“Representing the UK’s Core Cities, we are a united voice calling for greater devolution”
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This Annual Report looks back on a year of significant achievement for Core Cities. We have accomplished much to be proud of, and I want to take this opportunity to acknowledge the excellent contribution of my predecessor in this role, Sir Richard Leese, Leader of Manchester City Council.

Devolution has long been a core part of our argument, and we have seen this turn from policy discussion to practical reality. We should not underestimate what has been achieved, changes in legislation, the agreement to devolve billions, and massive turnarounds in policy for transport, skills, health and other services.

The retention of business rates, multi-year budgets and greater control over local transport networks all offer future possibilities. However, there is still much to do and we are not even close to ‘mission accomplished’.

Annual reports look back, but they also look to the future and at the moment we face a very challenging horizon indeed. Brexit will mean increased uncertainty and economic strain and there is also the continued need for a more inclusive and compassionate route to growth.

Cities must be in the vanguard of addressing these challenges. Relationships between nations may change, but the relationships between cities can strengthen by building bottom-up.

This means that whilst devolution is a big part of the way forward, alone it cannot create the required change. More deeply ingrained, place-based approaches that harness the energy, strengths and skills of local people are needed.
That is why place-based commissioning, with local and national programmes working to mutually agreed targets to address the needs of each place, is a key priority.

Core Cities UK relies on the collective expertise of politicians and officers across our cities. For example, our Finance and Investment Hub led by Sheffield is working hard on business rate localisation.

This offers a new opportunity, but only if it is seen as a means of enabling cities to address the twin challenges of delivering economic growth and public sector reform as well as improving productivity and life chances.

Our Transport Hub, led by Birmingham, carried out vital work on the Bus Services Bill, and with Bristol is developing new thinking on Air Quality.

Our Research and Development Hub, led by Manchester, informed our approach to fiscal devolution whilst our Culture Hub through Cardiff set out a vision for how our cities could become ‘cultural capitals’.

Colleagues in Newcastle helped to bring together experts from across the public sector for a workshop on Data Sharing, and a group led by Nottingham helped access millions of pounds from the Government to create and support the Local Growth Hubs that are now operating across the Core Cities. We have worked closely with the Future Catapult Centre on the Smart Cities agenda Future and we have achieved influence over policy for Skills and Labour Market issues through our Hub led by Leeds.

Through Bristol we gained a seat at the table on issues of climate change and on the National Floods and Resilience Review. Our Housing Hub led by Liverpool argued for a much stronger alignment of funds and policy to reflect each cities different housing needs.

To grow sustainably, our cities must be inclusive places where everyone benefits. That is why we are working with the RSA on the Inclusive Growth Commission, chaired by Stephanie Flanders which began this year.

Meanwhile, Cabinet is formulating its Whole Place Leadership agenda, an optimistic vision that sets out how we can re-engage our citizenship and redefine the very idea of civic leadership.

The last few months have seen tumultuous change on the domestic political front, much of it triggered by the UK’s decision to leave the European Union. The repercussions of the referendum result will be felt for some time to come, but the underlying problems the UK faces remain the same.

As Core Cities we have proved that where we are given the freedom we can deliver innovative, effective and efficient responses to local need. Where centralised policies from successive governments have failed, we have made real progress in tackling the unique social and economic challenges that face our urban areas.

However, despite this, too many of our citizens still don’t have access to decent education, housing and jobs. Too many feel powerless and disconnected from the economy.

Cities deliver only a fraction of their economic potential and too many people within them are left behind, all too often let down by a fractured and inefficient state.

But given the right policy levers, we can solve these problems. My fellow Leaders and Mayors believe that cities hold the key to our future economic and social prosperity.

We must now take confidence in our strengths, not least our potential to build on existing relationships with international partners in order to drive growth. Delivering good quality growth in our cities will allow us to do so much more to tackle inequalities in our communities.

Our cities can help deliver a better future for everyone.

