TACKLING SOCIAL EXCLUSION: WHAT DIFFERENCE CAN CITY REGIONS MAKE?

Victoria Bradford
Matthew Jackson
Neil McInroy

CLES

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Centre for
Local
Economic
Strategies

About CLES

The Centre for Local Economic Strategies (CLES) is an independent think-tank and network of subscribing organisations involved in regeneration activities and local governance. CLES works closely with a range of partner organisations and aims to explain National and European policy at the local level; harness local experiences of delivery and implementation of policy, highlighting best practice and where policy is going wrong; communicate policy ideas and experiences to our subscribers and assist our subscribers in understanding local needs and implementing policy. CLES combines policy development, an information and briefing service, events and a consultancy arm. CLES develops new thinking, engages with Government and influences debates on regeneration and local governance. CLES is unique; our network of subscribing organisations, consultancy clients and our grounded experiences of policy means we are well placed to represent practitioners and develop ideas and policy that work on the ground.

About the Authors

Victoria Bradford is a Policy and Information Researcher at CLES and has experience of researching and writing about issues surrounding local governance, political economy, democratic innovations and sustainable development. Victoria also edits Local Work.

Matthew Jackson has been a Policy Researcher at CLES since April 2005. Matthew is responsible for the research and written material of a number of CLES publications and has a particular interest in governance and local government particularly around the processes of Local Area Agreements.

Neil McInroy has been the Director of CLES since December 2002. Whilst having experience in a range of issues relating to urban and social policy, his particular interests are in regeneration, local economic development, the community and voluntary sector and poverty.

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EXECUTIVE SUMMARY

It is against the backdrop of a political movement towards sub regional governance and devolution to the local level, that the concept of city regions has developed. The recent Framework for City Regions[1] lays out several approaches for developing a city region model highlighting three core benefits (or lenses) of city regions, these are:

- Enhancing Economic Performance
- Improving Service Delivery
- Devolving Democratic Decision Making

However, pockets of deprivation in our towns, cities and rural areas leave large numbers of people excluded from mainstream society. Despite 30 years of policy and practice working to ameliorate the conditions in which the poorest people live, little has changed; the gap between rich and poor continues to grow. It is this that has inspired the CLES approach to looking at city regions, in particular how city regional governance might, more adroitly, address social exclusion and reduce deprivation in our cities.

In looking at these three lenses What Difference Can City Regions Make? identifies seven key ways in which city regional governance would benefit the city region as a whole. It is these ideas that also shape discussions as to what city regions could mean for the socially excluded.

The economic ripple

City regions could facilitate knowledge gathering, strategy development and policy implementation that understands and reflects the porosity of cities and their ripple effect on neighbouring areas.

Stronger socio-economic networks

City regions could increase the creation of new and emerging clusters and social networks, that develop as individuals, communities, policy makers and businesses begin to conceptualise and intuitively operate within networks, which have a city region frame of reference.

Understanding and trust - means better services

City regions, with their shared service boundaries, could result in simpler relations between partners, meaning prioritisation is easier, and policy making is more able to meet the needs of the most socially excluded.

Greater economies of scale

City regions offer greater strategic integration and coordination of activities and

therefore greater potential for economies of scale. They are also better placed to ensure that there is no overlap in provision of services and conversely to ensure that there are no gaps on or around the boundaries of authorities.

Tidying up 'messy' Governance

City regions could also tidy up a sometimes confusing and messy set of circumstances, that do not necessarily reflect an individuals spatial experience, as well as formalising patterns of activity and linking population movement to service delivery.

Heightened identification with city regional politics

A city region style of governance seeks to devolve some of the key democratic decisions away from the centre, as well as pooling local authority knowledge and skills to provide services more in line with the aspirations and lifestyle patterns of the residents of city regions.

Appropriate scale

City regions are the right level for many governance activities such as transport, health, environment and economic development. A city region model would enable decision makers to tackle the problems in a way that is joined up and beneficial, not only to the local area, but also to the city region as a whole.

What Difference Can City Regions Make? examines how city regions could make a difference to social exclusion and reduce deprivation. It looks at several key issues surrounding governance of cities and provides possible solutions that could be provided at a city regional level. It argues that city regions could facilitate governance which helps to reduce social exclusion in the following ways:

Through improved and better-coordinated transport

City regions transport could connect the various parts of a city region in new ways thus facilitating enhanced economic development and improved competitiveness and thereby providing an opportunity to connect the socially excluded to employment.

By tackling worklessness

Greater powers for Jobcentre Plus and the ability to work in partnership with Learning and Skills Councils and employers at the city region level could assist in the development of holistic approaches to tackling worklessness.

Through a potentially more active citizenry

City regions could create a more active citizenry, through the matching up of natural economies with the administrative boundaries of a city region and through an easier identification with decision makers and service providers.

Through higher skills and more coordinated training

City regions could enhance further education and skills training provision, benefiting employees and employers at the city regional level and thus assisting in the improvement of city competitiveness.

Through a deeper commitment to social enterprise, which fits the natural economy

City regions could align more effectively social enterprise strategies, support and networks across the sub region thereby increasing markets and networks and improving business sustainability.

By better and more coordinated health services

City regions could simplify governance arrangements, improve service provision and assist in the setting of more localised priorities and targets, as well as improving life chances by raising the aspirations of the most socially excluded and better promotion of healthy lifestyles.

Through a rippling out of benefits to rural areas

City regions could more effectively connect economically isolated rural communities and focus on community-based outcomes from more locally initiated regeneration and economic development projects/programmes.

What Difference Can City Regions Make? concludes by looking at the options for city regions as regards "powers" and highlights where these powers can make a significant difference to social exclusion. In particular, it advocates the need for city regions to have significant powers over the spend of regeneration and economic development funding.

A City Region Agreement approach in the mould of Local Area Agreements, which enables city regions to set city regionally defined targets and pool local and regional funds could also form a strategic platform for city regions to make a difference.

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1 Office of the Deputy Prime Minister (2006) *A Framework for City Regions*.
http://www.odpm.gov.uk/pub/588/AFrameworkforCityRegionsResearchReportPDF814Kb_id1163588.pdf

1. SOCIAL EXCLUSION AND CITY REGIONS

This CLES research paper is inspired by recent interest in city regions and the continued government focus on social exclusion. For us at CLES, whilst the ongoing debate and consideration of city regions is a fascinating policy development, we are prompted in this work, to think through how elements of social exclusion could be addressed more adroitly by city regions. In short, what do city regions add to existing activity in relation to social exclusion at the regional scale?

