



Overview of 'City Deals'

November 2015

Belfast City Council

1.1 Introduction

City Deals became possible with the introduction of the Localism Act 2011, which introduced the Core Cities Amendment. This allows local councils to make the case for being given new powers to promote economic growth and set their own distinct policies. The Localism Act is:

An Act to make provision about the functions and procedures of local and certain other authorities; to make provision about the functions of the Commission for Local Administration in England; to enable the recovery of financial sanctions imposed by the Court of Justice of the European Union on the United Kingdom from local and public authorities; to make provision about local government finance; to make provision about town and country planning, the Community Infrastructure Levy and the authorisation of nationally significant infrastructure projects; to make provision about social and other housing; to make provision about regeneration in London; and for connected purposes. [15th November 2011]¹

The first two rounds of City Deals involved 28 cities. **These Deals take the form of an improvement plan** and cover issues such as:

- growing the high-value manufacturing sector;
- creating better links between science and business parks;
- improving transport;
- regenerating or developing sites;
- raising skill levels in the workforce;
- accelerating the growth of key sectors in the economy;
- supporting unemployed people; and
- delivering significant, sustainable growth in housing.

The deals involve two main areas of support from central government; (i) funding and (ii) transfer of powers. In practice, the transfer of powers more usually involves increased cooperation with government departments. For example, working

¹ <http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

with government agencies to either speed up planning applications or tailor business support and training for local needs.

1.2 The city deals

In the first round of City Deals, cities that were eligible to be considered for a City Deal were identified as “*the largest and most economically important English cities outside of London.*” Greater Birmingham and Solihull, Bristol and the West of England, Greater Manchester, Leeds City Region, Liverpool City Region, Nottingham, Newcastle and Sheffield City Region all secured City Deals in this first round. The core cities estimated that the **first wave of deals will create 175,000 jobs over the next 20 years and 37,000 new apprenticeships.**

The second wave was “*the next 14 largest cities outside of London and their wider areas and the 6 cities with the highest population growth during 2001 to 2010.*” The content was likely to be developed through negotiation between the local authority, Department for Business Innovation and Skills, the Department for Communities & Local Government and the Cities Policy Unit.

The exception to the process is the *City Deal for the Glasgow region*.^[1] This deal is unique in many ways: it involves a third party (the Scottish Parliament), the money involved is much larger (£1.2 billion over 20 years), and it does not involve any power transfer. The finalised deal is **set to create over 29,000 jobs over the next 20 years and unlock a further £3.3 billion of private sector investment** across the city region.

More recently, Cardiff has secured a City Deal.

1.2.1 Wave 1 of city deals:

- Greater Birmingham
- Leeds City Region
- Nottingham City Region
- Bristol Region
- Liverpool City Region
- Newcastle Region
- Greater Manchester
- Sheffield City Region

1.2.2 Wave 2 of city deals:

- The Black Country
- Greater Norwich
- Sunderland
- Greater Brighton
- Oxford and Oxfordshire
- Swindon and Wiltshire
- Greater Cambridge
- Hull and the Humber
- Tees Valley
- Coventry and Warwickshire
- Great Ipswich
- Thames Valley Berkshire
- Plymouth and South West Peninsula
- Southampton and Portsmouth
- Stoke-on-Trent and Staffordshire

- Preston, South Ribble and Lancashire
- Leicester and Leicestershire
- Southend-on-Sea

1.3 Overview of examples²

- The Glasgow and Clyde Valley City Deal is an agreement between the UK government, the Scottish government and the 8 local authorities across Glasgow and Clyde Valley. It sets out how the region will create economic growth by:
 - setting up a £1.13 billion Glasgow and Clyde Valley Infrastructure Fund to improve transport and regenerate/develop sites;
 - supporting growth in the life sciences sector;
 - helping small and medium enterprises to grow and develop;
 - setting up programmes to support unemployed people;
 - testing new ways of boosting the incomes of people on low wages.
- Black Country: will use a City Deal to grow their high-value manufacturing sector. They want to build on the Black Country's track record in designing, building and exporting components and products such as aircraft control systems, turbo technology and an extensive range of automotive components. The deal aims to create 5,800 new manufacturing jobs within the first four years and attract an estimated £120m of private sector investment. They also aim to work closely with 2,800 long-term unemployed social housing tenants, aiming to move at least 900 into employment and so reduce welfare benefit costs by £1.1m and increase wages by £19m.
- Bournemouth and Poole: want to use a City Deal to encourage a transition to a more balanced local economy by boosting Advanced Manufacturing (particularly marine and aerospace) as well as digital and creative industries.
- Brighton and Hove: want to use a City Deal to realise the economic potential of their eco-tech sector and create 'Silicon Beach.' This is a new, and growing, sector in Brighton & Hove. The universities have developed specialisms in this area. Brighton and partners want to build on this and encourage more innovation and business growth. The Deal will unlock more than £170 million of investment in Greater Brighton to create 8,500 jobs.
- Greater Cambridge: Funding of £100 million will be made available in the 5 years from April 2015. If the programme is successful, another £200 million will be available from April 2020 onwards and a final £200 million from April 2025 onwards. Local partners will invest a further £500 million so that around £1 billion will be spent. This will unleash the next wave of the "Cambridge

² <https://www.gov.uk/government/news/deputy-prime-minister-launches-more-city-deals>

Phenomenon”, which is a cluster of high-tech firms that focus on biotechnology, software and electronics around Cambridge, many of which have links with Cambridge University. Greater Cambridge wants to spread the “brand” of Cambridge over a broader area by creating better links between the science and business parks (e.g. Babraham Research Campus), the city centre (where Cambridge and Anglia Ruskin Universities are based), strategic transport routes and key residential sites (including the new town development of Northstowe), as well as the Enterprise Zone at Alconbury.