**Councillor Judith Blake**
Chair of Core Cities UK and Leader of Leeds City Council
Introduction
Core Cities UK Key Achievements

+ Successfully influencing and contributing to the Cities and Local Government Devolution Act
+ Supporting the RSA Inclusive Growth Commission
+ Positioning cabinet as ‘thought leaders’ in devolution through a series of successful and well attended events that received widespread media coverage
+ Publishing, Unlocking the Power of Place, our submission to the 2015 spending review
+ Working with a range of partners, including the Greater London Authority and London councils and Respublica, to deliver a series of events over the 2015 party conference season
+ Levering several million pounds from the Government to create and support a network of Business Growth Hubs across the Core Cities
+ Participating in and co-launching an in-depth research paper on the benefits of culture to our cities
+ Working with the arts councils of England, Scotland and Wales as well as London and other national institutions to make the case for additional investment in culture
+ Working with Metro Dynamics to publish a highly influential report on fiscal devolution
+ Engaging with Government on business rates devolution and submitting a response to the Department for Communities and Local Government’s Select Committee Inquiry
+ Working with Government on the localisation of Innovation Services with Science and Innovation Audits now being carried out at a local level
+ Helping Government shape its policy on apprenticeship reform, helping ministers to understand local impact and address delivery issues
+ Making contributions and submissions to various reports on issues including New Homes Bonus and the Homes and Communities Agency (HCA) consultation
+ Arguing for HCA funds and assets to align the different housing investment streams at the level of ‘place’
+ Engaging with civil servants within DECC, DEFRA and the Treasury to highlight the strategic role Core Cities can play in the provision of future electrical infrastructure
+ Producing a report, Good Growth for Great Cities, looking at how cities can create inclusive social and economic growth.
+ Organising a Data Sharing Workshop, bringing together strategic and technical expertise from across Core Cities UK
+ Engaging with Future Cities Catapult and setting up a Knowledge Hub group to share information
+ Joining forces with the Urban Transport Group (Formerly PTEG) co-chairing meetings between Birmingham and Transport for Greater Manchester
+ Working on the Bus Services Bill and other transport issues ahead of a meeting with Cabinet and the Secretary of State
+ Organising a Core Cities UK Air Quality workshop helping us share knowledge and expertise from across the cities
Priorities for the year ahead

+ Continuing to advise, feed into and support the RSA Inclusive Growth Commission
+ Supporting the delivery on the ground of Cabinet’s ambitions for Whole Place Leadership
+ Addressing the immediate post-EU referendum issues including funding and social cohesion
+ Developing a post-referendum vision of how Cities across Europe can work together on challenges we all face
+ Influencing key pieces of Government legislation, including The Bus Services Bill and the HS2 Bill
+ Developing more radical solutions to the national housing crisis, and exploring the impact of neighbourhood planning legislation
+ Demonstrating how the Culture White Paper can be delivered through Core Cities, and exploring new funding opportunities
+ Developing a set of housing policy proposals that are achievable in the short term and a Core Cities housing narrative which will contribute to the strategic priorities of devolution
+ Working to support the continued establishment of Municipal Energy Companies across the Core Cities
+ Analysing and developing an evidenced rationale for a local holistic approach to energy infrastructure
+ Undertaking energy efficiency measures in the domestic sector and exploring and establishing alternative models
+ Developing practical ways to integrate evidence and evaluation into local programmes, ensuring public services are more focused on outcomes
+ Integrating data sharing protocols into public sector reform programmes and considering the case for presenting a shared business case for a data sharing agreement with the Department of Work and Pensions for Core Cities UK
+ Continuing to work with DWP and LGA to shape the design and delivery of the devolved and nationally commissioned Work and Health programme
+ Looking at innovative procurement strategies and how they can be used to create smarter places
+ Developing tax and spend analysis for the city regions surrounding the Core Cities
+ Developing a model for full business rate localisation, with particular interest in the technical detail
Birmingham
“If our cities continue to rely on outdated and crumbling trunk roads and rail links, they will languish in second gear, unable to improve their productivity”

“How we travel within and between our cities continues to be of massive importance to Core Cities UK. If our cities continue to rely on outdated and crumbling trunk roads and rail links, they will languish in second gear, unable to improve their productivity and unlikely to contribute their full potential to UK plc.

“That’s why this year saw us continue to press home the case for a national High Speed Rail system. Our argument is that HS2 is a good start but that all our cities need and deserve faster connections with each other and with London.”
“We also worked hard to contribute to the Buses Bill, a key piece of legislation that if implemented properly has the potential to reverse the decline in bus passenger numbers that some of our cities have experienced and could lead to increased employment and prosperity for many of our citizens.

“This was also a year in which the Air Quality agenda grew in importance and the hub organised a successful workshop which gathered together experts to discuss how we can improve the quality of air in our cities with the potential to save thousands of lives.

“Transport is a fast-moving area of policy and change is often driven by technology. This group will play a vital role in keeping cabinet updated on subjects including electronic ticketing and smart mobility.

“As with other areas of Core Cities policy, it is vital that we do not let legislative and delivery timetables slip whilst dealing with the fallout from the EU referendum.”