In the debate around city regions, we do not want to lose sight of their function and their shape, we need to ensure there remains a significant focus on social exclusion, neighbourhood renewal and the continued eradication of poverty and disadvantage. We are mindful of the debate and truncated enthusiasm for elected regional assemblies, which in part failed through the problems of communicating the actual real life benefits to communities and the electorate. Furthermore, we are also mindful, not to blindly look to city regions and thus forget about the areas which fall out of the city region area and the good progress that has been made at the regional scale through Regional Development Agencies (RDAs).

In this, we are broadly supportive of the city region concept, as long as it strengthens the regional economy and the work of the RDA, and seek to suggest seven general benefits and seven specific policy areas where we believe city regions could and should contribute to the ongoing priority of addressing social exclusion. For us, it is only through an explicit recognition of the benefits and the real life experiential change that city regions can bring to peoples lives that we will be able to forge enduring and lasting change via city regions.

We start by considering why we should bother with city regions generally and why social exclusion remains a major issue, particularly in England. We then move on to consider how city regions could relate to and make a difference to social exclusion issues.

2. WHY BOTHER WITH CITY REGIONS?

Just under 1 in 4 people in the UK – or nearly 13 million people – live in poverty. This includes nearly 1 in 3 (or almost 4 million) children.[2] Pockets of deprivation, in our towns, cities and rural areas leave large numbers of people excluded from mainstream society. This exclusion takes many forms and impacts upon a wide range of issues, including amongst others, health, housing, employment and living environment. Despite 30 years of policy and practice working to ameliorate the conditions in which the poorest people live, little has changed; the gap between rich and poor continues to grow.

Social exclusion is complex and multi-dimensional. It is 'a shorthand term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, unfair discrimination, poor housing, high crime, bad health and family breakdown.'[3] Therefore, in tackling poverty it is not enough just to meet people's immediate needs (although this is obviously essential): the interplay between poverty and social exclusion is complex. It is important to understand why people have no decent housing, why they may not engage with political or democratic processes, or why they are unable to reap the benefits of government employment schemes.

Indeed, Central Government awareness and commitment towards tackling social exclusion appears to have intensified in recent weeks with the appointment of a Minister for Social Exclusion, namely Hilary Armstrong MP.

2.1   Getting the Scale of the Solution Right

In thinking through the relationship between city regions and the complexities of social exclusion, there is one clear factor which is vital in considering what benefits city regions could bring - that is - the rethinking of scale and geography. At present, strategic and policy related decisions, for instance, neighbourhood renewal, are confined and constrained by geographically ascribed boundaries.

Local authorities and other service providers frame challenges within the geographies that they administer. Thus naturally they find it difficult to look at impacts and connections beyond their immediate geography. On the other hand, other social exclusion related policies, such as those working to reduce worklessness and improve health, are often 'place blind' in that they give too little consideration to the spatial aspects of these issues (i.e. Jobcentre Plus and Primary Care Trust). This issue of scale is important for thinking about social exclusion in the context of city regions, as city regions can assist in capturing the linkages at differing spatial scales beyond local authority areas and help to overcome the Central Government departmental place blindness that currently exists.

2.2   The Benefits of City Regions

The notion of city regions is not new. Across Europe there are several examples of this form of governance, however, the wider benefits of this model have not, until recently, really figured on the Westminster radar. In France, major cities such as Lyon have developed city regional models to cover not only the City Centre but also the wider urban and rural hinterlands. Indeed, the benefits brought about by the Lyon city region have been used to develop the proposal for a West Midlands City Region.

Whilst much of the literature surrounding city regions has focused on the economic benefits of city regions, there are also two other reasons highlighted in the published literature which indicate why we need to maintain interest in, and support the development of, city regional governance frameworks. These include: improving service delivery; and devolving democratic decision making to a more localised level. In the next section we look at each of these three benefits in turn and assess some of the key arguments for city regional governance. These three factors or lenses will shape discussions later in the research paper of what city regions could mean for the socially excluded.

2.3   Enhancing Economic Performance

The first key factor or lens in which to look in terms of the benefit of city regions is that of economic competitiveness. Indeed the Framework for City Regions[4] sets out a compelling case for how city regions can contribute to economic performance and competitiveness. In this, a bank of evidence has been developed, most notably via the city region development plans in the North of England. Furthermore economic competitiveness is arguably the most compelling reason for city regions, and as such, potentially the greatest contributory factor to addressing social exclusion.

English city regions are doing badly

In unpacking exactly what a city region can bring to economic performance, it is clear that the reason we wish to see better economic performance is due to the fact that our cities are being outperformed by comparable European cities. Work commissioned by the ODPM[5] and indicated by NLGN[6] suggests, that whilst European capital cities and large cities do well in terms of GDP, English cities do comparatively badly, with English cities having a GDP which is around one third or a half of that of the richest cities in Europe (for example GDP per capita (2001) Dusseldorf €54,053 Birmingham €22,069). Of course all cities are different and there are reasons as to why these GDP figures are so poor. In particular, European cities have considerably more power levers with greater levels of autonomy from central government than is the case in England. In this, European cities can be more interventionist, more creative and in so doing be more competitive.

However, this inequality is not solely between regions, it also filters down; pockets of

deprivation are evident at the local and neighbourhood levels, affecting rural, semi-rural, suburban and inner city areas. In this, it is seen that city regions could integrate governance in all these areas, improve economic competitiveness both regionally and nationally, as well as improving service delivery, thereby enhancing the quality of life for the most deprived in society.

Local Authorities do not have sufficient economic development powers

An important consideration in the economic competitiveness argument for the development of city regions is the consensus that local authorities do not currently have enough powers and tools at their disposal to enable them to make a real difference to the local economy and local prosperity. Indeed, the recent interim Lyons inquiry report[6] highlighted that there are several areas of debate with regard to the powers and influence of councils in relation to economic development, most notably around:

• the funding of infrastructure projects, particularly transport projects;
• how best to secure effective engagement between local authorities and business;
• the role of local authorities in transport and skills investment.

The interim Lyons inquiry questions whether city regions are needed to enable economic development activity to take place at the appropriate spatial level, since it often overlaps the boundaries of individual authorities.

