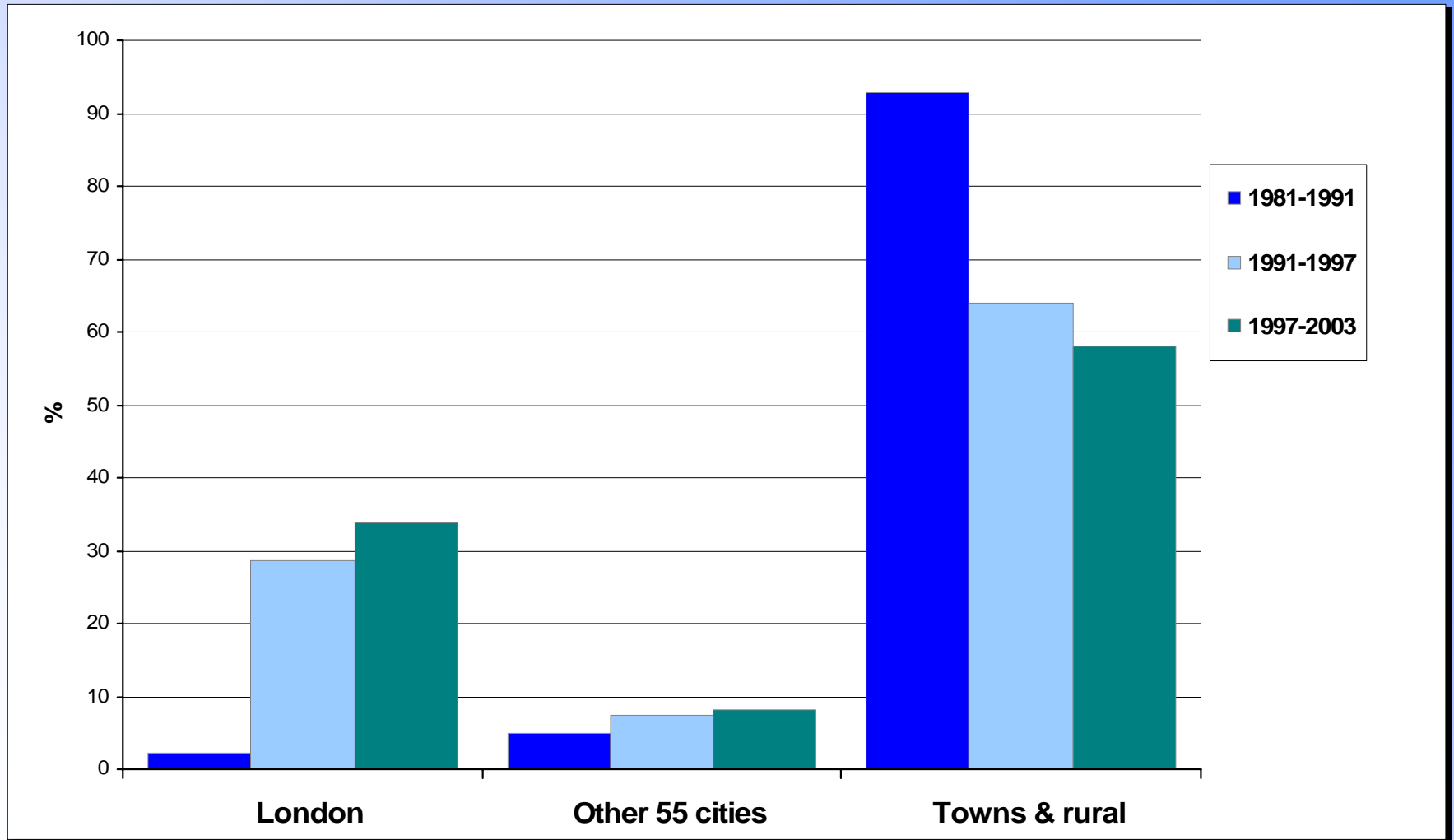
2. WHAT WE FOUND?

Cities Picking Up, Catching Up, Staying Up?

Picking up -

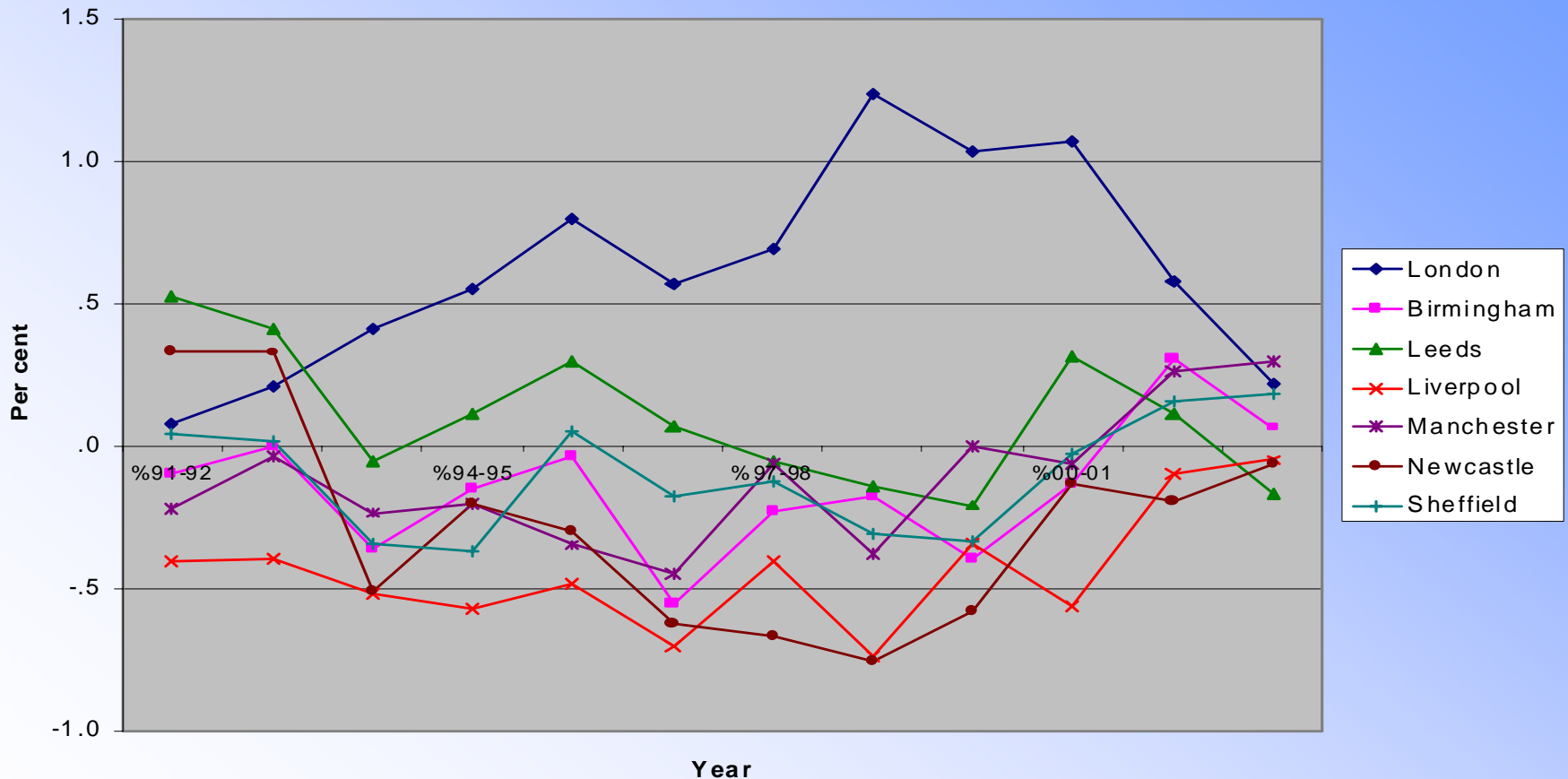
- Population
- Jobs
- Liveability
- Cohesion
- Competitiveness

Cities Contributing More to Population Growth



Mets Closing Gap London

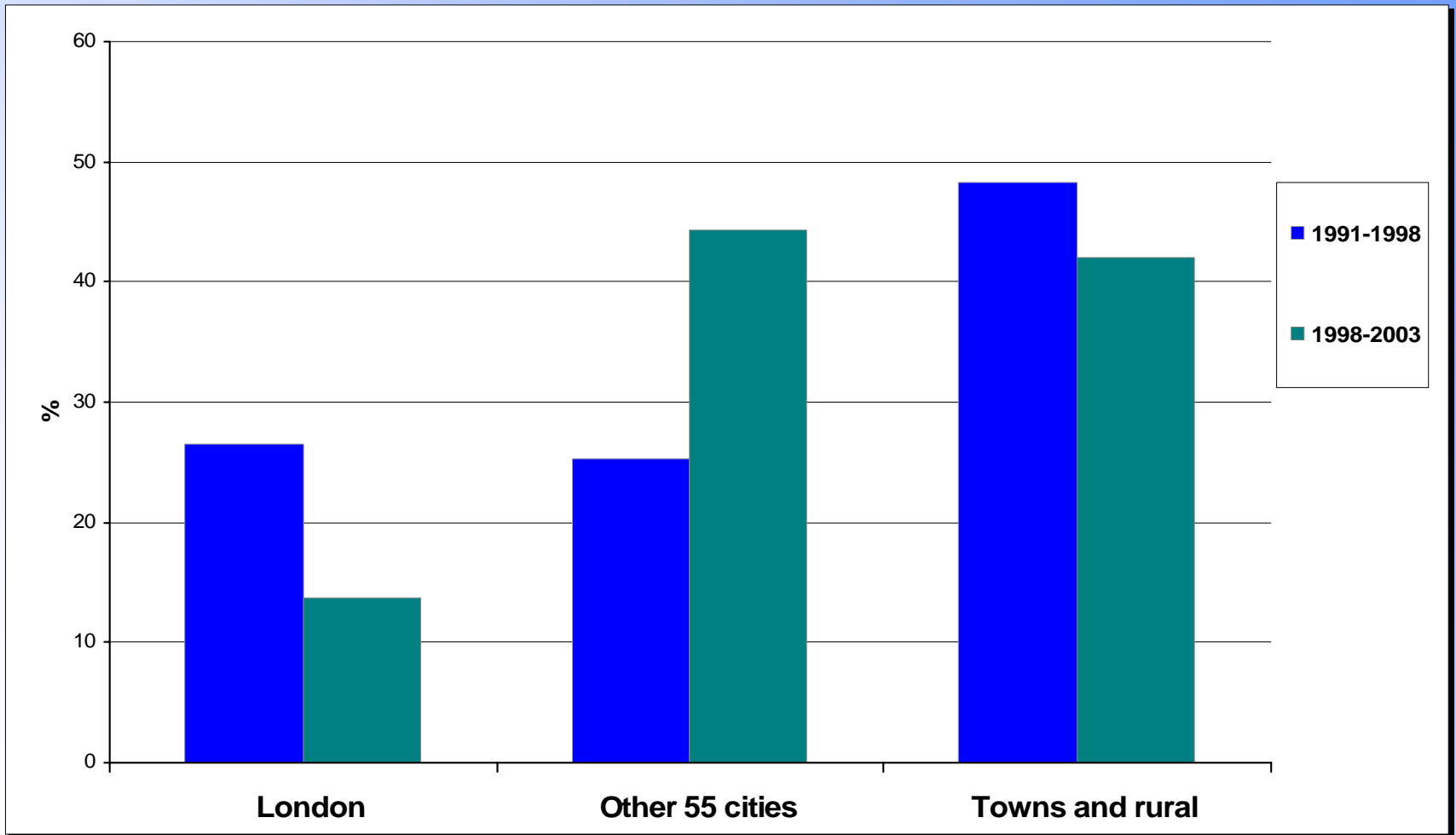
Annual population change rate (%), 1991-92 to 2002-03, London and the Mets