- Coventry and Warwickshire: want to use a City Deal to capitalise on existing strengths in advanced manufacturing and engineering and to support the expansion of this sector. Coventry and Warwickshire want to grow these sectors by raising the skill levels of the workforce by increasing the number of people with intermediate and high level engineering skills and encouraging greater innovation in the sector.
- Hull and the Humber: wants to use a City Deal to maximise the potential of the Humber Estuary. The estuary is already a home to a chemicals and processing sector worth £6bn and has the highest tonnage throughput of any UK port. Humber now wants to grow the “Energy Estuary” by maximising these opportunities and the benefits of offshore wind investment - and to ensure that local people have the necessary skills to take up these opportunities.
- Ipswich: want to use a City Deal to equip local people and businesses with the skills they need to take advantage of significant expansion in high value jobs through development of Sizewell and Felixstowe.
- Leicester and Leicestershire: want to use a City Deal to accelerate the growth of key sectors in the economy (notably manufacturing and logistics) and to encourage greater commercialisation of research emanating from the three universities in the area (Loughborough, Leicester and De Montfort). They hope to halve youth unemployment in the area as well as unlock over £103million of private and £36million of public sector investment.
- Milton Keynes and the South East Midlands: want to use a City Deal to deliver significant, sustainable growth in housing. Over the longer term, this will allow the local area, and South East Midlands, to attract and find homes for high-skilled workers to drive economic growth. In the shorter term, providing confidence to private sector developers will create jobs in construction and industry supply chains.
- Greater Norwich: wants to use a City Deal to accelerate the growth of the internationally-recognised environmental and life sciences industry within the Greater Norwich area by focusing on the potential of Norwich Research Park.
- Oxford and Oxfordshire: want to use a City Deal to accelerate the growth of the knowledge economy by building on the strong base (including significant

clusters in bio-sciences, space technology and cryogenics), two world-class universities (Oxford and Oxford Brookes) and internationally-recognised 'Big Science' research centres (e.g Culham Research Centre and Harwell Laboratories).

- Plymouth: wants to use a City Deal to build on its strengths in advanced engineering and design, marine renewable energy, maritime and sub-sea operations and supporting technologies. It seeks to do this by increasing the commercialisation of research in these areas and increasing exports from its high growth companies.
- Preston: has seen significant private sector growth in the last 10 years, largely driven by growth in small and medium sized businesses. Preston want to build on this and sustain further growth, particularly in the aerospace and advanced manufacturing sector by investing in infrastructure.
- Reading and Central Berkshire: want to use a City Deal to ensure that local people have the skills they need to access local job opportunities. Reading wants to focus on ensuring that people have skills in the growing sectors (particularly construction, logistics and knowledge intensive areas) and to ensure school leavers have the soft “employability” skills businesses need.
- Southend and South Essex: want to use a City Deal to increase investor confidence to increase the supply of good quality office space and housing which will accelerate business expansion and increase the rates of entrepreneurship and innovation locally. The £6 million funding consists of £2.5 million from central government, £3 million in private investment and £670,000 from local government.
- Stoke and Staffordshire: want to use a City Deal to develop the UK's first at-scale, low carbon, heat network system and become the internationally competitive home for Advanced Materials businesses in Europe. The City Deal is worth £113 million and will support up to 23,000 jobs for local people over the next decade.
- Southampton and Portsmouth: wants to use a City Deal to drive the growth and diversification of the maritime sector in the area. They are seeking to do this by supporting growth in the associated sub-sectors of transport and logistics, defence and advanced manufacturing, the visitor economy and the complex supply chains linked to research and innovation. They hope to attract £115m from the local and national public sector and lever in over £838m of private sector investment, which will create over 4,700 permanent new jobs and over 13,000 construction jobs.
- Sunderland and the North East: want to use a City Deal to expand their manufacturing base and to diversify and grow the city's economy.
- Swindon and Wiltshire: want to use a City Deal to capitalise on the strong military presence in the area. They seek to do this by increasing the number

of spin-offs firms from developments in military technology and to harness the skills from ex-service men and women.

- Tees Valley: wants to use a City Deal to establish a global super cluster of petrochemical and processing industries to compete on the world stage. They want to build on Tees Valley's current industrial complex, which includes over 50% of the country's petrochemical and a significant percentage of the pharmaceutical sectors. Such a super cluster would have at its heart the production of cleaner energy, containing new developing, and associated sectors such as biofuels from waste and other forms of renewable energy such as offshore wind. They hope to create 3,500 supply chain or indirect jobs, safeguard 800 jobs for the Tees Valley, and attract £10 million of private sector investment.