2.3.1 The economic ripple

In looking to unpack what city regions can explicitly do in terms of economic competitiveness, the first big idea is that the city - that network of economic connections and relations – whilst being the core of economic activity, is also the kernel of economic performance for the wider sub region, region, and country. The city is therefore economically porous, in that it draws in factors making it economically vibrant, and pushes out elements that have a ripple effect on the neighbouring areas, including other towns and villages far beyond its administrative boundaries. Thus the logical policy conclusion to this porosity is to look at ways in which we can gain knowledge and then develop strategy and implement policies that understand and reflect this porosity - thus assisting in driving up economic performance for both the city and its environs.

In this, the Framework for City Regions set out how labour markets, travel to work areas, housing and commercial property markets, leisure and training, all in some way relate to a city region and how thinking, strategy and policy making which considers these facets, are of importance in driving up economic performance. Furthermore, the Local Government Association's report on city regions[8] uses LGA research into the benefits of urban renewal in the big cities, to argue how city regions might spread this

benefit to all urban areas, including suburbs, 'second-tier' towns and the wider region.

2.3.2   Socio-economic networks

The second factor is about proximity and local links. As work from the Framework for City Regions demonstrates, dense social networks and informal contacts operating in close geographic proximity are important for a range of economic activities. Thus again, the logic is to augment this, creating strategy and policy that promotes proximity and social networks.

As indicated in social network analysis (Scott, 2005)[9], the network of liaison, interaction and most importantly trust are vital in the operation of any successful system – including the economy. Clearly, at present, the city scale, whilst demonstrating these facets, could be built upon with new emerging clusters and social networks developing as part of the city region. This could increase as individuals, communities, policy makers and businesses begin to conceptualise and intuitively operate within social networks, which have a city region rather than a city or local authority borough frame of reference.

2.4   Improving Service Delivery

The second key factor or lens in which to look in terms of the benefit of city regions is that of improved service delivery. In this we have identified three key factors.

2.4.1   Understanding and trust means better services

The opportunity offered by a city region with the same shared service boundaries and some powers, are significant for both city regions and the people who live and work within them. They offer the opportunity to align real political boundaries of the city with those of statutory partners such as Primary Care Trusts and Jobcentre Plus, and also reflect how people already use and perceive their city region. This could result in simpler relations between partners, thus enabling agencies to prioritise their work more efficiently and overcome some obvious administrative barriers (i.e. different area).

All of which is likely to result in better policy making that is more able to meet the needs of the most socially excluded.

City regions also play an important functional role, this is because the role played by local government has changed as regards strategic services, and now involves a greater enabling role rather then direct service provision. This includes enabling activities such as economic development, regeneration and environmental sustainability. These activities involve a greater degree of negotiation with agencies outside of local government, and often outside of the public sector.

City regions are a more appropriate scale for this type of activity and offer the opportunity for decision makers to more effectively address issues in those areas that would make

the greatest difference to the most deprived communities.

It might also be added that aligning and connecting – both physically and mentally - the varied areas and opportunities within a city region, will prompt the planning and delivery of better services, that truly meet the needs of individuals and communities alike. By gaining a greater understanding of the challenges facing the most deprived communities those responsible for service delivery and also policy making are better placed to accommodate the needs and wants of deprived communities within the city region.

2.4.2 Economies of scale

Perhaps the most obvious but also most contested of the factors is that through city regions there is greater potential for economies of scale and greater strategic integration and coordination of activities across the city region. Spatial planning, housing, transport and waste management are all better and more efficiently dealt with on a larger city region scale where they are able to have a more significant impact on social exclusion.

The increased geographical jurisdiction of a city region compared with that of a city, and the accompanied changes in provision of policymaking and goods and services, means there is an opportunity to redirect resources to where they are most needed; to ensure that there is no overlap in provision or services and conversely to ensure that gaps are not created on or around the boundaries of authorities. Thus, improving the service received by the most socially excluded.

2.4.3 Tidying up 'messy' Governance

Existing governance arrangements are at times confusing and in many instances bear little resemblance to the reality of everyday lives. The current division of English local authorities, is based on pre-industrial geographies, and takes little account of today's more complex and interrelated lives.

This is clear when looking at the boundaries of the City of Nottingham and Nottinghamshire County Council, which effectively cut through the heart of the city, separating it in two. Of course there is both cooperation and synergy between the two partners, but a city regional model of governance could build on this.

Individual lifestyle patterns, including working, shopping and leisure activities are not confined to one local authority area, but embrace a number of areas within a city region. Therefore, in all but official governance arrangements, city regions already seem to be in place with regard to housing markets, transport, and particularly retail catchments. For example, individuals living in Bury may identify with the wider Manchester region as a result of working and socialising in Manchester City Centre or elsewhere within

the Greater Manchester area. City regions could however formalise these patterns of activity, thus linking population movement to service delivery. Therefore the city regions governance model seeks to strike a balance between city and regional governance and thus aim to tidy up a sometimes confusing and messy set of circumstances, which do not reflect individuals spatial experiences.

2.5   Devolved Democratic Decision Making

Research carried out by MORI[10] in the run up to the 2005 General Election suggests that whilst slightly more people voted in 2005 than 2001 the UK is far from a picture of healthy democratic engagement. Whole demographic groups and local communities are shunning voting at elections as a result of a feeling that their vote is unlikely to have a real impact on their lives. In particular, participation in local and national elections in the most deprived areas is at an all time low. In fact the two lowest turnouts in the UK are in the top four most deprived. In Liverpool Riverside just 42% voted, and in Manchester Central just 43%.

A similar picture emerged in deprived areas of Birmingham, such as Ladywood where 47% of eligible people used their vote, and in Sunderland South where just under 50% voted[11]. This trend is also visible as regards peoples' wish to participate in political activity and decision-making. Only 48% of people in deprived areas want a say in how the country and their area is run, compared with 82% in the least deprived areas.[12]

Levels of involvement in community activity and volunteering also vary between the least and most deprived areas. A 2003 survey from the Home Office[13] highlighted that in the least deprived areas, 35% of people take part in some form of formal volunteering compared with 20% in the most deprived areas. The third key factor or lens to look at in terms of the benefit of city regions, is therefore that of devolved democratic decision making. City regions, in our view, have the potential to create greater democratic legitimacy, decentralise decision-making leading to greater identification and involvement locally. This we would argue, could contribute to better decision making and policy outcomes for the socially excluded.