Jobs

- Even more important
- 63% of jobs - 58% population
- Contribution to growth increasing
- More outside London helping

Growing Contribution to Jobs



Social Cohesion

Picking up

- Employment especially some poorest cities
- Health conditions
- Educational attainment
- More people degrees
- Vehicle crime, burglaries declined

Catching up? – city challenges

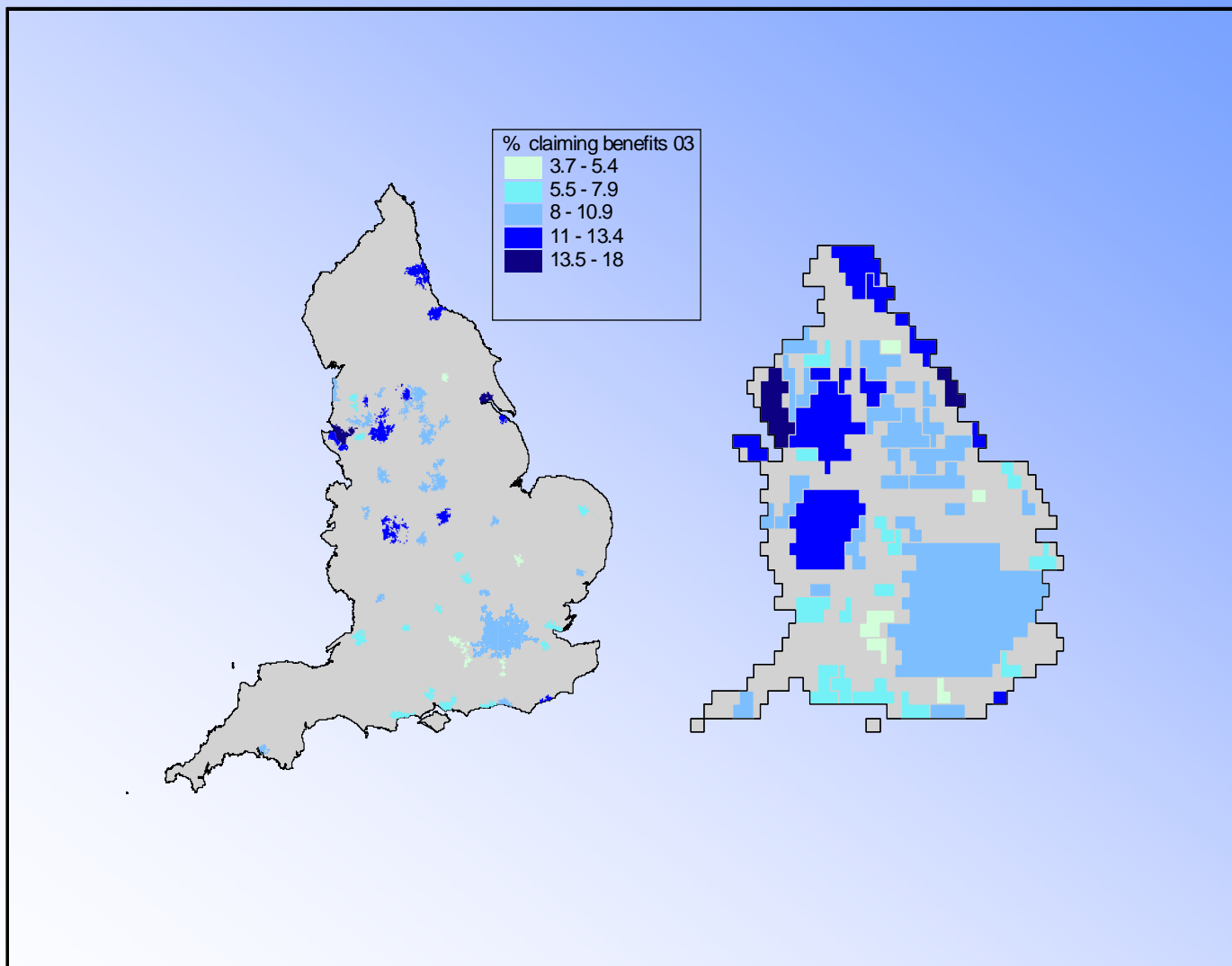
- Deprivation higher, more widespread
- Higher unemployment, worklessness
- Health worse
- Gap poor/better-off neighbourhoods bigger
- School attainment lower
- Recorded crime higher

Catching up? - regional gap

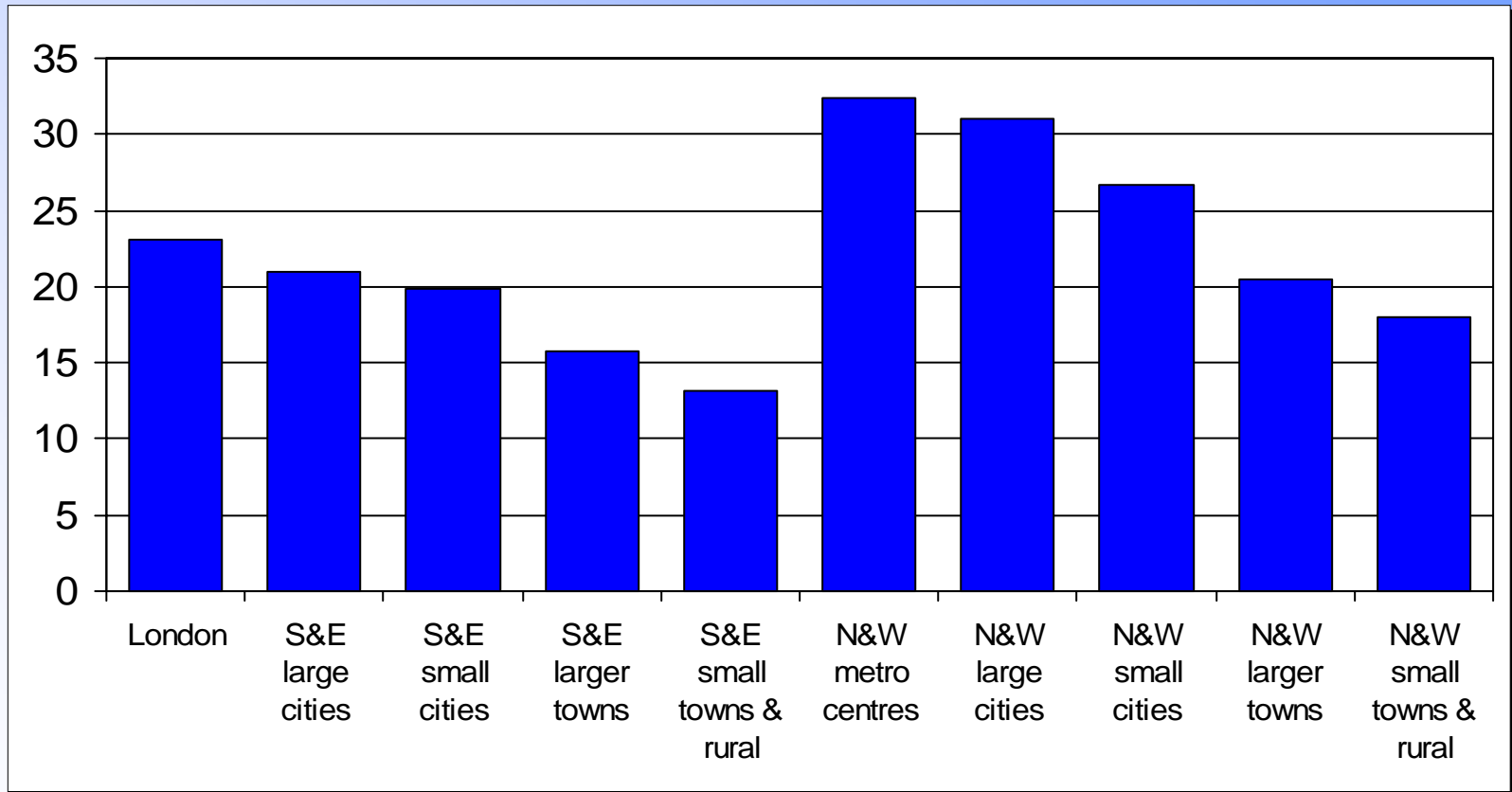
Cities north and west

- Greater deprivation
- Worse health conditions, more poor neighbourhoods
- Higher child poverty, lone parenthood
- Higher involuntary worklessness
- Lower employment disabled, 50+s ethnic minorities
- More people no qualifications, fewer with degrees