Councillor John Clancy
Core Cities UK Cabinet Member for Transport, and Leader of Birmingham City Council.
Summary of the year’s work 2015/16

In 2015/16, the Core Cities UK Transport Policy Hub joined forces with the Urban Transport Group (Formerly PTEG) and is also co-chairing meetings between Birmingham and Transport for Greater Manchester.

This brings together the cities alongside the regional transport bodies including the Integrated Transport Authorities, creating a stronger cross-authority partnership to deal with common agendas.

This new approach allows us to think more strategically about how we can influence government policy to achieve transport objectives that link to economic growth including HS2 opportunities and growth deals, environmental issues and smart mobility.

The Hub’s key achievements this year include our work with cabinet on the Bus Services Bill – a piece of legislation that will give cities and their regions more control over bus franchising.

We also provided briefings for constructive discussions between Core City Leaders and Mayors and the Secretary of State for Transport.

Priorities for the year ahead

Over the next year will continue to work with colleagues at Bristol City Council who lead on Energy and Low Carbon work so we can escalate air quality up the political agenda.

We will also continue to advise and ‘feed into’ the buses bill as it begins its journey into statute, providing a joined up response between cities and regions who often operate in differing bus markets.

We will also examine the resilience of the transport network given the accelerated infrastructure programmes delivered at local, regional, and national levels and their coordination.

And we will help cabinet continue to gain cross party support for a national High Speed Rail network. In particular, we will look at how HS2 fits into our existing city transport systems and advise cabinet on issues like station locations and integration with existing bus, rail and road routes.
“Our climate is changing and our cities are working hard to make sure that they are able to adapt, remain resilient and lead the shift to low carbon, sustainable urban economies.

“The increased numbers of extreme weather events, such as the flooding in several of our cities over recent years, have focused our efforts on the need to make sure cities have the infrastructure to cope with an increasingly shifting weather system.

“Our meeting with Oliver Letwin MP, the then minister responsible for leading the National Floods and Resilience Review, and our engagement with senior civil servants across Whitehall shows that our ‘on the ground’ expertise is valued by the Government.

“We will make sure our future growth is sustainable while looking after the most vulnerable in our cities”
Core Cities recognise the need for more sustainable solutions to energy infrastructure

“But Core Cities’ work in this area is about more than climate change, it encompasses the wider concept of sustainability.

“For example, some of our cities have already established their own municipal energy companies that seek to address fuel poverty, improve energy efficiency and develop more sustainable solutions to energy infrastructure.

“This feeds into our work around inclusive growth and our Whole Place Leadership agenda. We will make sure our future growth is sustainable while looking after the most vulnerable in our cities, alongside our role in supporting collective global action on this agenda, utilising our collective commitment, knowledge and expertise and sharing learning with others.”

Marvin Rees
Core Cities UK Cabinet Member for Low Carbon, Energy and Resilience, and Mayor of Bristol.
Summary of the year’s work 2015/16

The group submitted a response to the National Infrastructure Commission call for evidence on Energy Infrastructure.

It also met with Oliver Letwin MP, the minister responsible for leading the National Floods and Resilience Review and secured a commitment to further involvement of Core Cities in both strategic discussions and individual assessment of risk within our Core City regions.

Officers engaged with civil servants within DECC, DEFRA and the Treasury to highlight the strategic role our Core Cities could play in ensuring our electrical infrastructure investment is undertaken in a co-ordinated manner. We also sought greater stability in energy efficiency policy and more local control over national funding streams.

The importance of the Air Quality agenda continued to grow, and we contributed to the Core Cities UK Transport Hub’s work in this area.

We are also making sure we share learning around Nottingham and Bristol’s newly-formed Municipal Energy Companies.

We are aware that much of the work we do crosses not only regional boundaries, but national and international ones. We ensured the involvement of city Leaders and Mayors in the EU Green Capital Summit hosted by Bristol, which was also used to inform the key messages shared at the COP21 UN Climate Change Conference in Paris.

Priorities for the year ahead

Seeking to address fuel poverty, improve energy efficiency and seek longer term, stable and sustainable solutions to energy infrastructure through the following actions:

We will work to support the continued establishment of municipal energy companies across the Core Cities.

We will continue to analyse and develop an evidenced rationale for a local holistic approach to energy infrastructure to support dialogue with Government and other key stakeholders.

As Government support reduces, we will continue to undertake energy efficiency measures in the domestic sector and explore and establish alternative models.

We will assess and develop the resilience of core cities, to produce evidence and actions that protect core cities/city regions from climate change shocks and long term stresses.