2.5.1   Heightened identification with city regional politics

The massive 'No' vote, rejecting the idea of an elected regional assembly in the North East illustrates the less than positive association with regional governance in the UK. However, there is also growing recognition that the city level is too small a scale at which to tackle economic competitiveness and social exclusion. There is a perception, amongst both individuals and service providers that neither local authorities nor regional governments are able to have a significant impact on the lives of 'real people'. This has led many individuals and policy makers to question who is best placed to govern local areas and develop local economies.

A city region style of governance seeks to devolve some of the key democratic decisions away from the centre, as well as pooling local authority knowledge and skills to provide services more in line with the aspirations and lifestyle patterns of the residents of city regions.

City regions, therefore, with their smaller scale and possibly more strategic involvement and interaction with existing agencies, partners and levels of government, have the potential to impact directly on the most socially and economically excluded people, potentially providing a 'fill up' to local democracy in terms of democratic involvement.

Consequently, placing policy development and decision-making at the centre of contemporary lifestyle patterns, such as travel to work and leisure patterns could ensure that individuals closely identify with politics, thus engendering greater interest in, and engagement with, governance. Consequently, it is felt that city regional style governance and the greater identification that this level of governance could bring, could herald an enhanced association with democratic structures amongst people living in both the least and most deprived areas.

However, the public engagement process required to raise the awareness of city regions among local people must demonstrate the worth of particular projects and agendas to public concerns. Therefore policy and approaches to decision making within city regions, must take into account the issues of concern, and the challenges affecting people's everyday lives, in particular the issues and challenges facing the socially excluded. City regions have the potential to overcome this democratic deficit by contributing to a 'transformation of the political' through improving relevance to the lives of 'real people' and contributing to a 'transformation of democracy', through increased accountability.

2.5.2 Appropriate scale

The recent IPPR report, City Leadership[14], has argued that city regions are the right level for many governance activities – regions are often too big and local authority areas too small. They are the appropriate size for a range of strategic issues such as transport, health, environment and economic development. This is set out by the ODPM in their Framework for City Regions. In addition, the city region debate also fits in with the wider Localism agenda being pursued by the ODPM. Processes such as Local Area Agreements, which look to devolve greater power to local areas, give local authorities, alongside local communities greater input into their priorities for action.

However, too often this process has been constrained by unhelpful administrative boundaries, which exclude people living outside a local authority's boundaries but may use their services. In addition, Local Area Agreements whilst offering benefits for local areas, could have far greater advantages in terms of economic development and

reduced inequality, if considered at the sub regional or city regional level. There is the possibility of introducing City Region Agreements or Super Local Area Agreements, which could have the flexibility to negotiate outcomes and set targets for a number of authorities in a city region. Pooling of funding across local authority boundaries could also be beneficial in reducing inequalities regionally.

For example, consider two deprived neighbourhoods or areas located within a mile of each other within different local authorities that both have higher than average levels of anti-social behaviour. Ordinarily each local authority would use their funding allocations and resources individually to tackle the problems in the neighbourhood in their area.

However, using a City Region Agreement approach, authorities could collectively set priorities and targets and pool funds in order to tackle the problems in a way that is joined up and beneficial not only to the local area, but also to the city region.

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[3] Office of the Deputy Prime Minister (2004) *Tackling Social Exclusion: Taking stock and looking to the future - Emerging Findings* London: ODPM
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[4] Office of the Deputy Prime Minister (2006) *A Framework for City Regions.* London: ODPM
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[9] Scott, J.P. (2005) *Social Network Analysis: A Handbook.* London: SAGE

[10] For a comprehensive overview of MORI research on the 2005 General Election
http://www.mori.com/election2005/index.shtml

[11] Source of Figures
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[12] Duffy, B. (2005) 'Never Mind the Ballots: Where have all the Voters gone?' *New Start, 8th July 2005*

[13] Home Office (2004) *Research Study 289: 2003 Home Office Citizenship Survey: People, Families and Communities.* London: Home Office
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[14] Marshall, A., Finch, D. and Urwin, C. (2006) *City Leadership: giving city regions the power to grow.* London: Centre for Cities
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3. CITY REGIONS MAKING A DIFFERENCE TO SOCIAL EXCLUSION

Having set out the factors through which we feel city regions have the potential to make the greatest difference to the most socially excluded, we now turn our attention to the impact of these factors on a particular area of policy and how they might create conditions that lessen the deprivation and social exclusion faced by many people within a city region. These policy areas are, transport, social enterprise, health, worklessness, active citizenship, skills, and rural development.

3.1   City Regions Making a Difference: Transport

There are two core issues with regard to transport facing the socially excluded in England. These were set out in a 2003 report from the Social Exclusion Unit[15].

First, the most deprived may not be able to access services. For example, the socially excluded may be restricted in their use of transport by low incomes, or because public transport routes do not operate to and from the right places.

Second, transport provision can contribute towards social exclusion. A lack of connected and integrated public transport services in deprived areas can prevent people from accessing key local services such as jobs, learning, healthcare, food shopping or leisure. Furthermore, road traffic also has a disproportionate impact on the socially excluded, there are high numbers of pedestrian accidents, high levels of air pollution and noise and busy roads often cut through some of our most deprived areas, restricting movement.

As regards governance and decision making, it is evident that whilst London has perhaps the most integrated and effective transport system in the UK as a result of the powerful role of Transport for London, the North and Midlands appear to have trouble in convincing the Department of Transport of the potential wider benefits of proposed new transport infrastructure schemes.

This has been particularly evident in the proposals for the development of a light rail system in Liverpool and the extension of the Metrolink in Manchester. In unpacking where city regions could make a difference to the transport issues and assist with social exclusion there are four key possibilities.

3.1.1   Devolving Transport Powers

If city regions are to be formed around contemporary economic and lifestyle patterns then transport is an obvious policy area in which real power, resources and benefits could be realised. City regions could indeed play a direct role in the development and

implementation of policy solutions for transport and social exclusion in their area, but only if accompanied by a degree of power and appropriate resources.

Transport policy, and in particular transport funding, is at present particularly complex, requiring negotiation across local, regional and national levels of governance, with final decision for many projects made centrally by the Department of Transport.

This has meant that decision making for schemes such as the extension of the Metrolink in Greater Manchester, have been remote from the affected area, often meaning the abandonment of projects desired and needed by local people.

Transport related decisions could be far more responsive to local need, if a single decision making body was formed at the city regional level and accompanied by a degree of financial flexibility.