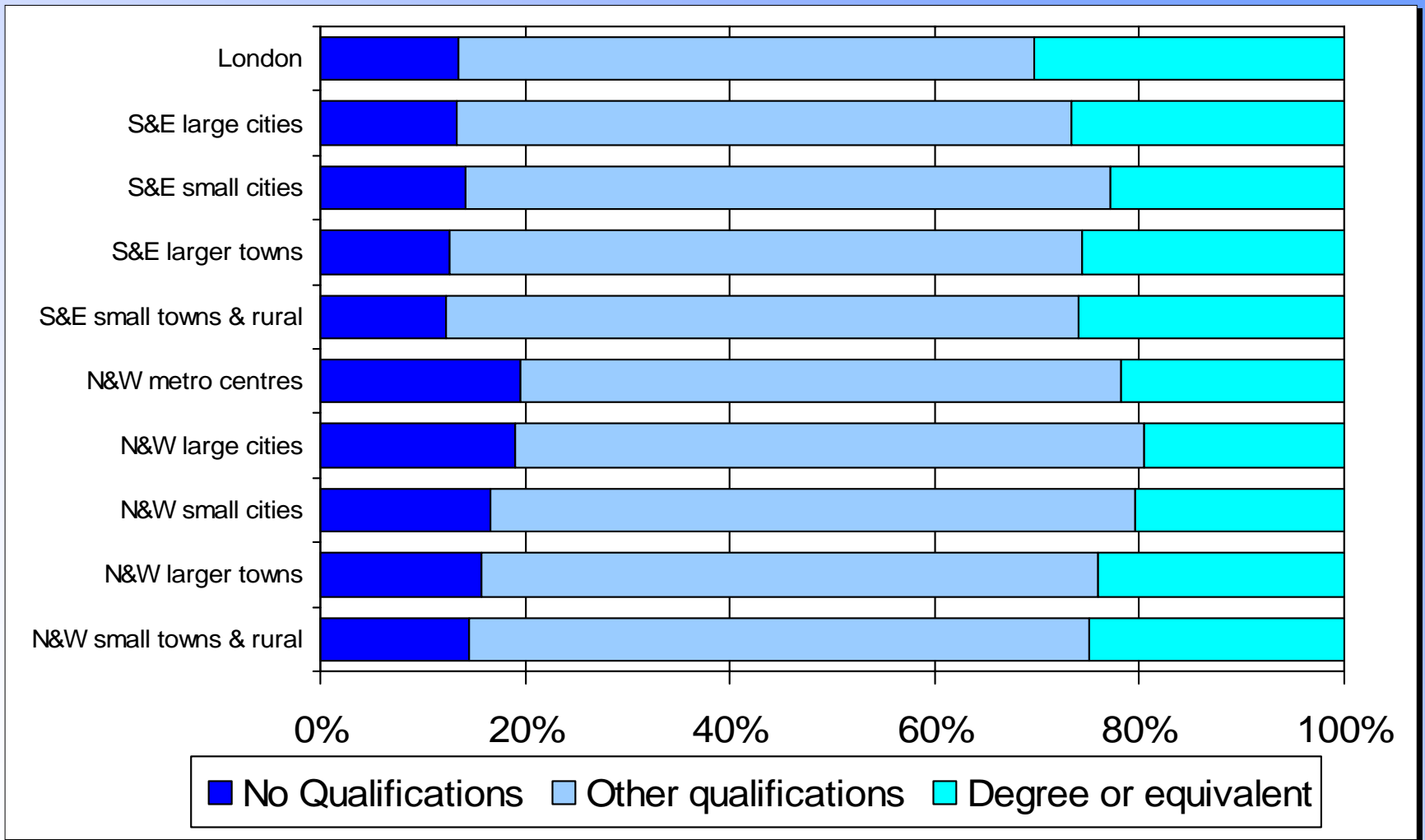
Income Support or JSA 2003



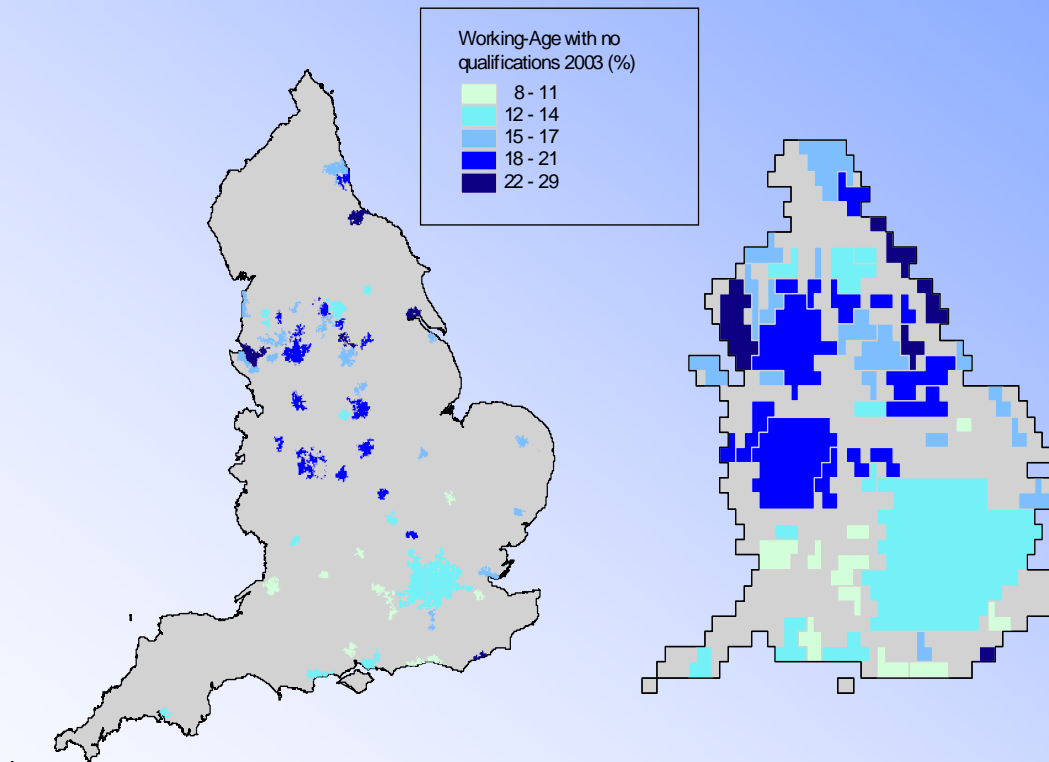
Overall Deprivation by City Type 2004



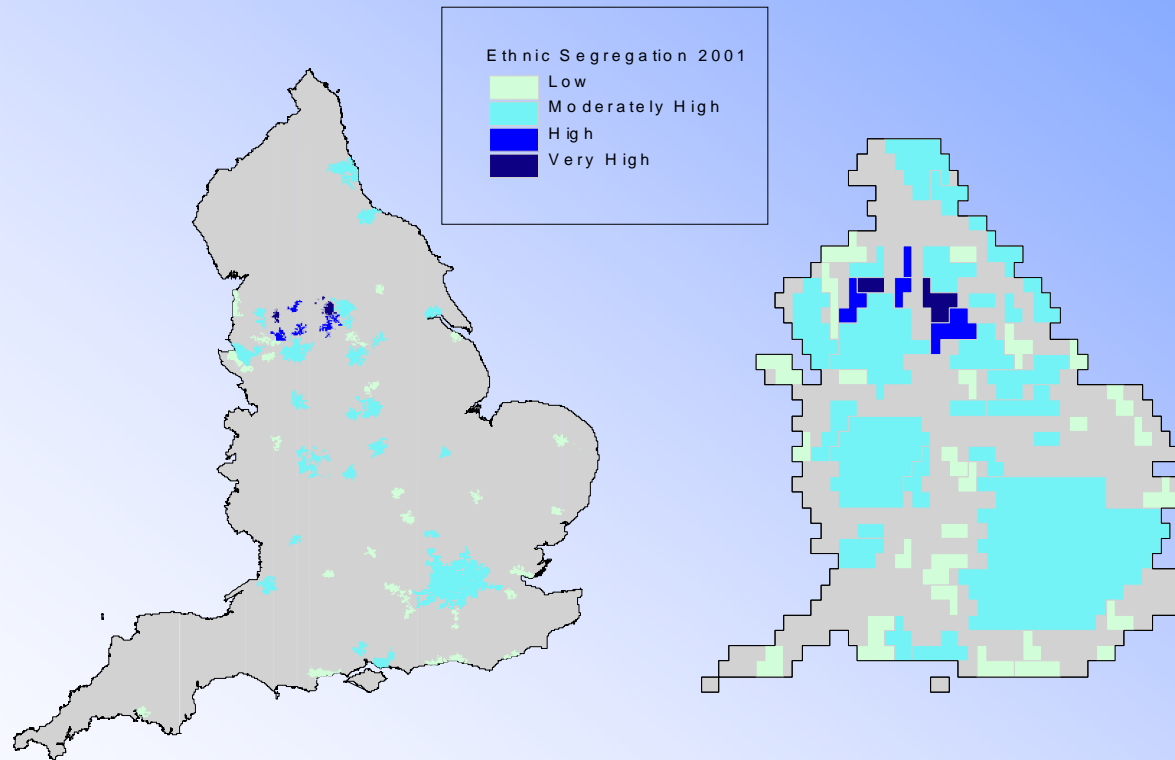
Skills of the Working Age Population by City Type 2003



Working age population no qualifications, 2003



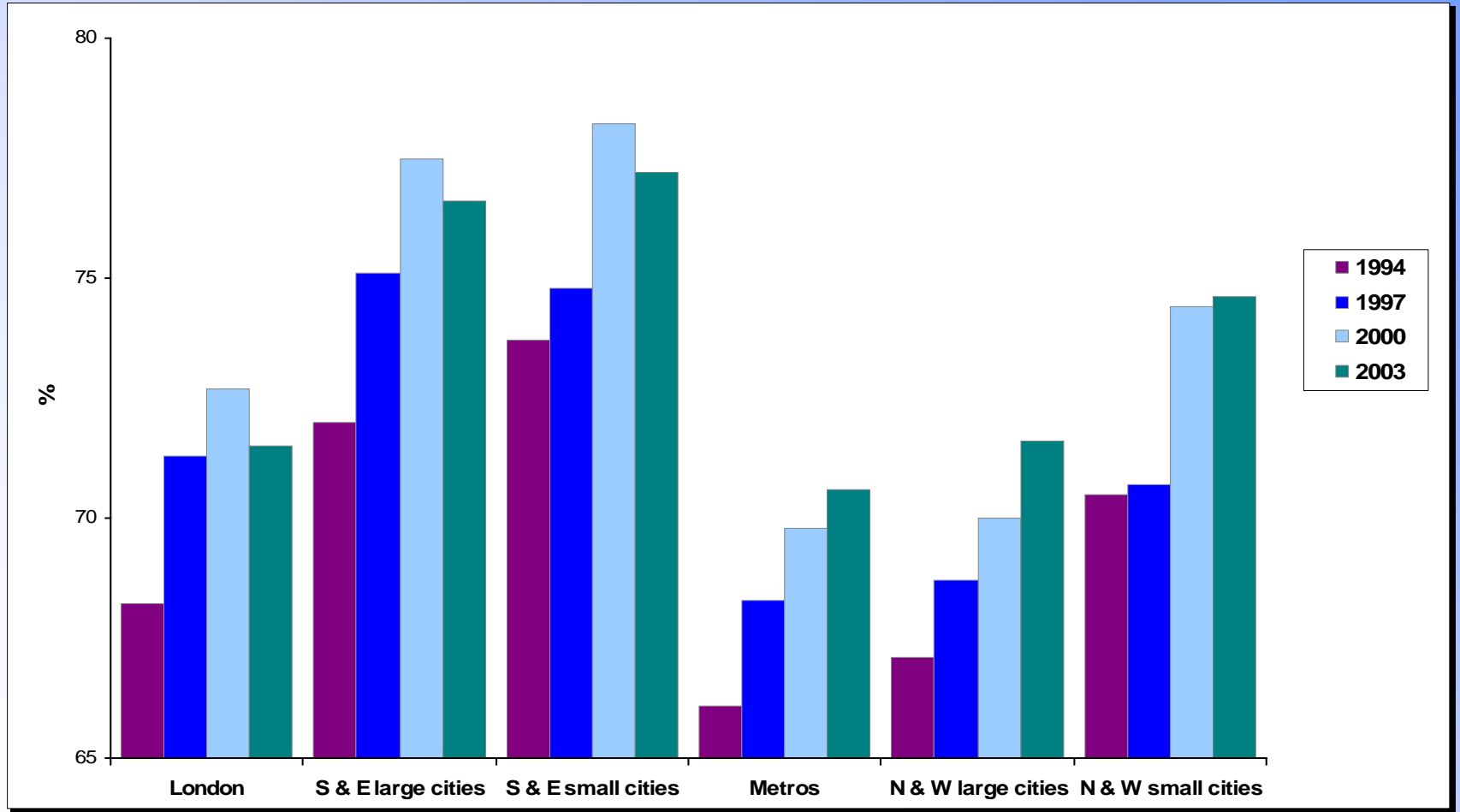
Levels of ethnic minority segregation 2001