Alongside this, we will seek to support continued research and development particularly by our universities on joint global action that can help to address and combat the impacts of climate change, particularly for the poorest and most vulnerable in society.

And we will continue to contribute to the ongoing policy debate around air quality and its impact.
“In this age of austerity, funding culture has become increasingly challenging and one of the key tasks for Core Cities UK is to think of ways we can continue to lead as ‘cultural capitals’ during a period of great change.”
“All the Core Cities appreciate the role that culture plays in boosting their city economies and making them even better places to live in.

“We understand that culture builds community pride and identity, strengthens the bonds between communities and promotes health and wellbeing.

“The strength of our cultural ‘offer’ also directly affects our visitor economy. Our symphony orchestras, art-house cinemas and established regional theatres are world famous attractions in their own right.

We know that a vibrant cultural offer, the openness and sense of community tolerance that tends to come with that is at the heart of what makes a place attractive, and why a company or skilled knowledge worker might pick one city over another.

Intercultural communication is also one of the defining issues of our age, largely played out in urban areas, and whilst not the sole preserve of the culturally funded sector, it has a major contribution to make.

“But in this age of austerity, funding culture has become increasingly challenging and one of the key tasks for Core Cities UK is to think of ways we can continue to lead as ‘cultural capitals’ during a period of great change.

“It is time for some radical solutions, some innovative financing and more of a national focus on our nation’s cultural capitals.”

Councillor Phil Bale
Core Cities UK Cabinet Member for Culture, and Leader of Cardiff City Council.

Summary of the year’s work 2015/16

Cabinet met with the Arts Councils of Scotland, Wales and England, and agreed some principles for joint working to grow the cultural footprint of the UK through its Core Cities.

We participated in a piece of research, fully funded by the Burns Owen Partnership (BOP), launched at the Festival of the Future City in Bristol by Sir Peter Bazalgette, Chair of the Arts Council of England.

This report underlined the value of culture to our Core Cities in both economic and social terms and was well received by our cabinet.

We continued to build on the BOP report working with the arts councils of England, Scotland and Wales as well as London and other national institutions to make the case for additional and innovative investment in culture.
Priorities for the year ahead

We want to continue to work with the Government to influence the Culture White Paper rollout and explore new funding opportunities.

We will also influence Government to adopt a more place-based approach to the arts, contributing to the leaders and mayors Whole Place Leadership agenda.

We want to work across Core Cities to help to articulate a vision for culture, brokering partnerships and levering in investment.

And we will identify and encourage new opportunities for skills development and pathways into employment in the cultural and creative sectors across our Core Cities. We recognise the important role they play in providing skills training and jobs.

We will work with the arts councils for England and Wales and Creative Scotland, to undertake further evidence gathering across cities and to commission a piece of research on the funding and impact of culture in Core Cities.
“The Smart Cities hub explores how technology and data can be used to link up our city institutions, to create a more efficient way of working which will ultimately benefit our residents. It is a complex, evolving and fast-paced policy area which requires a range of different agencies – both public and private sector – to agree on aims and ambitions.

“Despite significant demands, Core Cities UK continues to make real progress, delivering the Government’s belief that Smart Cities can grow economies and help make city life better for everyone.

“The Smart Cities hub has identified the need to move Smart Cities from an abstract idea into the everyday operation of a Core City. This will drive our work over the coming year.”
“The Smart Cities Workshop, held in Glasgow, saw us create a programme based around a number of key themes that have been explored as the year has progressed. The value of Core Cities’ collaborative approach was underlined once again with cities coming together to share case studies of smart city implementation.

“Core Cities have also developed a ‘smart city matrix’, giving them some idea of the organisations that urban areas need to use to make their own places smarter and more connected. This is now being developed into work of national significance with other public sector bodies like the Future Cities Catapult Centre.

“Technology and the Smart Cities agenda are vital to a successful urban future.

“The Smart Cities hub has identified the need to move Smart Cities from an abstract idea into the everyday operation of a Core City. This will drive our work over the coming year.”

Cllr Frank McAveety
Core Cities UK Cabinet Member for Smart Cities, and Leader of Glasgow City Council.
**Summary of the year’s work 2015/16**

In a workshop held in Glasgow in April 2015, the Smart Cities policy hub created a programme over three broad headings:

- Communicating – Do better by sharing
- Collaborating – Do better by working together
- Campaigning – Do better by intervention from government and politicians

We agreed to share stories and case studies, to identify initiatives that had worked in our cities and to share data technology standards.