There are a number of methods of decentralising transport decision making to the city region, including:

- City regions could be given the fiscal autonomy to develop their own transport infrastructure projects. This could lead to projects being more reflective of the varied wants and needs of people across the city region and particularly take into account those living in the most disconnected areas.

- Decentralisation could lead to greater partnership working between transport and local business to more effectively link employees with employers.

- Decentralisation could also mean that city regions have the power and authority to borrow funds to finance their own projects rather than requiring funding from the Department of Transport.

- City regions could become responsible for existing transport systems within an area, tailoring them to needs of the most socially excluded.

Each city region will face its own particular issues with regard to transport. However, bus tendering and routing might be the most pressing issue for city regional level governance. Furthermore, city regional powers over Highways could also enable the focus to be aligned with the needs of local areas and may lead to a series of direct and trickle down effects for socially excluded communities.

For example, linking highway decisions to accessible employment opportunities for the socially excluded could lead to a host of positive outcomes relating not only to employment and skills, but also to health and education.

3.1.2   Policy aligned with needs of the socially excluded

City regions could allow the current myriad of local, sub-regional, and regional transport plans to be integrated, developed and delivered. For example, city regions could be the

mechanism required to integrate bus services across local authority boundaries. This is particularly important because many bus services have been decentralised to private companies.

Although this strategic role is often already in place through the existing Passenger Transport Executives (PTE), city regions would increase that role. The Manchester City Region has the potential to bring together strategic transport thinking for Greater Manchester, with Cheshire, Derbyshire and Lancashire. Central Government must also be prepared to devolve further transport powers to the PTEs, in a similar way to those devolved to Transport for London.

City regions could therefore be the solution to many of the challenges faced by bus services, particularly in rural areas. By taking overall strategic control of bus services for the area whilst leaving delivery responsibilities to private companies, a city regional government could ensure the most socially excluded are able to access their everyday needs through public transport. It could also lead to an inherent reduction in cross-border tensions faced by public transport delivery bodies, and open up areas to greater connectivity.

3.1.3   Connecting the socially excluded to employment

Transport and in particular travel to work and travel to leisure patterns should form a key area of strategic responsibility for city regions. These allow opportunities for policy teams to focus on where transport policy is working well across boundaries and where it is not, and thus to develop relevant strategies.

For example, a deprived area on the edge of Manchester, may be 10 miles away from the employment and retail opportunities of the city centre, and transport by bus infrequent, costly and taking a long time. However, two miles down the road at Handforth, in the Borough of Macclesfield, there is an out-of-town retail development with key job opportunities and services. Yet because the deprived area lies within Manchester's boundaries and because different transport providers operate the bus services, there is no bus link between the deprived area and the out-of-town retail development.

City regions or a Passenger Transport Executive with powers equivalent to those of Transport for London, have the opportunity to identify barriers such as these and, in cooperation with the relevant providers, address the problem. For those living in deprived areas this may mean greater access to potential job and service opportunities.

3.1.4   City region transport policy to trigger economic investment

Strong transport links are often a trigger for, and signal of, greater national and international investment. More strategic city region-wide thought about transport could result in the benefits of improved economic performance being spread out over a far

wider area. It may create more cross boundary cooperation over public transport. Links to regional airports could mean that the benefits of these major employers could also reach a far wider area and be a far more significant employer of people from deprived areas.

This, in turn, could also lead to greater economic investment in these areas. Improved cross-border linkages to out of town retail developments could also have wider benefits for local economies, as well as reflecting the needs of the less mobile.

3.1.5 Transport powers to resemble Transport for London's

Transport for London have a number of responsibilities, including; managing London Buses; operating Dockland Light Railway; maintaining a network of major roads; and running London River Services and Underground systems.

Whilst Public Transport Executives in England's other cities have some devolved transport powers, especially around buses and routeing they are less extensive than the capital's powers. Indeed, city regions present an opportunity to bring the powers of PTEs in line with those of Transport for London.

For example, in recent years, the Passenger Transport Executive Group (PTEG) have been pushing for further powers for their PTE members in relation to local rail services.

City regions could allow PTEs to:
- Manage franchises and ultimately become the franchise authority for services in their area;
- Take a greater role in the management, maintenance and development of stations and car parks;
- Expand their role to take in the wider 'journey to work' areas in surrounding conurbations;
- Take a more proactive role in procuring additional rolling stock to relieve overcrowding.
- Regulate buses, as they do in the capital.

The use of one body or authority to coordinate transport activity for a city region is important not only because it has the potential to improve decision-making at local and regional government levels, but also because citizens may be able to identify more effectively with a body that coordinates transport activities that are more in tune to their everyday movements.

3.2 City Regions Making a Difference: Social Enterprise

There is a problem in many of our poorest places, surrounding a lack of formal

entrepreneurial activity. The issue around this is related to two main factors:

A market. Social enterprises are adept at understanding their local market. However, frequently this market is often too small to enable business sustainability. In this, some social enterprises have a parochiality that can hinder their development. There is therefore a need for better understanding and market appreciation of wider and possibly pan city region needs.

Skills and support. Social enterprises have a unique set of requirements. Whilst closely aligned to formal business support through Business Link and Small Business Support, it is necessary that social enterprises receive their own bespoke range of service support which has an appreciation of the unique needs, market and social economic ethos of social enterprises.

3.2.1 City regions to connect enterprise strategy and delivery

In looking at this problem through the lens of the outlined benefits of city regions, it is clear that in terms of service delivery improvements, conceptualising the needs of enterprise and implementing policy at a city regional level is helpful. Whilst service delivery and support at present is co-ordinated by the RDA and delivered through agencies such as Manchester Enterprises and West Midlands Regional Enterprise Board there is a need for service delivery to match up across local authority areas.

Frequently, local authorities have their own social enterprise support perhaps aligned with traditional community and voluntary sector support activities. This tends to vary across local authorities, with different localised local authority priorities being taken.

Whilst this is useful at a local scale, there is a need for policy alignment and support alignment in terms of specific support for clusters or networks that cross a city region. This will help create connections across the social economic sector, facilitate clustering and knowledge transfer between social enterprises, and assist in the development of the social economy more generally.

In terms of democratising activity, again there is a case to be made. At present Regional Development Agencies have significant resources for social enterprise activity, as of 2005 the North West Regional Development Agency committed over £4.6million for activities ranging from supporting specific projects to helping to fund the development of sub-regional partnerships.

