

METROPOLITAN GOVERNANCE WORKSHOP – LEEDS CITY COUNCIL

Theme3: *Linking central government policies and metropolitan initiatives*

The creation of metropolitan or similar bodies within an urban center is often seen as a reflection of the desire to strengthen the urban center and increase its influence. It can also occur when the central governments offload financial responsibilities onto local communities. Ultimately, do metropolitan centers have more influence when negotiating with central government authorities, or do they remain just as dependent?

Setting the scene

Leeds is one of the most prosperous cities of the United Kingdom, situated in the north of England in the ancient county of Yorkshire. Leeds has an expanding economy which, while diverse, is particularly strong in the business, financial and legal services sectors. In 2003 Leeds was voted the UK's Favourite City and Britain's Best City for Business.

Local government is the responsibility of Leeds City Council, which is the second largest Metropolitan District Council in the UK, with a growing population of over 715,000 and a city council budget of over £1,000 million. The city council employs approximately 35,000 people, making it the largest single employer in Leeds. The city covers an area of 55,170 hectares including a rural area to the north of the city and a number of distinct towns lying outside the central core. In terms of democratic arrangements for the city, councillors are elected to four-year terms of office to represent a geographical area known as a ward. Leeds City Council's elected body is composed of 99 councillors across 33 electoral wards, with 3 councillors per ward.¹

Despite its relative prosperity the city suffers from areas of deprivation, high crime, unemployment and educational under-performance, so the council's mission, or main aim, is to ensure that all citizens share in the city's success. Leeds City Council's mission statement is *"to bring the benefits of a prosperous, vibrant and attractive city to all the people of Leeds"*. The Council's Corporate Plan, titled 'Closing the Gap,' sets out its main goals, which are:

- creating better neighbourhoods and confident communities;
- making the most of people;
- competing in a global economy;
- integrated transport; and
- looking after the environment.

The broader governance geography

Looking beyond the Leeds City Council boundaries the historical 'geography' of governance in the UK is complicated. The pattern of governance arrangements has also been altered quite radically since the election of a Labour Government in 1997. In broad terms the UK Parliament covers the entire nation, but there are now devolved governance arrangements in Scotland (which has its own separate Parliament in addition to the UK Parliament), Wales, Northern Ireland and London. The responsibilities of these different regional bodies vary, and it is

¹ For information on Leeds City Council see the website www.leeds.gov.uk

not possible to cover them in this paper. The *English regions* do not currently have directly elected governance structures. The elected governance tier below the regions consists of a mix of:

- in some areas, county (sub-region) and district structures where these two tiers share local government responsibilities; and
- in other areas, unitary and metropolitan councils have single responsibility for providing local government functions in their area.

Leeds is a metropolitan district council, which has single responsibility in its area. There is no governance structure at the county, or sub-regional level. The historic county structures in Yorkshire (of three subdivisions or Ridings) were abolished in 1974.

At a regional level the UK government has subdivided England (excluding London) into eight regions. None of these regions are historical entities in any true sense as they are largely administrative divisions. Leeds is within the Yorkshire and the Humber region. Yorkshire and the Humber has a population of over 5 million and an area of 15,400 square kilometres. The local authorities form the region's local government structure, but there are also a large number of national government departments,² government agencies³ and non-departmental public bodies⁴ operating in Yorkshire and the Humber. These organisations currently operate outside any single regional decision making structures. For this reason the Government has started to strengthen regional governance mechanisms. The English regions do not currently have any directly elected governmental structures; but Yorkshire and the Humber will be one of the first English regions where electors will be given the opportunity to vote on the issue of elected regional assemblies. Theme 2 explores the debate around the role and responsibilities of a possible elected regional tier of government in more detail.

Leeds is part of a much larger urban conurbation. Although Leeds City Council is responsible for a relatively large geographical area, there are several other large towns and cities near to Leeds (Bradford, Wakefield, Huddersfield and York), making the sub-regional settlement pattern polycentric in character. There is a strong case for considering Leeds and its neighbouring local authorities to be part of a 'functional' city-region, defined by travel to work and other social and economic relationships where the city has mutually beneficial relationships with its neighbours. However, there are no formal governmental structures across the city-region. Theme 3 explores the development of thinking on the city-region agenda.