Core Cities believe it is important to integrate the Smart Cities work into existing business models. We want to get to a place where it is no longer viewed as an academic ‘add on’ but seen as vitally important to the everyday running of an area.

We also discussed ways of tapping into Core Cities’ rich vein of resources and expertise and started work on a capability matrix showing where existing knowledge was available.

2015 also saw us engage with Future Cities Catapult, including a tour of their Urban Innovation Centre. We have also set up a Knowledge Hub group where we can share information.

**Priorities for the year ahead**

We want to re-frame the work of this group around themes important to local government, asking what Smart Cities can bring to the practical problems we face in urban areas across the UK.

This will involve cities identifying priority areas and themes. For example, Leeds is particularly interested in how technology and interconnection can help it tackle health issues. To enable this knowledge exchange, a Core Cities workshop is taking place in August 2016, hosted by Leeds City Council, with the title: “Health and Wellbeing, with a focus on “Smart Health and Wellbeing”.

We hope to develop future Core Cities events around city themes; such as:

- Smart Mobility/Transport
- Smart Environment
- Smart Economy
- Smart Government
- Smart Living

We need to grow our support networks, so we will also capture key contacts relevant to the smart cities agenda and update these via our knowledge hub. Cities will be encouraged to arrange their own programme of visits to other cities re “Smart Cities” enablers.

We’d also like to look at innovative procurement strategies and how they can be used to create smarter places.

We will also partner with the Public Service Reform hub on their work around data sharing and how it can help meet some practical city challenges (through better partnership working, community empowerment, prevention and early intervention, and stimulating civic innovation).
“As Core Cities leaders and mayors, we know how valuable the skills agenda is to the continued growth of our cities.

“We will continue to present compelling and evidence based arguments to Government for more flexibility and local control and alignment of commissioning, while in the meantime tracking the significant policy changes around eligibility and access to programmes, financing and procurement, reform of qualifications, and institutional changes.

“We know our own labour markets, we know the skills that are needed, and experience has shown that place-based solutions are the only way forward.”
“As cities we offer a better way of co-ordinating and integrating services: making the best use of public resources, adding value to strengthen labour markets to drive productivity, and improve life chances by connecting more people to growth.

“We also see the effects changes to welfare and benefits are having on some of our cities’ most vulnerable people. Making sure these people have access to the support they need to connect to the labour market and share in our future growth is critical to the productivity of our cities.

“This is one of the reasons why Core Cities are supporting the independent RSA Inclusive Growth Commission, and why our new thinking on Whole Place Leadership is so important.”

Councillor Judith Blake
Chair of Core Cities UK, Cabinet Member for Skills, Labour and Welfare, and Leader of Leeds City Council.

Core Cities want to see skills training more closely linked to getting people into jobs
Summary of the year’s work 2015/16

We held joint DWP/LGA round table meetings to discuss the new Work and Health Programme, working with the Core Cities Work and Health Group.

We also shared learning from devolution deals and discussed implementation challenges.

We engaged Government on the introduction of the Apprenticeship Levy and contributed to consultation on public sector targets.

We worked closely with the Core Cities UK Business Growth Hub and civil servants on developing and promoting higher and advanced level apprenticeship frameworks to address emerging skills gaps in key growth sectors.

And we developed a more coherent and integrated offer and delivery mechanism to respond to business needs and make best use of public resources.

We have engaged with bodies such as the Employment Related Services Association, Office of Qualifications and Examinations Regulation and Joseph Rowntree Foundation.

Priorities for the year ahead

The aim for 2016-17 is to contribute from an employment and skills perspective to the Whole Place Leadership approach of Core Cities, continuing to see this through the lens of growth and productivity, whilst supporting those furthest from the labour market and with multiple and complex needs.

Our focus will also be firmly on the RSA Inclusive Growth Commission, ensuring that we provide the support, information and technical expertise required to understand the issues our cities face in respect of skills and employment, and that solutions will be workable.

We will also continue working with DWP and the LGA to shape the design and delivery of the devolved and nationally commissioned Work and Health programme to meet the needs of the long term unemployed, and ensure that it is aligned with local services.

We will identify measures to reshape local skills provision and support employer investment in and effective utilisation of skills by setting out the requirements for careers advice and in-work progression.

We will capture all the above in proposals that will help Cabinet engage successfully with Government to create change.
Liverpool
“We will continue to work closely with government, policy bodies and think tanks to communicate and advance our specific housing opportunities and challenges.”
“Core Cities commands a well-respected position in the national housing debate. We have made some progress on housing devolution but there remains more to achieve.

“We will continue to work closely with government, policy bodies and think tanks to communicate and advance our specific housing opportunities and challenges.