The ability of city regions to have some form of democratic scrutiny and strategic input into resource allocation is limited. This is not to suggest that present arrangements are inadequate, but merely that there are general benefits to be had by having social enterprise resources and spend more closely related to democratic accountability, in terms of scrutiny, policy formulation, accountability and effective targeting.

This role would invigorate social enterprise facets of local government and, coupled to the ongoing LEGI activities, be a significant fill up to the social economy of the city region, creating bigger bangs with bigger bucks.

3.2.2 City regions to enhance social networks

As regard economic competitiveness, the case again is very strong. A social enterprise sector that plugs into and has strategic knowledge about the porosity of the city region's social economy is of vital importance. In this, social enterprise could benefit from a city region perspective which strategically understands the needs of social enterprise and the social economy sector.

Furthermore individual social enterprises would benefit from a knowledge base which assists them in understanding what draws in and pushes out economic benefits, thus enhancing the business case for sometimes vulnerable and imprecise economic and business planning. In terms of the second main benefit that increased economic competitiveness brings; enhanced social networks and contacts, this is of major importance to the social economy and social enterprise more generally. The social economy in particular needs strong, enduring and a broad range of networks involving sophisticated levels of co-operation.

In this, there is a need for cooperation amongst users (through savings and loans, mutual insurance, consumers), producers, and through the multi stakeholders (members, workers, local communities) involved. This cooperation within and outwith these three groups is of particular significance, in that social networks and contacts between people can create an effective weave of social entrepreneurial activity.

Furthermore, to be strong, the social economy needs solidarity inputs (volunteer labour, ethical finance, community sponsored facilities), proximity and close understanding, to draw on the strength of its understanding of social needs and gaps in the mainstream market. In this, a city region and its ability to draw on a bigger pool of understanding and solidarity networks is important.

3.3 City Regions Making a Difference: Health

The challenges surrounding health are complex. As a service it has many levels of governance, including; Strategic Health Authorities; Primary Care Trusts; Hospital Trusts; and Acute Care Trusts, as well as the Ambulance Service and the public health function often carried out by local authorities.

For example, in Bristol there are two Primary Care Trusts commissioning services from three acute trusts, the ambulance service and the Avon Mental Health Trust. This confusing web of services and trusts makes health governance complex and cross department working difficult. Aside from this, health inequalities are exacerbated by

deprivation and social exclusion.

Three examples of geographical and social health inequalities in England are as follows[16]:

- Death rate from coronary heart disease for under 65s is almost three times higher in Manchester than the London Borough of Kingston Upon Thames;
- Death rate from stroke is 1.5 – 2.5 times more likely for people born in the Caribbean and the Indian sub-continent than those born in this country;
- Children under 15 years of age from unskilled families are 5 times more likely to die from unintentional injury than those from professional families.

As such there are five core ways in which city regional governance can impact on the health of the most socially excluded within society. Essentially these can be broken down into issues relating to personal health and health choices and those relating to the strategic planning of health.

3.3.1   Increased wealth equals improved health

As previously mentioned city regions could improve economic performance and competitiveness enhancing employment prospects and wealth, focusing on the most deprived communities within a city region. With this improved economic performance could also come improved health, as there is considerable evidence to suggest that there are strong linkages between increased wealth and improved personal health[17].

For example, with regard to life chances, by raising economic aspirations, city regions could improve public health by creating the opportunities for individuals and communities to make healthy choices themselves. This includes making decisions about lifestyle choice such as not smoking, improving diet and viewing sexual health as important.

3.3.2   Health governance improvements

City regions could also facilitate a better understanding of the health needs of the wider city region and could allow better prediction of requirements and strategic planning of health services over coming years. The greater economies of scale available at the city region level could also prove important for the delivery of health care, which under certain plans could be expanded so as to enjoy the same boundaries and operating areas as the city region.

This could reduce running costs and improve the strategic planning of health services, delivery of public health, as well as the procurement. For example, having access to evidence about a population at the city region level could enable better planning of services, in particular for care of the elderly. It would also facilitate more effective, preventative and long-term care, particularly for transient groups such as drug users and teenage mothers.

This level of strategic planning also ensures that certain populations and deprived communities are not overlooked as regards health promotion or planning, as decision makers enjoy a greater level of authority over a wider but increasingly inter-related area.

3.3.3   Better consultation and user involvement

The potential for greater democratic accountability can also help to improve health choices by enhancing public and patient involvement in health planning, and by ensuring that patients are involved in determining the services that are available in their area.

By electing a city regional health board or otherwise holding health planners to account, the population as a whole, and indeed the most deprived communities, can influence the services available to them and determine how they are to be accessed. For example, an elected Health Board offers the opportunity for the electorate to direct public health policy. It also offers the opportunity for greater involvement of socially excluded people to be involved than under present arrangements.

As we have already seen, formal arrangements such as voting attract a greater response from deprived communities, than do informal opportunities such as participating in steering committees and patient involvement groups.

3.4   City Regions Making a Difference: Worklessness

There are currently around 2.7 million non-employed adults in the United Kingdom claiming sickness related benefits. Compared to key global competitors such as France and Germany, this is a disproportionately high number. Whilst the number of people claiming unemployment allowances has continued to fall, the march towards full employment in the United Kingdom does not appear to be materialising, primarily as a result of the long term sick.

Whilst there are high levels of sickness related claimants in each of the Regions of the United Kingdom, there are particular areas and groups, which are perversely affected by sickness and worklessness. The areas with the highest levels of sickness related benefit claims are characterised by three factors. They are the cities such as Liverpool and Manchester who were hardest hit by economic restructuring and the loss of traditional industries and former coalfield areas such as Easington and Barnsley.

Within these areas they are the people most affected by social exclusion: those aged over 50 not involved in employment or retired; disabled people; and lone parents. A 2004 report from the Social Exclusion Unit[18] highlighted that there are a number of worklessness issues facing the most socially excluded and these groups are often clustered in geographical areas. Living in these areas impacts in a number of ways that hinder the move into employment. These include:

- Living in an area where there are many other workless people can damage a person's life chances, especially those of children and young people;
- People living in these areas have lower expectations of starting a job, and lower probability of starting one;
- Living in the most deprived areas with the very highest levels of unemployment has particularly strong negative effects on a person's chances of leaving poverty;
- Significant numbers of children are in danger of growing up in families with little contact with the world of work, and limited aspirations.