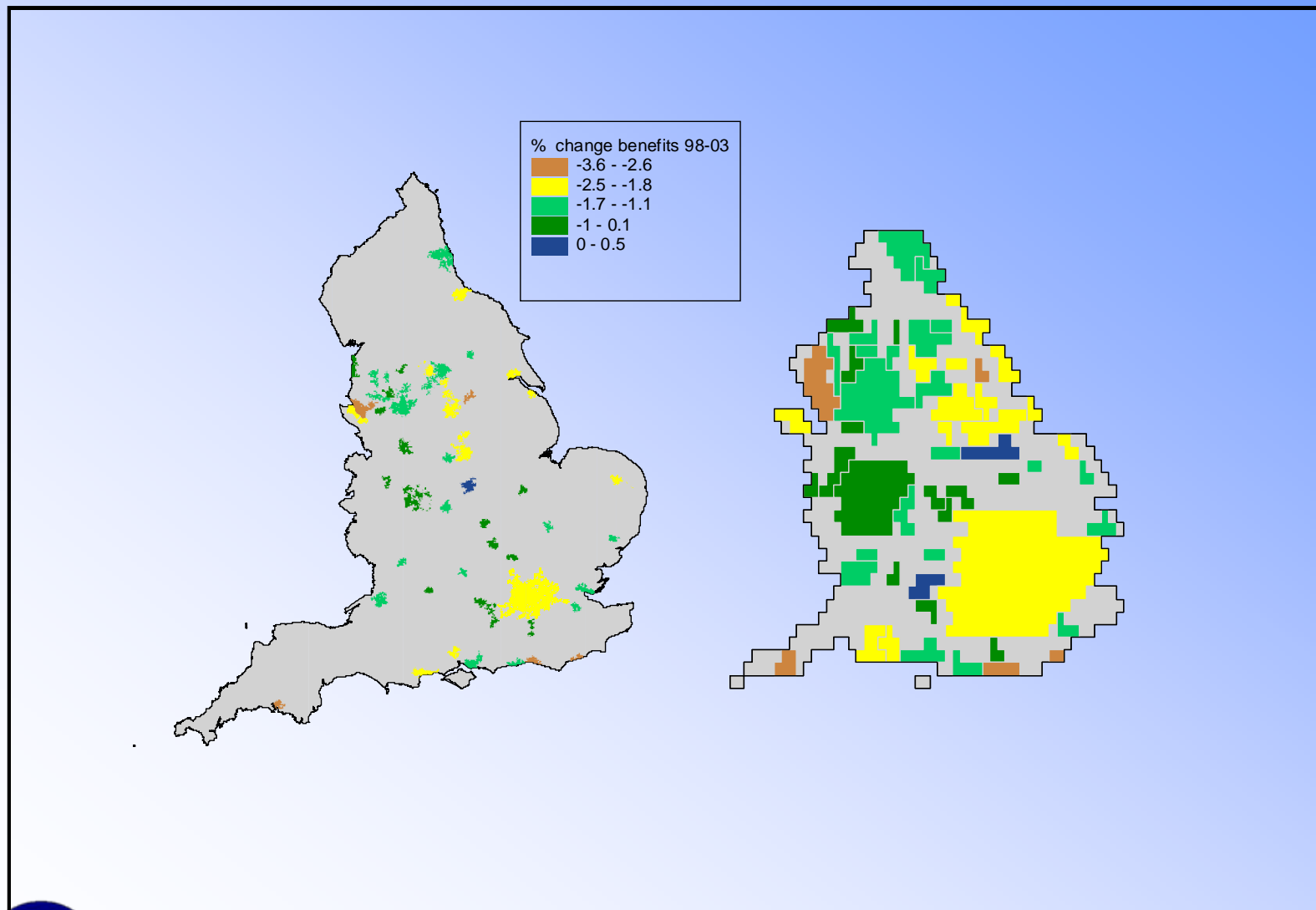
But improving

- Integration increasing cities
- Employment levels increasing
- Worklessness down
- Crime down

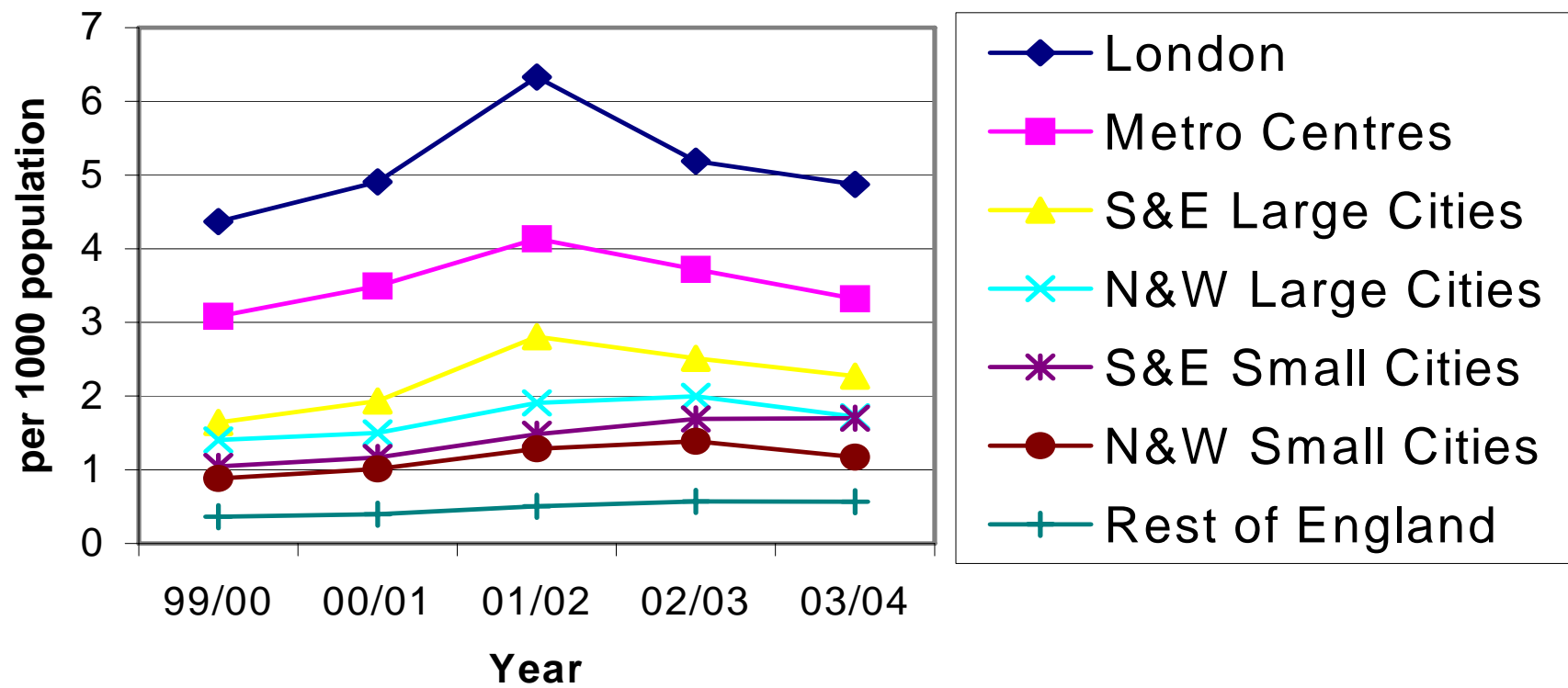
Employment Improving North & West



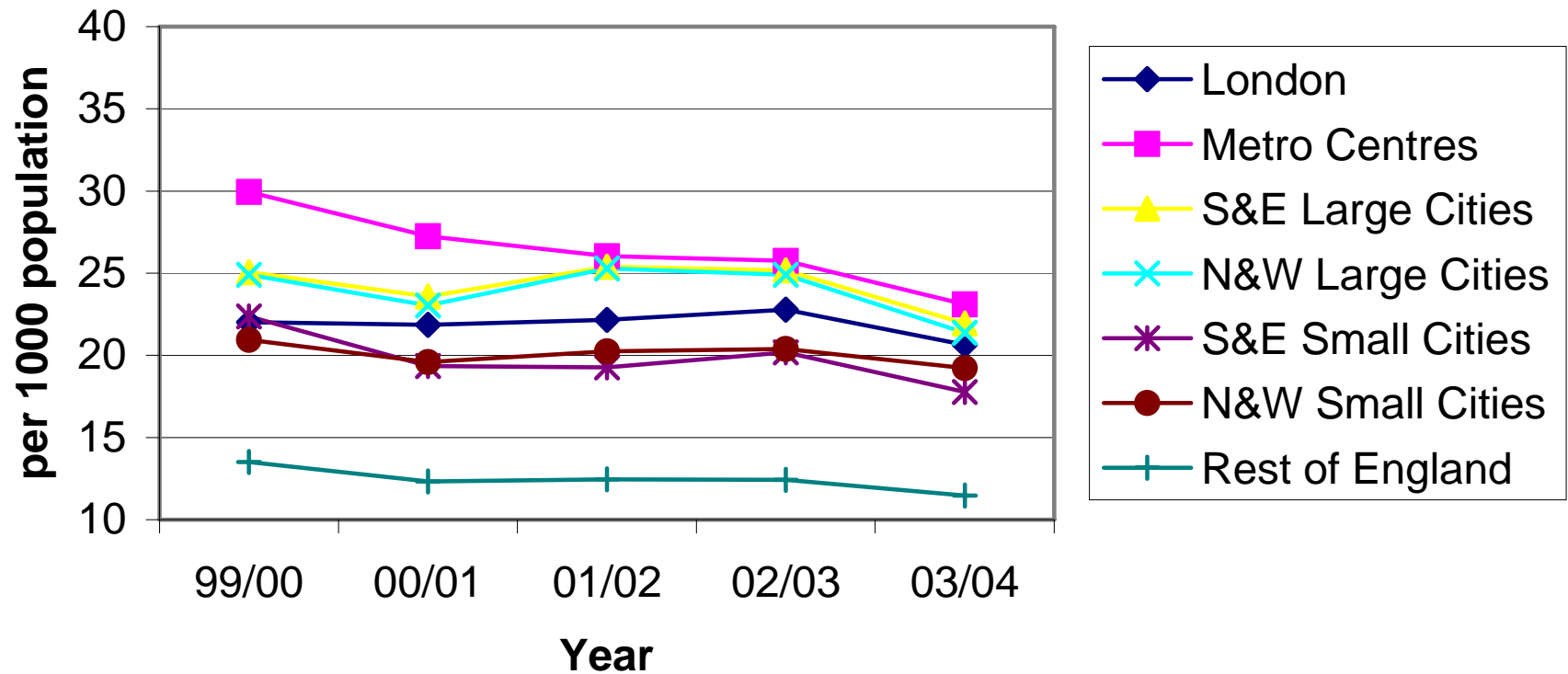
Changes claims IS/JSA, 1998-2003



Robberies



Vehicle Crime



Balance sheet social cohesion

- All cities improved
- Cities south and east done better
- Best at start improved most
- Progress across country
- More needs doing close gap