“The UK faces an ongoing housing crisis and the problem is acute in our cities. Good quality and affordable housing is as essential for economic growth as it is for community cohesion and resolving issues of deprivation.

“Before Brexit it was becoming apparent that government would not reach its target of building a million new homes. Post Brexit, there is an opportunity for some fresh and radical thinking around housing.

“Now we need to look ahead and give cities more control over housing policy, funding and the business models we can use. We need to reconsider the role of local authorities and ensure that we, as civic leaders, galvanise organisations within our system to deliver the good quality homes that our citizens desperately need.”

Joe Anderson
Core Cities UK Cabinet Member for Housing, and Mayor of Liverpool.

Summary of the year’s work 2015/16

The Hub identified Cabinet’s housing priorities and communicated them to Ministers and civil servants before and after the 2015 General Election.

The Hub tracked the Housing and Planning Bill as it progressed through Parliament, providing regular briefings and analysis to Cabinet and chief executives, and also submitted written evidence to the House of Commons Public Bill Committee.

The Hub made a number of contributions and submissions to various reports such as the New Homes Bonus and Homes and Communities Agency (HCA) consultation. Representations were made to Government on a series of specific detailed issues such as the Local Housing Allowance changes and the impact on providers of supported housing and the 1-4-1 Right to Buy funds.
Priorities for the year ahead

The Hub will focus on developing:

+ a review of housing devolution to date and a Core Cities housing narrative which will contribute to the future strategic priorities of devolution

+ Whole Place Leadership and how it will help us solve our city housing shortages by developing a much more radical model for urban housing

+ a set of housing policy proposals that are achievable in the short term

+ a report on the implementation of the Housing and Planning Act and aim to contribute to new legislation, announced in the 2016 Queen’s Speech, around neighbourhood planning and infrastructure
“Over the next few months the research and development arm of Core Cities will grow in importance as we develop our responses to the issues and opportunities of Brexit.”

“To continue to have the significant influence over national policy that Core Cities has achieved, we must also continue to develop an evolving evidence base for our arguments, based on an accurate, evidenced-picture of life on the ground in our cities and good ideas and practice taking place elsewhere.

“This research has fed directly into our public facing work, including reports like Unlocking the Power of Place and our 2016 pre-budget submission.”
“It also informed our partnership work with Metro Dynamics - A Call for Greater Fiscal Autonomy for Our Cities, a report that argued that cities should be able to retain more of the money raised within them to spend locally and in the longer term should move towards fuller fiscal devolution in line with cities across Europe and the rest of the World.

“And our research has delivered a database of Key Facts across all the cities which will be updated regularly, alongside work to understand the totality of public spending, taxation and its links to productivity.

“Over the next few months the research and development arm of Core Cities will grow in importance as we develop our responses to the issues and opportunities of Brexit and as we analyse the likely impact of business rate devolution”.

Sir Richard Leese
Core Cities UK Cabinet Member for Research and Development and Leader of Manchester City Council.
Summary of the year’s work 2015/16

The focus for the hub over the next few months is to develop tax and spend analysis for the city regions surrounding the Core Cities. This will be a key piece of work and will inform our thoughts around fiscal and constitutional reform.

The hub also contributed to the Metro Dynamics report on Fiscal Reform and quality-controlled other pieces of research. In particular, it helped to develop a full picture of public spending and taxation across all our cities (based on initial work by the Centre for Cities).

A workshop was held in Whitehall (with analysts from across Government) to discuss the Core Cities productivity analysis and its policy implications, and two research workshops have been held internally to help define the forward research programme.

Priorities for the year ahead

The focus for the Hub over the next few months is to develop tax and spend analysis for the city regions surrounding the Core Cities. This will be a key piece of work and will inform our thoughts around fiscal and constitutional reform.

The hub will also contribute to Core Cities’ engagement with Government on the Local Growth and Jobs Bill. This will include the development of a model for full business rate localisation, with particular interest in the technical detail supporting cabinet’s idea for Whole Place Leadership.

The hub will continue to work around modelling fiscal devolution beyond business rates to other key flexibilities and innovative investment approaches.

Analysis will be undertaken of the impact of Brexit to support the development of Core Cities response to the issues and opportunities that it presents. This will inform the Core Cities submission to the Autumn Statement and identify the issues that Core Cities will want to highlight as the framework for Britain’s withdrawal from the EU is established.
“Public Sector Reform, how we join up and improve services to create a smarter state that empowers and engages the public, is a huge subject area and will grow in importance as the devolution agenda progresses.”
“Public Sector Reform, how we join up and improve services to create a smarter state that empowers and engages the public, is a huge subject area and will grow in importance as the devolution agenda progresses.