The report highlights that the people that live in these geographical clusters of worklessness tend to be from groups who are known to do badly in the labour market, predominantly those with no qualifications, those from BME groups, and those with a limiting long-term illness.

3.4.1   Strategy over travel to work

There is a tendency for the English workforce not to migrate across local authority and regional boundaries in search of employment to the same extent as continental counterparts. The most socially excluded populations access to employment is often restricted as a result of a lack of transport connectivity to areas of employment growth. There are also a number of key barriers to new business start ups in the most socially excluded areas including access to finance.

The worklessness issues identified above, highlight that there is a large potential labour market in many of the most socially excluded areas, there is however a problem in integrating this workforce with employment opportunities. Therefore, city regions through the alignment of transport providers have the potential to integrate this potential workforce and economy with opportunities across other local authority and sub regional boundaries.

3.4.2   Motorising the potential economy

The life chances of the least mobile and most socially excluded in society are often dependent upon the economic performance of the local area or the region they live in. City regional strategies could therefore link opportunities with regard employment and investment in the areas experiencing economic growth to worklessness and skills in the more deprived areas.

The Local Enterprise Growth Initiative and the economic strategies of the Regional Development Agencies could be tailored to meet the gap between the best and worst performing economies as part of a city regional strategy, as well as addressing the democratic deficit between local and regional governance models. As well as reducing

social exclusion, a greater linkage between worklessness and economic growth could lead to improved regional performance.

3.4.3   Greater powers for jobcentre plus

The role of Jobcentre Plus, and the Connexions Service are confined to district or local authority boundaries. City regions could enable the above agencies to flex their services to respond more effectively to local priorities and the needs of employees at a differing scale. A reorganisation of, for example, Jobcentre Plus to cover a wider city regional area could broaden opportunities for jobseekers to cover not only opportunities in City and District Centre localities, but also in peripheral areas.

This links into integration and transport issues with the need for connectivity. Clearly, with a connected transport and employment service, city regions could impact significantly on current levels of worklessness. Also, a clearer geographical process could reduce incidences of 'place blindness' by employment related agencies and departments.

3.4.4   Alignment of neighbourhood, local and regional employment strategies

Economic development is currently the primary task of the Regional Development Agencies at the regional level. City regions present the opportunity to align and complement Regional Development Agency strategic thinking around employment and economic development.

City regions offer a route for Regional Development Agency resources to be targeted and administered more effectively and precisely, meeting the particular needs and complexities of the areas that they cover. It is important that Regional Development Agencies and City regions complement each other, with the latter not being viewed as a threat by the former. City regions should be able to identify the areas within their remit for investment, and express the advantages of these areas for investment. Increased investment potentially leads to increased employment opportunities.

3.5   City Regions Making a Difference: Active Citizenship

Today, by and large, we are passive citizens with decisions about public services and their delivery made on our behalf by local and central government, with relatively little input from individuals or communities. The health of democracy in England especially, is a growing political concern as is evident in the setting up of the Active Communities Unit[19].

In recent years the perceived failing of democratic structures can be seen in the rise in voter apathy, the breakdown of traditional political allegiances, a fall in trade union membership, and the rise of 'single issue' politics.

The activeness of citizens across the political spectrums is also dependent on status, with the most socially excluded and those living in the most deprived areas having far less involvement in formal and informal decision-making. Indeed the most socially excluded are becoming less and less involved in participating in an array of political activities with levels of formal and informal volunteering in the most deprived areas way below the national average. Identity of place and place satisfaction is also falling in the most deprived areas.

3.5.1   Recognition of local identity

Increasingly, as a result of out of town retail centres, regional airports, a national motorway network, out of town leisure facilities, and rapid urbanisation, people and individuals identify with a far larger area and use services across a wider level than their own neighbourhood.

City regions appear to be the logical boundary for modern lifestyle patterns and something, which local people could significantly identify with. One of the core issues facing the socially excluded is who represents them and who is responsible for their local services. In many cases this is their local authority.

City regional governance offers opportunities for clearer identification with an entity which operates across authority boundaries for activities such as work, shopping and leisure and affords the opportunity to widen the delivery of services. Increased connectivity and recognition of an accountable body representing the city region could lead to improved recognition of governance.

3.6   City Regions Making a Difference: Skills

Recent evidence suggests that people who live in severely physically and socially disadvantaged areas have disproportionately low levels of skills, whether these are defined in relation to formal qualifications, the basic skills of literacy and numeracy or other measures. There are a number of sectors of the population, which have historic levels of low skills.

These include:

- Men aged over 50 who have previously worked in heavy industry, which as a result of economic restructuring and mass redundancies, and an associated lack of other skills have been unable to access new forms of employment. These men and their families often live in the neighbourhoods that have become most deprived.

- Men who have previously worked in the coalmining industry. These men have been affected not only by a lack of skills, but also a range of work related respiratory problems. Again former 'pit-villages' have become characterised by severe

deprivation.

- Young Men aged 16-24. There is an increasing number of young men who leave mainstream education without the necessary educational skills for employment. There are particularly poor education and skills levels among young black men.

Whilst there are national patterns of low skills amongst example groups as highlighted above, a number of local factors also contribute towards the skills deficit and social exclusion. Most notably, in some areas the local skills base is not correlated with existing and emerging employment opportunities. This is mostly evident in cities, where core employment investment opportunity surrounds managerial and professional posts, but the skills of local populations are more in tune to primary and secondary industry.

3.6.1 Partnerships for learning and skills

The Learning and Skills Council is responsible for funding and planning education and training for over 16 year olds in England. With a budget of £8.0 billion the Learning and Skills Council operates through 47 local offices and a national office in Coventry. There appears to be a geographic linkage between the areas in which Learning and Skills Councils operate within (for example Greater Manchester) and the proposed boundaries for city regions. There is therefore a case for not only the boundaries of city regions to be intrinsically linked but also the operations of the two bodies to be linked.

City regions could link the workforce and skills development agenda of the Learning and Skills Councils with the economic and commercial aspirations of city region economies. If this linkage is made, there is thus an opportunity to link skills initiatives targeted at the most socially excluded with economic investment opportunities identified by the city region. Indeed IPPR proposes the creation of City-Region Contracts to co-ordinate and devolve funding for regeneration, transport and skills. In relation to skills, IPPR suggests that city regions gain an element of control over LSC funding for adult learning.

They argue that this could help to tailor Learning and Skills Council to the city regional level, and achieve key social and economic regeneration goals without undermining national entitlements or floor targets.