Economic performance

- Many performing well
- But great differences - income, productivity, exports, skills, innovation, high value added industries, accessibility, availability risk capital
- Cities south and east better north and west

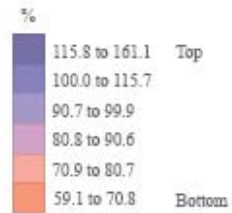
Output Uneven

Gross Value Added (GVA) per head, 2002

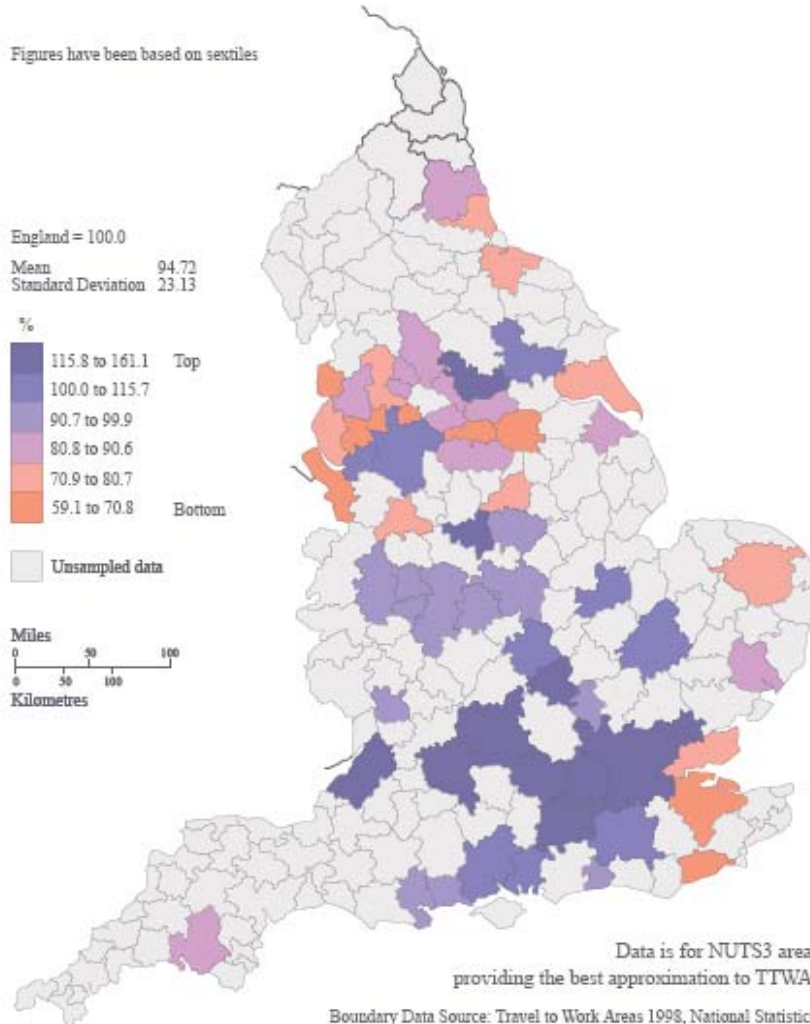
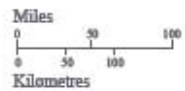
Figures have been based on sextiles