“It touches on some of the most important work local authorities do, everything from how we improve the life chances of children who have left the care system to the integration of health and social care.

“Core Cities enables us to take a UK-wide perspective to this subject area and this hub’s work around data sharing – which involved not just Core Cities but other organisations from across the public sector – shows fantastic promise.

“PSR will continue to be a key area of work for us and through the RSA Inclusive Growth Commission, supported by Core Cities, we are starting to explore how it can help us make sure that no-one is left behind as our cities continue to grow over the years ahead.”

Councillor Nick Forbes
Core Cities UK Vice-Chair for Reform, and Leader of Newcastle City Council.
Summary of the year’s work 2015/16

In 2015/16, the Hub delivered a position statement, Good Growth for Great Cities, which looked at how cities can improve their social and economic growth. Many of the themes of this document were picked up and used in Core Cities UK’s 2016 pre-budget submission.

The Public Service Reform (PSR) Hub also helped organise a vital Data Sharing Workshop in December 2015, bringing together strategic and technical expertise from across Core Cities UK as well as several other public bodies with an interest in how sharing data can improve the services they offer.

This high-level session, held in Newcastle, considered the significant data challenges modern UK cities face and how a transformation in the availability and flexible use of data has a critical role in delivering growth and reform.

It came up with a number of principles for data sharing and set out a few next steps. Core Cities UK is now actively pursuing partnerships with other interested organisations so we can continue to push this agenda forward.

Our work also helped inform the Inclusive Growth Commission, the wide-ranging RSA inquiry funded by Core Cities UK, which is designed to understand and identify practical ways to make cities more economically inclusive and prosperous.

Chaired by former BBC economics editor Stephanie Flanders and building on the success of the RSA’s City Growth Commission, the Commission will seek to devise new models for place-based growth, which enable the widest range of people to participate fully in, and benefit from, the growth of their local area.

We believe that improving the services offered by the state is vital to achieving this outcome.

The Hub also received presentations from external bodies keen to work closely with Core Cities on Reform, including Big Society Capital and IPPR. This has enabled us to add value to PSR projects developed at city and Combined Authority level and to build constructive working relationships with government and academics, positioning Cabinet as willing partners and early adopters of decentralised functions.

We believe PSR is likely to play an increasingly important role in the city and devolution agendas, particularly with the support of the RSA Growth Commission.

Priorities for the year ahead

Over the coming year we will continue to position ourselves to provide a strategic policy resource that Cabinet need to support this agenda.

This will include focusing activity on key Cabinet priorities, including developing the Whole Place Leadership policy position as well as supporting the development of policy propositions on education and health.

We will continue to support and contribute to the work of the RSA Inclusive Growth Commission, whose work post EU referendum is now even more critical to the future of our urban economies.

We will also develop practical ways to integrate evidence and evaluation into local programmes, ensuring public services are more focused on outcomes.

This will support the delivery on the ground of Cabinet’s ambitions for Whole Place Leadership and also link service outcomes to local and national priorities.

The Hub will also lead on integrating data sharing protocols into PSR programmes and consider the case for presenting a shared business case for a data sharing agreement with the Department of Work and Pensions.
Nottingham
“All the Core Cities understand that growing and attracting business is vital to our future success as cities.

“This task is all the more important following the present Government’s move to devolve business rates, meaning we have the potential to generate extra revenues if we can create the right climate for company start-ups and expansion.

“The Government has listened to us and responded to some of our concerns, and we have continued to work with civil servants across relevant Whitehall departments and UK Trade and Investment at a senior level.

“Most pressingly we need to rise to the challenges posed by the EU referendum vote – ensuring that Core Cities are making their voices heard in the negotiations.”
“We have supported the set up of Local Growth Hubs, now operating across Core Cities, and we have also managed to influence UKTI’s plans to localise its regional trade and investment support. This area of activity is ever more critical in the wake of the EU referendum result.

“Over the coming year we will work with other Core Cities hubs to reflect cities’ views on areas including Business Rate reform and apprentices.

“Most pressingly we need to rise to the challenges posed by the EU referendum vote – ensuring that Core Cities are making their voices heard in the negotiations. Our aim will be to secure an ongoing focus on economic growth and that our businesses and citizens do not suffer from any withdrawal of EU funding.”

Councillor Jon Collins
Core Cities UK Vice-Chair for Growth, and Leader of Nottingham City Council.
Summary of the year’s work 2015/16

Local Growth Hubs has now been set up in all Core Cities, part-funded by the Government.