3.6.2 Joining up economic development strategies

City regions present the opportunity to effectively join up a host of local and regional strategies for worklessness, skills, education and economic development. Providing more effective linkages between these strategies at the city regional level could allow skills, worklessness, education and economic development to be effectively correlated for the benefit of the most socially excluded. Indeed the Local Government Association,

have recommended devolving specific powers around skills to city regions. They have proposed introducing 'skills boards' to encourage greater integration of spending on skills, for example across the Regional Development Agency, Learning and Skills Council and local council; and more local control of mainstream funds to tackle 'worklessness'.

Furthermore, as has been explained earlier, city regions present a series of opportunities for transport connectivity, most notably through improved links to job opportunities for those living in the most socially excluded conditions.

Recent years have seen the development, particularly in out of town locations, of 'call centres'. These provide hundreds of jobs, with potential for skills development. City regions, through transport linkages, could link those with lower levels of skills and the workless to opportunities in out of town locations.

3.6.3　Enhancing further education and competitiveness

Again through increased connectivity, city regions present the opportunity to link young people with lower skills to sub regional further education opportunities. This in turn could lead to an improved skills base, increased levels of enterprise development and improved competitiveness regionally.

There is an increased emphasis being placed nationally on entrepreneurship and social enterprise as ways of reducing social exclusion, and improving neighbourhood, local, regional and national competitiveness. City regions, through powers for skills development, could contribute significantly to this enterprise challenge by working with the Regional Development Agency and local communities.

3.7　City Regions Making a Difference: Rural Development

The unique circumstances of many rural communities, and the way rural policy has been decided thus far, mean that city regions are particularly important in light of the growing rural population[20] and the changes in funding for rural economic development and regeneration activity, that now see delivery of rural regeneration the responsibility of the RDAs.

3.7.1　Community focused outcomes

A city regional administration is large enough to ensure effective policymaking, yet small enough to understand the specific needs of its communities and thus support more effectively the rural poor. Rural regeneration activity initiated by a city regional administration could be more focused on community based outcomes and this ensures appropriate rural regeneration.

3.7.2 A connected economy

As already touched upon, connecting rural populations to economic opportunities across the city region, not just in the urban core is crucial to ensuring a successful city regional economy, improved competitiveness and indeed a successful rural future. City regions with appropriate transport and economic development powers are best placed to do this through a greater understanding of their communities and their economic and lifestyle patterns.

City regions could recognise that improved competitiveness relies on a much wider area than just the urban core, and through economic development policy would facilitate a movement away from the continued emphasis on agriculture as the core driver of the rural economy. This would allow rural economies and enterprises to diversify and develop in a way that truly meets the needs of rural communities.

City regions could build on experience of urban enterprise development, extending this to many rural areas to enhance employment prospects. It could also connect rural areas with developments in the urban core by providing a comprehensive strategy that supports the development of community and social enterprise and identifies and addresses barriers surrounding contribution of the sector to rural regeneration, social inclusion and better service delivery.

3.7.3 Rural Proofing

The alignment of boundaries across city regions could also have a significant impact on the services delivered to rural communities, because it would enable a greater understanding of peri rural and rural communities through a better evidence base.

Therefore, a city regional administration would better meet the needs of these communities and better understand the type and level of services required in rural areas. This could be aided by coterminous boundaries of, for example, health services, learning and skills councils, economic development services and transport providers, thereby connecting rural and peri rural communities to both the urban core and across the wider city region.

Improved democratic accountability would also result in better rural proofing of services; that is the provision of services that effectively meet the needs of rural and peri rural communities. Improved democratic accountability would also bring more direct association of policy with the rural communities it aims to assist. Indeed, where policies do not sufficiently meet the needs of rural communities the electorate could un-elect representatives and policy makers.

Arguably, where cities regions could have the greatest impact is in those rural communities that are on the periphery of outlying towns and cities, doubly removed

from the urban core as it were. Through city regional governance these areas could be brought into the city regions, linked to other areas across the region, and address the needs of the socially excluded more effectively and appropriately.

[15] Social Exclusion Unit (2003) *Making the Connections: Final Report on Transport and Social Exclusion.* Available at:
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4. CONCLUDING COMMENTS

The aim of this report was to explore and highlight some solid ideas of how city regions could make a difference to social exclusion. In this, it is evident that when looked at in terms of what city regions could potentially do for social exclusion, there are a range of potential advantages. For us, we hope that this report stimulates and assists in unpacking questions as part of some of the ongoing debate and development of city regions in coming months.

Over recent months, ODPM (which now forms the Department for Communities and Local Government), in association with a number of other academic and research organisations, have attempted to develop a framework and economic based evidence for the inception of city regions across England. Indeed, city regions and in particular the business cases put forward by the West Midlands and Greater Manchester are predicted to form a key strand of the Local Government White Paper, which is due in 2006. Each of the three options identified in the Framework for City Regions has its relative merits and an opportunity to incorporate social exclusion related issues which have been identified in this research paper. The options are as follows:

A Developmental Approach – the additionality of a city regional scale in the design and delivery of policy could result in significant improvement in the efficiency and effectiveness of a multi-level spatial economic policy. This approach works largely with existing governance frameworks and would not require local government restructuring.

A Transformative Approach – in part based on the Thames Gateway growth model, is a far more targeted approach to city regions to try and reduce the gap in regional growth rates, recognising there are limits to the developmental option. Most notably, that it is a static approach based on the analysis of existing problems and failures, rather than providing any real in-depth understanding of what the city region model could achieve.

A Devolved Approach – driven much less by economic logic than the first two options, this argues for the need for city regions to have a greater degree of regulated autonomy.

CLES hopes that the focus on city regions and social exclusion as identified in this research will be recognised as the city region agenda evolves. Finally it is important to reiterate, that many of the proposed advantages are predicated on an increase in city powers, with particular emphasis on powers in terms of regeneration and economic development (key facets in tackling social exclusion in our cities and hinterland). In

this, the merging of Local Area Agreements for instance, and powers over funding including the ability to pool funds, should greatly assist in the strategic prioritisation and adroit positioning of policy. Furthermore, if one considers the potential of some alignment with neighbouring funds, then the potential is even greater.

Ultimately, however, proposals for city regions need to retain focus on how best arrangements for city regional governance could reduce social exclusion and improve quality of life for the most deprived in our communities.

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