England = 100.0

Mean 94.72
Standard Deviation 23.13

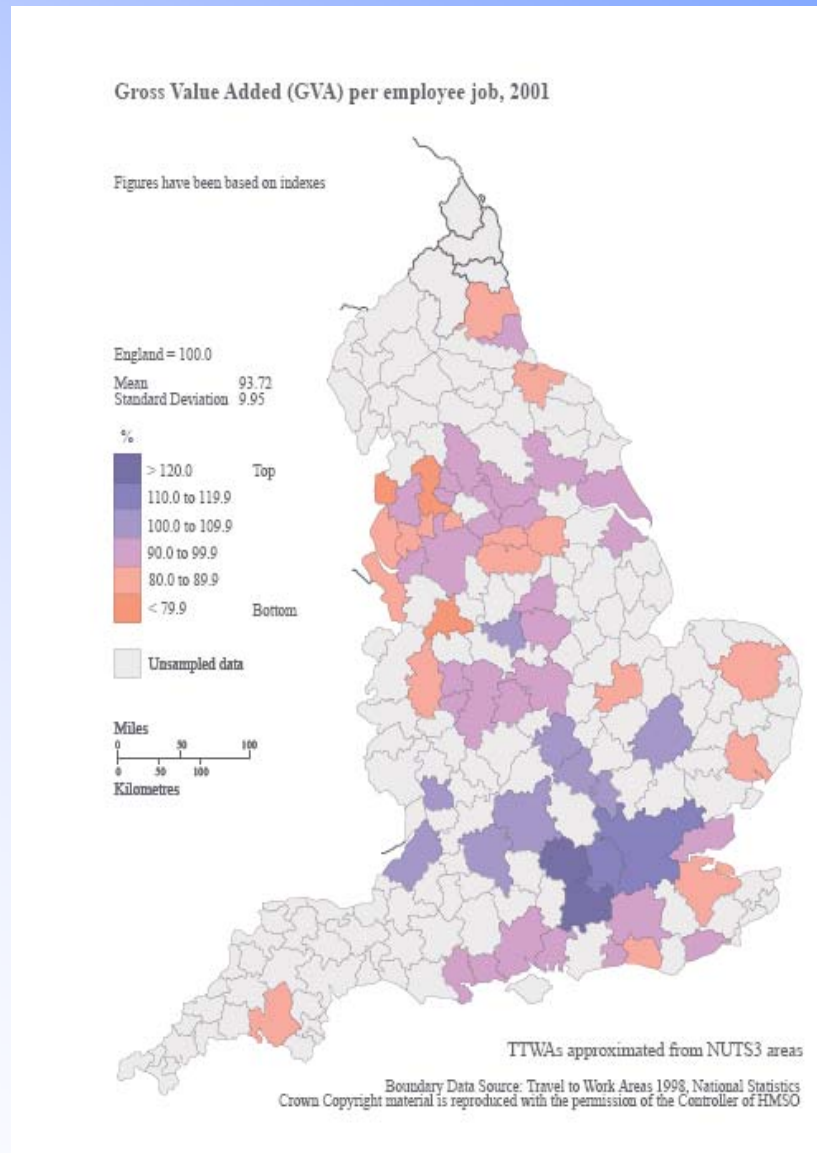


Unsampled data



Blue – high
Orange – low

Productivity uneven

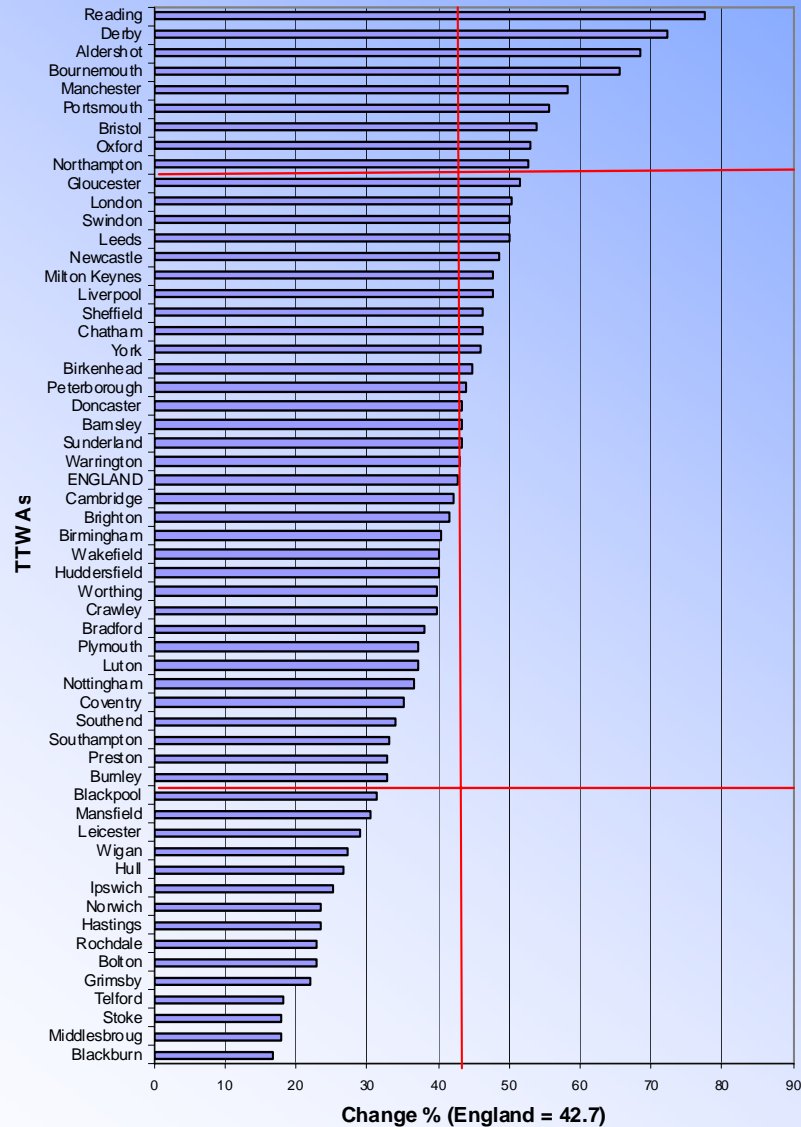


Recent improvement

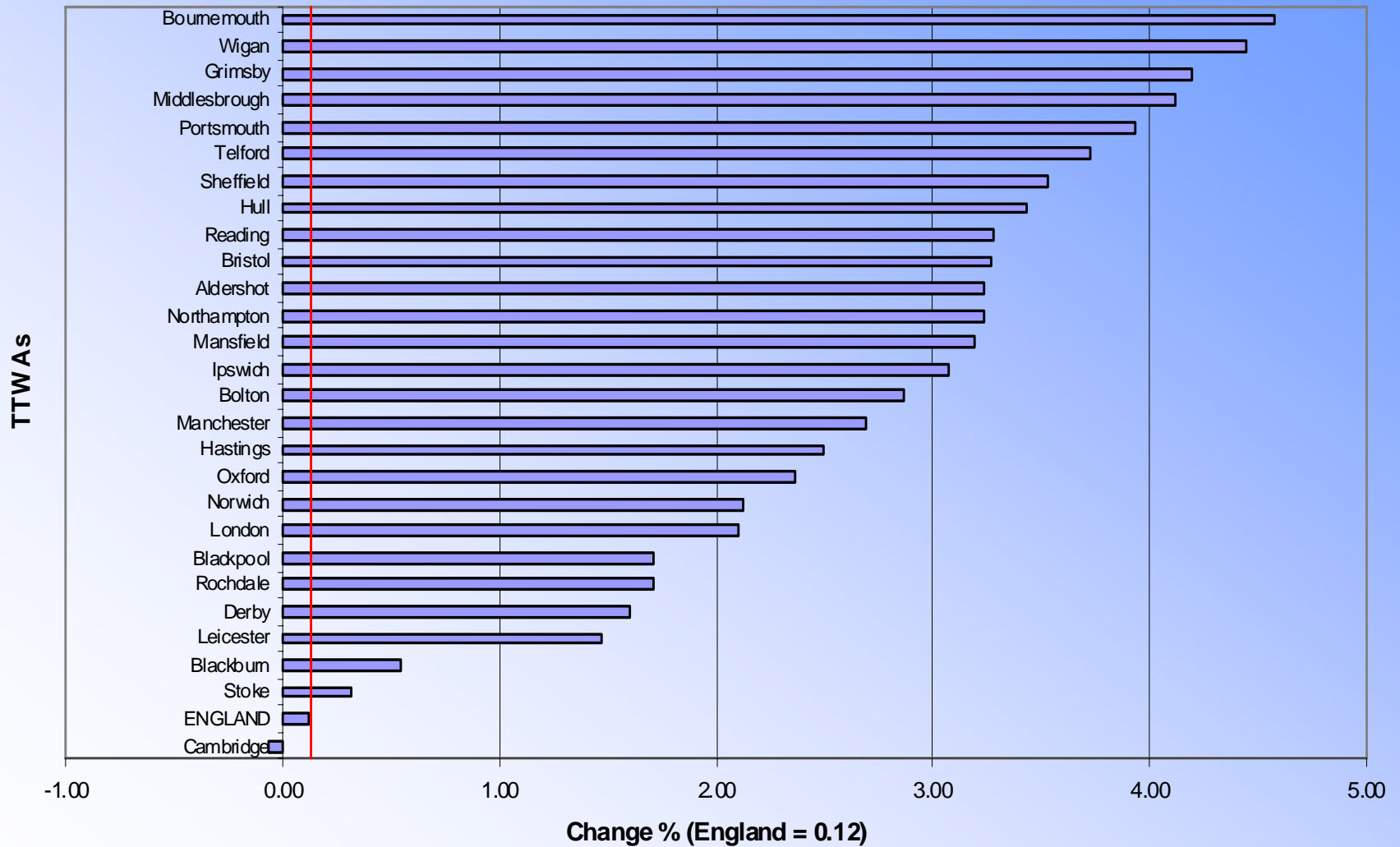
- 25 cities grew faster national average, 6 of 8 Core Cities
- 9 cities 10+% national average
- Most in the south and east
- Manchester notable exception

Change in Output 1995-2002

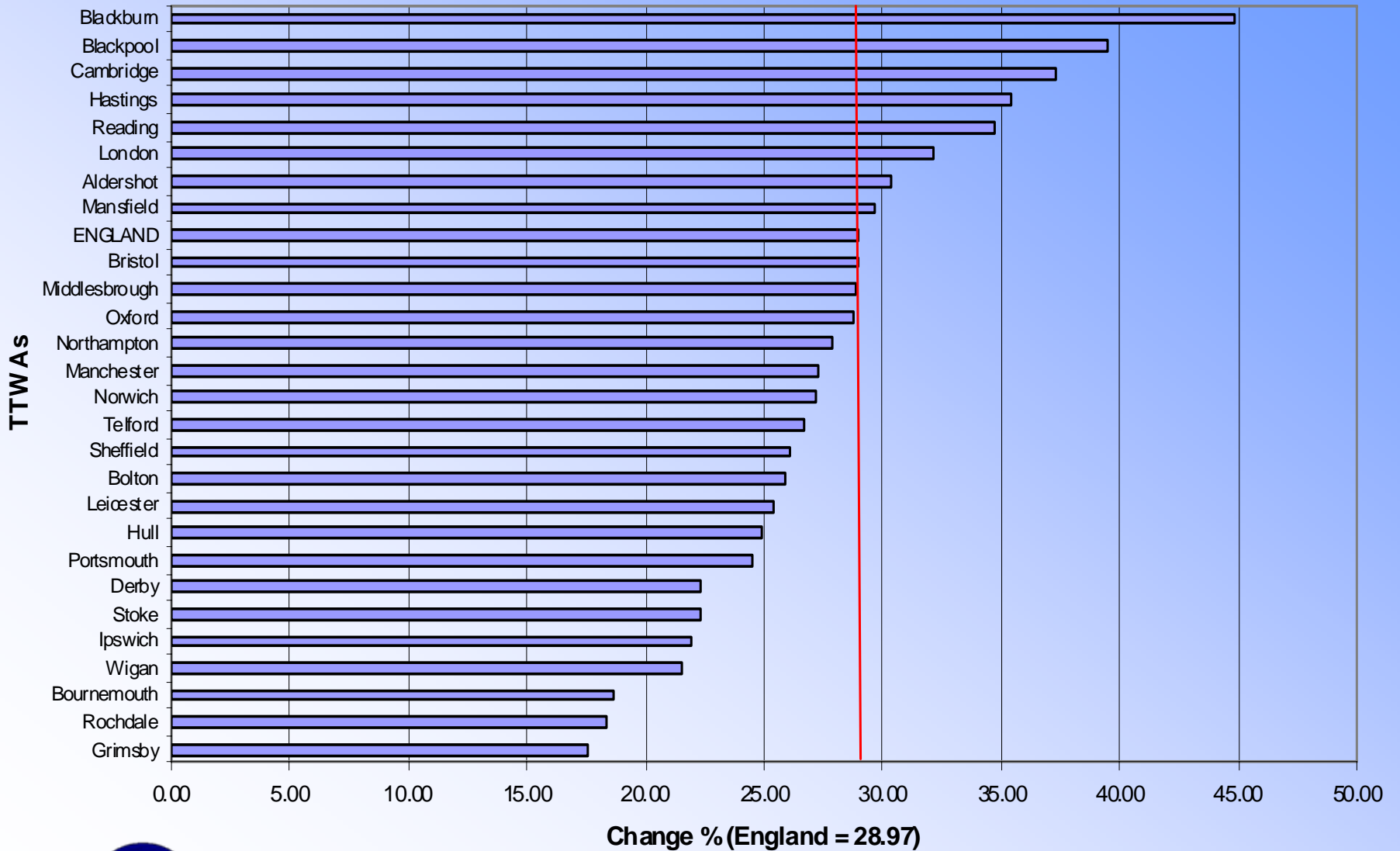
Change in Gross Value Added per capita 1995-2002



Change in employment rate selected TTWAs 1991-2001



Change in weekly earnings in selcted TTWAs 1998-2004

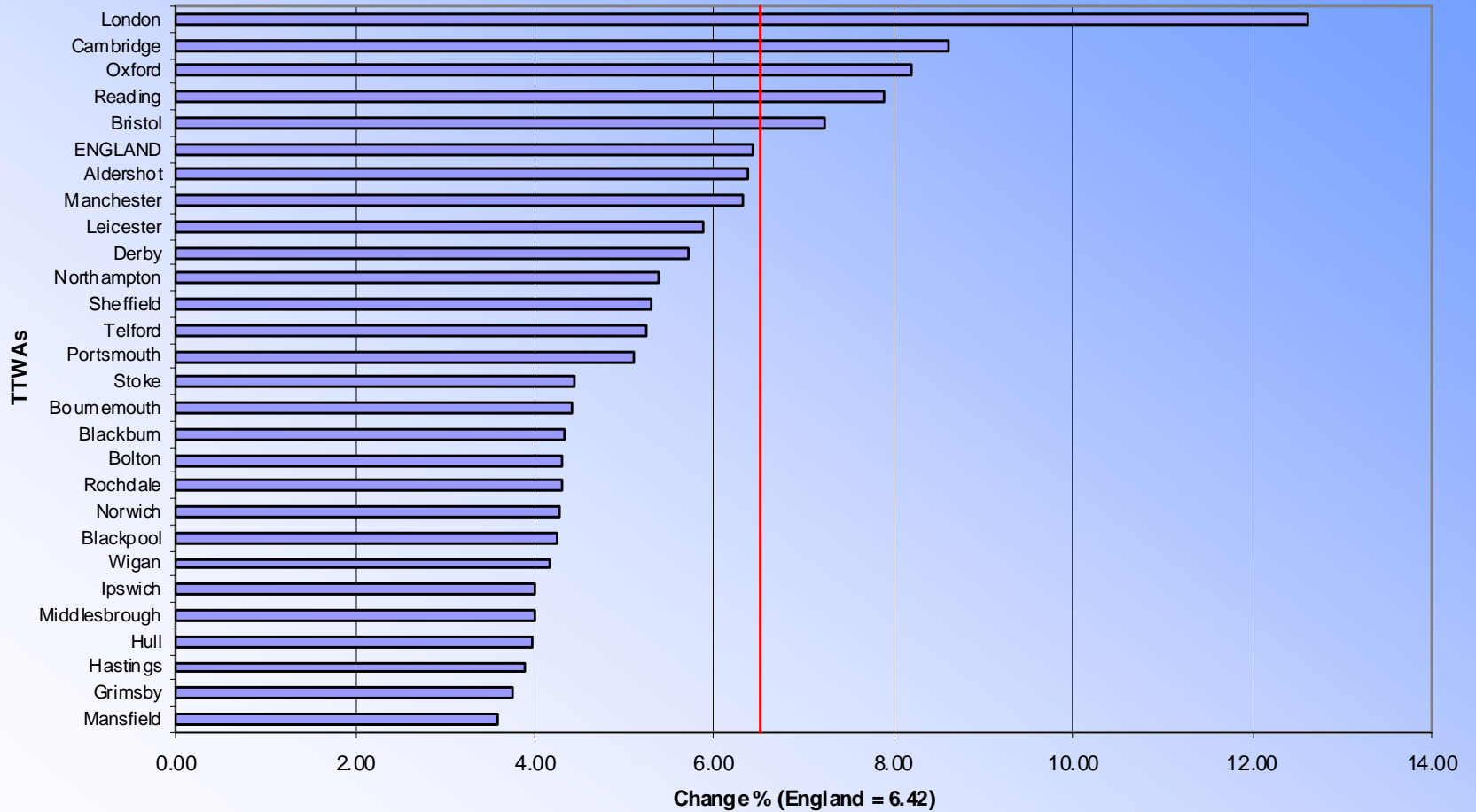


What explains the difference?