We achieved some change around the localisation of trade and investment support. UKTI is now reorganising around regional groupings and has made funding available through various sources for joint activities in the UK and overseas.

We also talked to Government about the localisation of Innovation Services. Science and Innovation audits are now being carried out at a local level (with Core City Universities often at the centre of the audit) to understand research excellence across the UK and inform investment priorities.

We continue to meet as a good practice group, sharing information and expertise between Cities. This has informed developments in areas such as business start-ups, retail policy and preparation for apprenticeship reforms.

Priorities for the year ahead

We will put at the forefront of our work the business growth implications of the UK’s decision to leave the European Union. We will work hard to ensure that the withdrawal of EU funds for economic growth and replacement with UK funds is managed in a way which supports our ambitions.

Next year we aim to build on the success of 2015/16, ensuring that Core Cities secure their fair share of funding from Government for the delivery of business growth services and that working arrangements with Central Government support this.

Alongside the Finance and Investment Hub, we will increasingly engage in the business rates debate, supplementing discussions on the technical operation of business rates post-2020 with an understanding of how to maximise business growth.

Alongside colleagues in the Skills and Employment Policy Hub, we will look to increasingly shape Government policy on Apprenticeship Reform, helping ministers to understand local impact and address delivery issues before they arise in April 2017.

Together with colleagues in other policy hubs we will contribute to the Inclusive Growth Commission both as individual cities and, where appropriate, as a network.

As devolution and combined authorities develop we will consider the relationship nationally between Core Cities, LEPs and Government and respond to changing contexts.
“Fiscal reform is part of a longer term journey to establish a rebalanced UK economy that is driven by high performing city economies.”

“Fiscal reform continues to be a key issue for Core Cities, providing cities with the financial capacity to invest in economic growth and better public services. Fiscal reform is part of a longer term journey to establish a rebalanced UK economy that is driven by high performing city economies.

“Building a robust, well-argued case for longer term fiscal reform is key and we are proud of the work we did with Metro Dynamics on Fiscal Devolution which resulted in a widely read and respected report.”
“The localisation of Business Rates is a major reform to the financing of places and understandably has huge significance for our work.

“Our city treasurers continue to play a critical role in making the case that the Government’s proposed Business Rates reforms should be fair and equitable for all our cities and also provide the right incentives and rewards to enable cities to achieve their ambitions.

“As well as reform of business rates we were pleased to see HM Treasury accept our arguments for multi-year finance settlements, and we will continue to push for more and fairer financial certainty in the medium term allowing us to plan ahead.”

Councillor Julie Dore
Core Cities UK Cabinet Member for Finance and Investment, and Leader of Sheffield City Council.

Summary of the year’s work 2015/16

We co-worked with MetroDynamics on the Fiscal Devolution report, launching its findings in March.

We have continued engagement with the Government on Business Rates devolution. For example, submitting a response to the Department for Communities and Local Government’s Select Committee Inquiry into business rates.

Our submission included a number of subject areas including the impact of appeals, the need for equalisation and redistribution and the wider case for fiscal devolution to mitigate the potential volatility of business rates. We have met with Government to discuss these issues and have secured a place on the National Working Group developing the new model for local government finance.

In the March Budget 2016, local government secured four-year funding settlement budgets until 2020 which, although limited, went some way to meeting the Core Cities’ objective for multi-year funding settlements.

We have now set up working groups with our city treasurers to help plan workstreams and influence the development of the new business rates model.
Priorities for the year ahead

We will continue to engage Government on the Local Growth and Jobs Bill including the development of the model for full business rate devolution.

We have a significant interest in the technical detail of the proposed Business Rate model and how the additional responsibilities can empower cities to drive economic growth and create inclusive places with locally designed services that empower people with the skills and wellbeing to be productive and prosperous.

We will continue to work on how fiscal devolution might ‘play out’ beyond business rates. For example, we have been examining a proposal for a business rate supplement designed to fund infrastructure projects.

Fiscal reform is key to creating a balanced UK economy
Core Cities UK Cabinet

Councillor John Clancy
Birmingham

Mayor Joe Anderson
Liverpool

Mayor Marvin Rees
Bristol

Sir Richard Leese
Manchester

Councillor Phil Bale
Cardiff

Councillor Nick Forbes
Newcastle

Councillor Frank McAveety
Glasgow

Councillor Jon Collins
Nottingham

Councillor Judith Blake
Leeds

Councillor Julie Dore
Sheffield