City Council responsibilities

Many of Leeds City Council's current responsibilities and functions come from Victorian times when cities such as Leeds developed their powers of service provision and regulation to cover all elements of civic life.⁵

² For example the Department of Health

³ For example the Highways Agency

⁴ For example Learning and Skills Councils

⁵ Including, for example, public transport, public baths, provision of utilities (gas, water, electricity), hospitals and higher education.

After 1945 local authorities both lost and passed over control of a range of public services to other public bodies or the private sector. Therefore, although councils remain the main provider of public services, they are no longer holistic 'cradle to grave' providers.

In broad terms the council continues to provide the following services directly:

- social care;
- housing and neighbourhood services;
- street and environmental services;
- waste management;
- education up to the age of 16;
- leisure and cultural facilities;
- parks and open spaces; and
- planning and economic development services.

The council also retains a range of critical statutory and regulatory responsibilities. Councils do not manage functions such as the health service, police or fire and rescue services in their areas.

There is an increasingly complex network of interconnected providers and delivery arrangements at local level. In many cases these are intended to support 'joined up' service delivery across traditional departmental boundaries. In Leeds a good example of this approach is the One-Stop Centres for local residents which provide a range of council services under one roof. These award-winning centres have a high standard of customer service. The One-Stop Centres are a first point of contact with Leeds City Council. They help residents with enquiries such as:

- Council Tax bills and benefits;
- housing tenancy issues;
- benefits for people on a low income; and
- Social Services help for older people, disabled people, children and families.

At one of the centres a partnership between the City Council and the National Health Service means customer advice services are provided together with a library and a day hospital. This partnership is an example of how local and national government share the aim of providing 'joined up,' effective and efficient services.

In a number of distinct areas of council responsibility Leeds City Council has transferred responsibility for providing its services to other organisations. These are known as 'arms length' delivery organisations. In some cases this has been in response to recognised weaknesses in current arrangements. In others it has been in response to public sector borrowing restrictions that mean 'arms length' organisations are in a better position to access capital funding.

In Leeds the day to day responsibility for schools provision (up to age 16) has been transferred to an organisation called Education Leeds,⁶ a wholly owned company of Leeds City Council.

In the provision of social housing the council has responsibility for 69,000 properties. Following a ballot of all council tenants it was agreed to create six

⁶ For information on Education Leeds see the website www.educationleeds.co.uk

arms length management organisations (ALMOs) across areas of the city. These organisations were set up in 2003 and each has a management board composed of tenants (one-third), city councillors and independent members. These new ALMOs can access £350 million of Government funding to improve the standard of social housing to meet Government housing decency standards by 2010.

Overall in many areas of public service there has been a move towards more partnership and / or arms length delivery mechanisms. Another example of the increasingly diverse approaches to providing services is the use of 'private finance initiatives' to support capital investment in public bodies such as schools. The need to provide more 'joined-up' Government is evident at both local and national level and is likely to result in further significant changes, for example in the provision of holistic Childrens' Services.

Public consultation mechanisms

In common with other local authorities, Leeds has developed various mechanisms for working with the local community (community engagement) and asking customers for their views (customer consultation). A Community Engagement Framework was set up in 2000 to ensure that communities were engaged in meaningful, coherent consultation. This was developed into a *Leeds Guide to Community Involvement*, which is a practical tool for organising consultation activity. A Citizens' Panel was established in 1999 to allow the Council to consult with a representative group of citizens on a range of issues. This was identified as a more cost-effective method of conducting surveys and of monitoring public perception changes over time, than commissioning ad-hoc public opinion surveys. The Citizens Panel informed the development of Community Involvement Teams across the city (see Theme 2 below).

The Citizens Panel is a representative group of approximately 1000 people. Its composition is representative of the city as a whole in terms of age, gender, ward, ethnic origin, employment status, and housing tenure. The Citizens Panel is *one of a range* of methods available to the City Council to obtain the views of citizens in Leeds on key issues. The Council uses a variety of methods to consult and involve partners, stakeholders and the public in its decision-making processes. These include user surveys, focus groups, "Planning for Real" type exercises, the Community Involvement Teams, the Leeds Initiative and equality advisory groups and forums.