- Human capital critical
- Successful cities more graduates

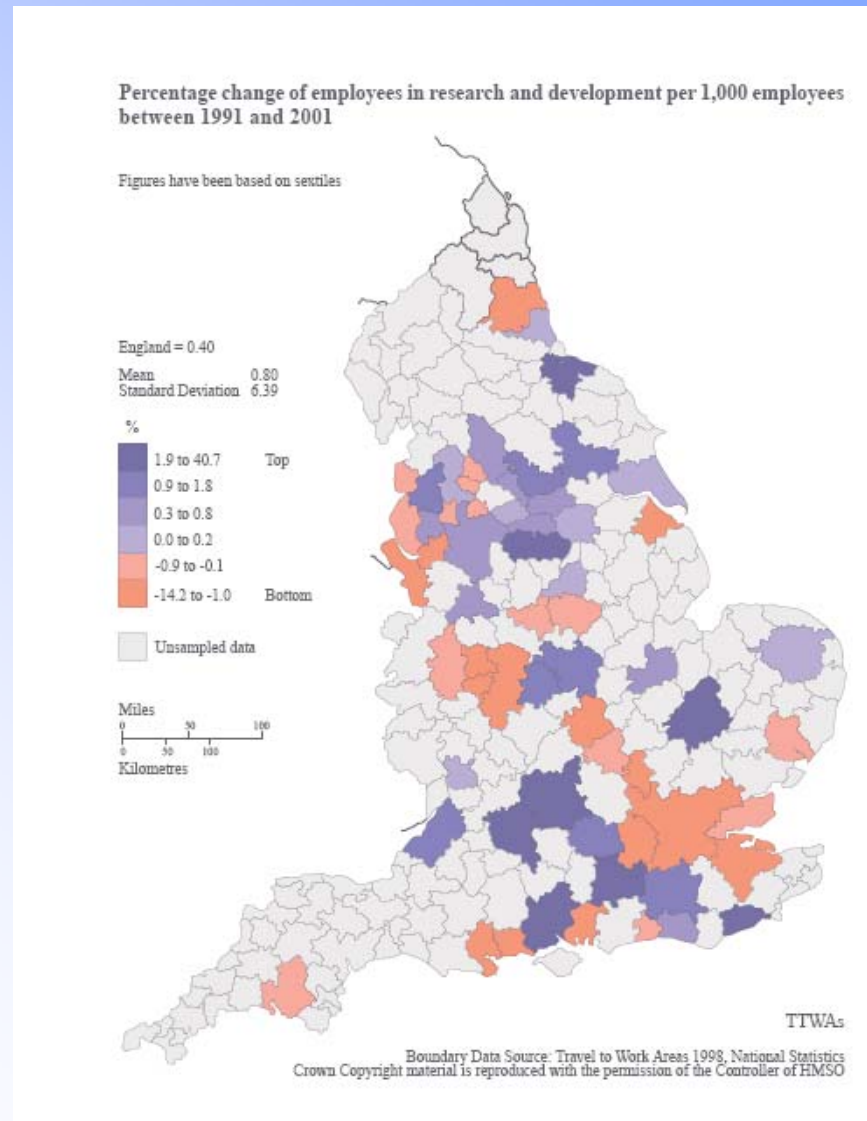
More graduates

Change in % of working age population with degree level qualifications 1991-2001



- Employment high value added jobs
- Cities south/east above national average
- Cities north and west below
- Manchester and Leeds exceptions

Concentration R&D 1991-2000

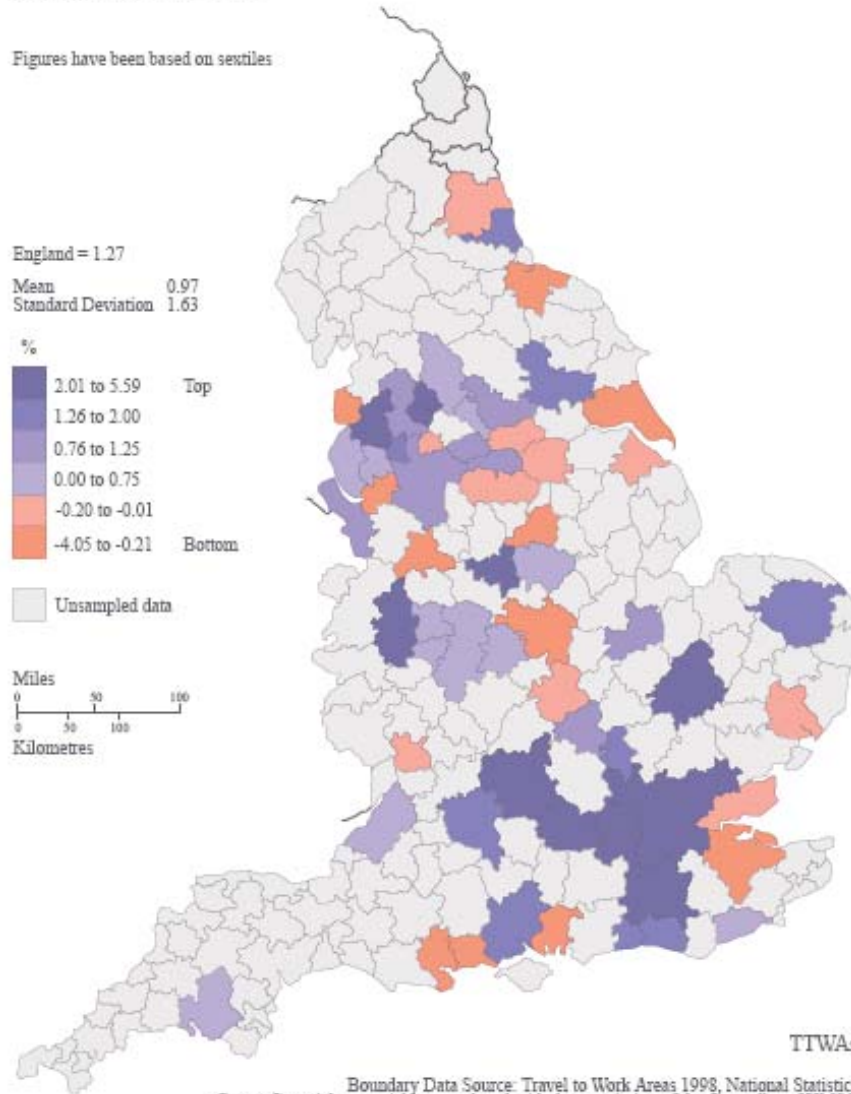
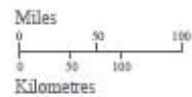
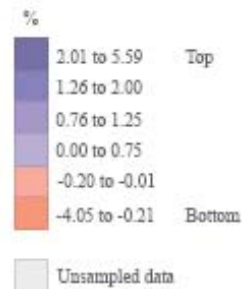


Percentage change of employees in knowledge intensive business services between 1991 and 2001

Figures have been based on sextiles

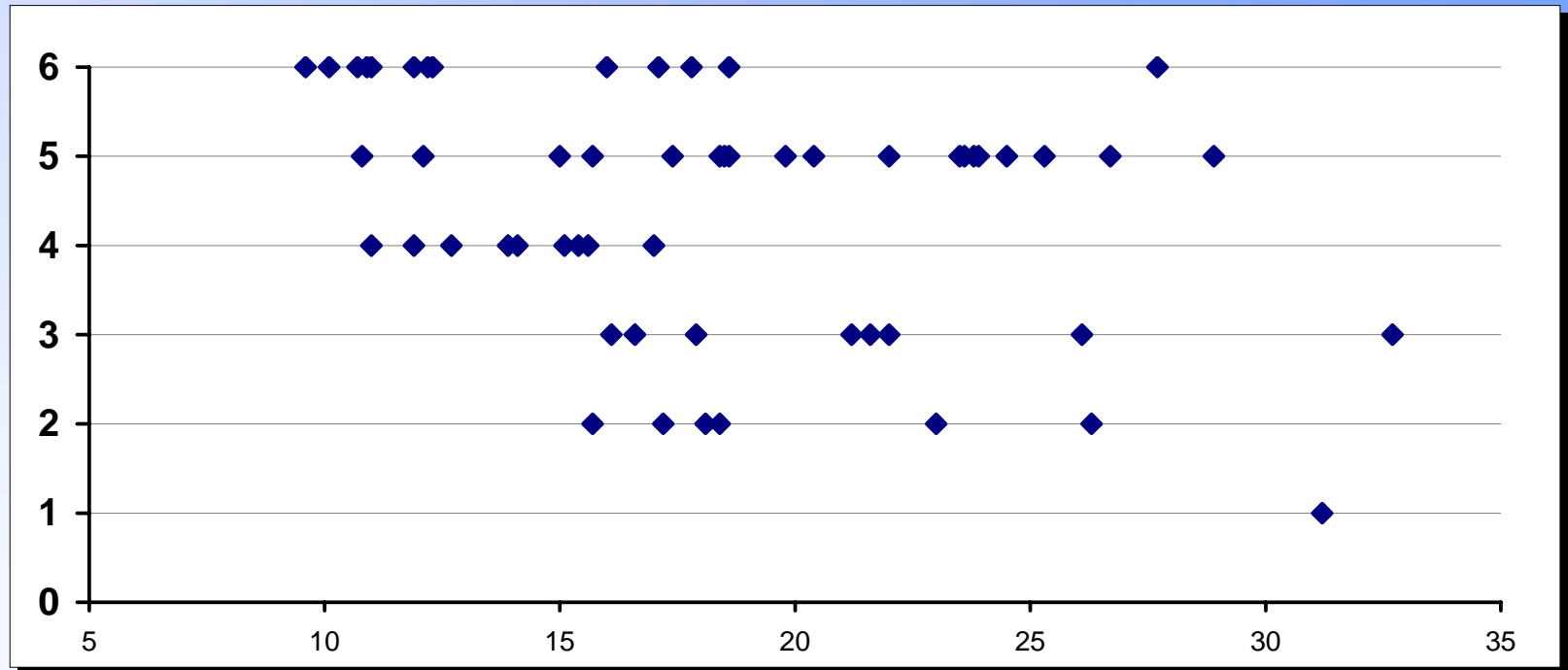
England = 1.27

Mean 0.97
Standard Deviation 1.63



Boundary Data Source: Travel to Work Areas 1998, National Statistics
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Employment, banking and finance 2003



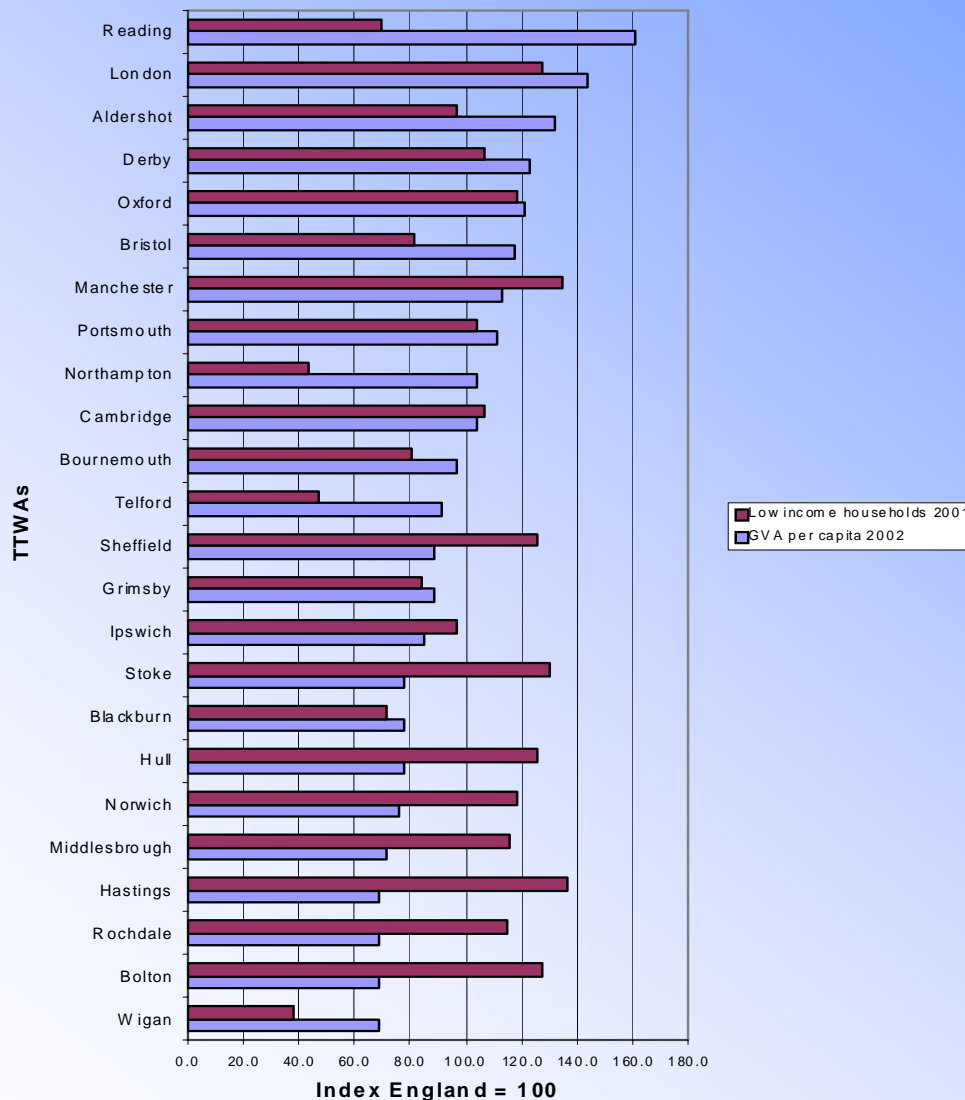
London	1	North/western Large Cities	4
Metropolitan	2	South/eastern Small Cities	5
South/eastern Large Cities	3	North/western Small Cities	6

Economic and social success

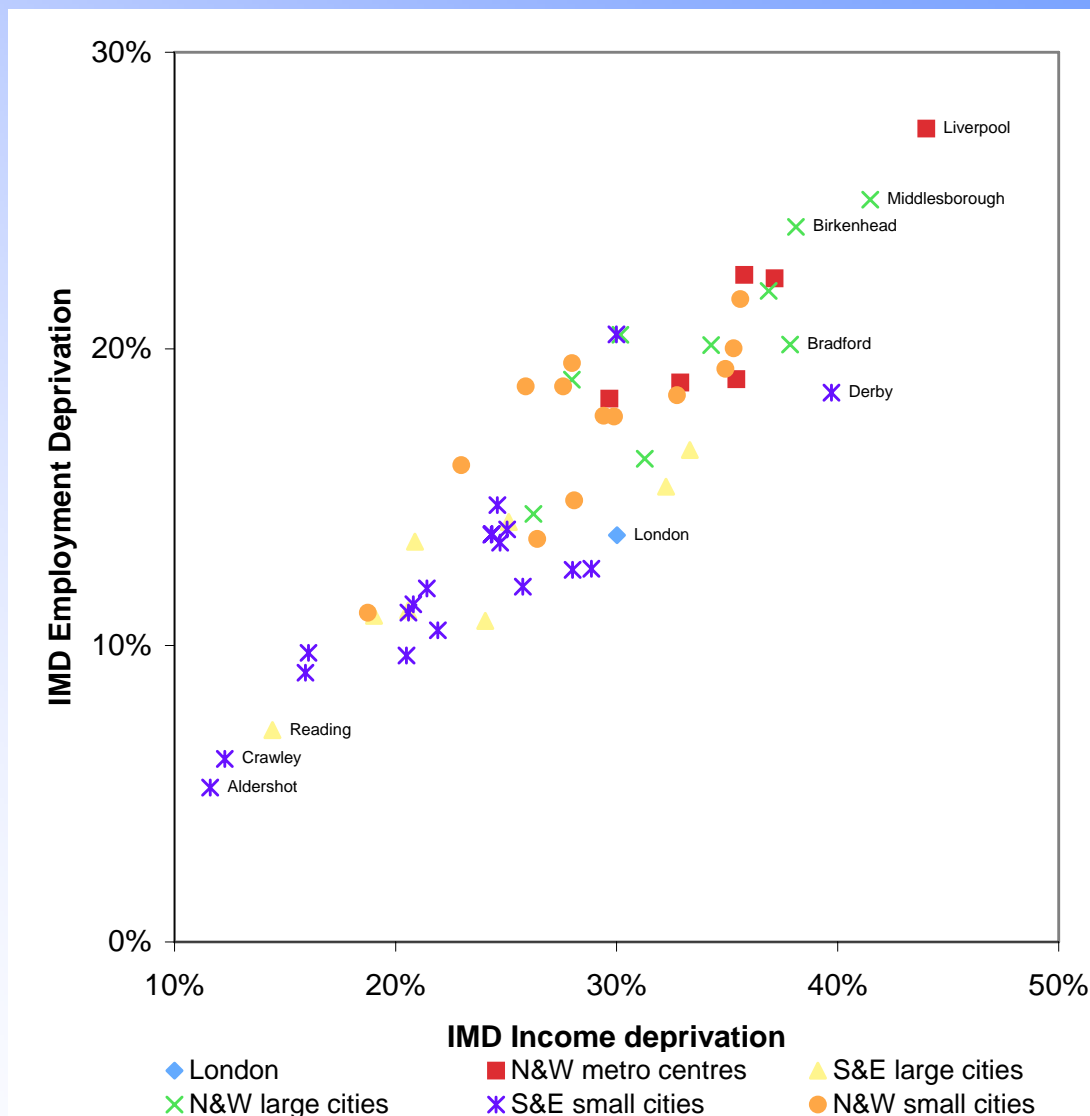
- All cities have low income
- Chances poverty greater if city economy below average
- More jobs less poverty
- Competitiveness compatible cohesion

GVA per capita / low income households

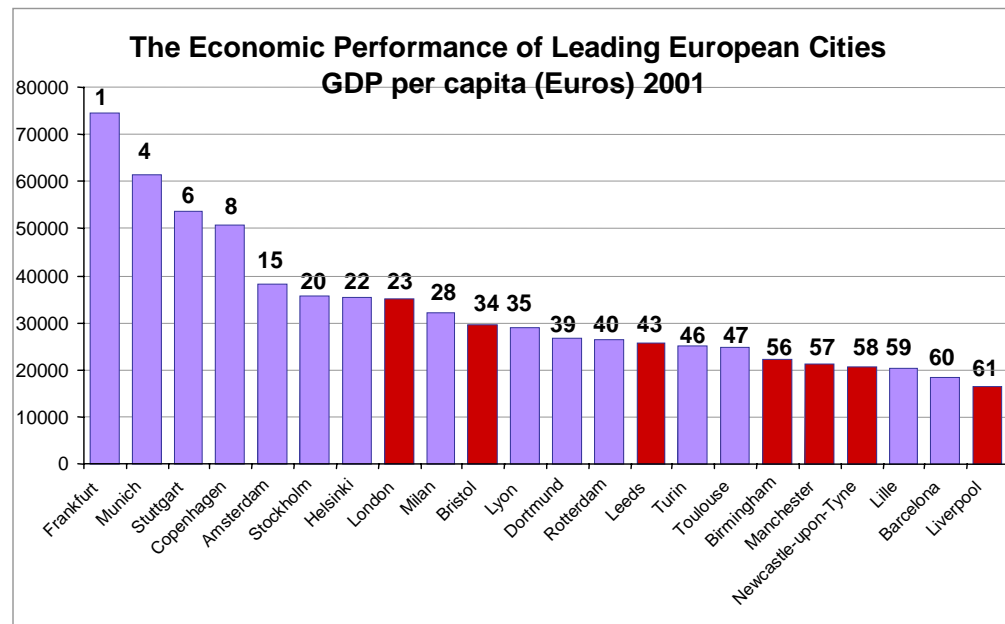
GVA per capita 2002 & low income households 2001



Relationship between income and employment deprivation, by individual city, 2004



Lagging behind best European



Balance sheet economic performance

Picking up

- All cities picking up

Catching up?

- North/west lag south/east, despite Manchester and Leeds
- Lag successful continental – income, productivity, innovation, employment, qualifications, connectivity

Staying up?

- Crucial sustain national economic success

3. SO WHAT FOR POLICY?

Much to build on

- Policies contributed improved performance

Support for key principles

- Recognition economic potential cities
- Importance mainstream policies
- Awareness spatial impact policies
- Greater regionalisation

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- Ambitions Sustainable Communities
- Northern Way, Treasury/DTI engagement
- Recognition of Core Cities
- Rationalisation area-based initiatives
- Principles of LSPs, LAAs, HMRPs, URCs
- Reforms planning system
- Academy for Sustainable Communities
- Attention quality buildings, public realm

Choices for Government

- Strategic
- Principle
- Territorial
- Resources
- Administrative
- Leadership

Strategic Choices

- Cities matter – support them
- Competitiveness, cohesion and liveability all matter
- But focus on competitiveness
- Particular policies for particular places
- Start with the 'Big Nine'

Principle Choices

- Think and act long term
- Make fewer, more strategic interventions
- Provide greater clarity
- Support and trust local government more
- Expand contractual working

Territorial Choices

- Reduce the regional gap
- More investment Sustainable Communities Plan
- Support Northern Way – others
- Support city regions
- Incentivise city regions

Resource Choices

- Financial powers and influence mainstream money

Administrative Choices

- More departments recognise importance
- Build on existing collaboration
- Increase ODPM capacity deliver urban agenda
- Create Urban PSA

Leadership choices

- Local leadership matters – encourage and empower