Every three years each local authority carries out a Best Value General Survey of customer satisfaction across a broad range of customer services. This is required by UK Government and the results are reported to them. The Audit Commission formally confirms the results.

Communication with residents has been a key focus for recent review work. Research evidence shows a direct link between how informed residents feel about their public services and their level of satisfaction with those services. Improved communication is likely to make people feel the council is less remote and impersonal and is offering better value for money. There are many channels of customer communication used in the city, one of which, the council's civic newspaper, is regularly delivered to over 300,000 households.

The development of decision making mechanisms at neighbourhood level which allow the council to meet community needs and improve transparency and accountability is explored in more detail in Theme 2.

Theme 2. The Development and Implementation of Metropolitan Reforms: Processes and Political and Administrative Know-how.

Three significant 'live' reform activities either begun by, or affecting Leeds City Council, are described below.

City Governance Modernisation

The UK Government has recently developed an agenda for Democratic Renewal. This has resulted in a strong move towards political modernisation of decision making within local authorities. This work aimed to renew local decision making and to remove inefficient mechanisms of the past, which did not meet the needs of 21st century governance. The old political structure of Leeds City Council, which included over 100 committees, sub-committees and working parties was replaced with a new structure involving:

- An Executive Board - to make key decisions;
- Scrutiny Committees - to review the work of the Council;
- Regulatory Panels - to deal with matters such as planning controls;
- 16 Community Involvement Teams; and
- A Standards Committee.

A public consultation asked Leeds citizens for their views on how to modernise Leeds City Council. One option open to local authorities as part of the modernisation process was to adopt a system of directly elected mayors. This was not a model favoured by the citizens of Leeds, nor indeed in any of the major English cities apart from London, and has been a 'minority' approach to local government modernisation across the country as a whole. (The role of the Mayor of London, which has attracted international interest, is part of a governance structure that is unique to the UK's capital city).

The present political structure of the Council is composed of 99 Councillors who are democratically accountable to residents of their ward. Councillors have a duty to the whole Leeds community, but they have a special duty to the residents of their ward, including those who did not vote for them. All Councillors meet together as the Council. Meetings of the Council are normally open to the public. Here Councillors decide the Council's overall policies and set the budget each year and hold to account the Executive and Committees.

The Executive Board is the part of the Council with responsibility for most day to day decisions. The executive is made up of a Leader who chooses between two and nine Councillors, to form the cabinet to share the leadership of the authority. The executive has to make decisions that are in line with the Council's overall policies and budget. If the Executive Board wishes to make a decision that is outside the budget or policy framework, this must be referred to the Council as a whole to decide.

There are six Scrutiny Boards which support the work of the Executive Board and the Council as a whole. They allow citizens to have a greater say in Council matters by holding public inquiries into matters of local interest. These inquiries produce reports and recommendations that advise the executive and the Council as a whole on its policies, budget and service delivery. Scrutiny Boards also monitor the decisions of the Executive Board. They can examine decisions

that have been made by the executive but not yet implemented. They may recommend that the Executive Board reconsider the decision. Scrutiny Boards may also be consulted by the Executive Board or the Council on forthcoming decisions and the development of policy.

In the more rural parts of the city on the edge of Leeds a number of Parish/Town Councils direct local planning and environmental matters. These councils are separate to Leeds City Council and have their own elected councillors. There are 27 Parish/Town Councils within the Leeds Metropolitan District. The budgets of these small authorities tend to be very modest and 17 of them set a budget of less than £20,000 in 2003/04.

Organisational review and the development of Area Management

In parallel to the review of overall council decision making processes, Leeds has carried out a significant review both of its salaried officer and service delivery structures and of its community planning arrangements. Under the title ***Closer Working, Better Services*** this project has brought together 'similar' functions into larger departments, reducing their number from 15 to 7. For example, the new City Services department is responsible for streetscene services; both environmental and highways related, for recycling and waste management, catering and cleaning, property maintenance, transport services, facilities management and enforcement functions. The new structure establishes a closer link between council priorities, departmental structures and Executive Board Portfolios. Another key element of the work has been the creation of better arrangements for community engagement.

Councillors are elected by the residents of their ward and have structures in their wards for responding to their residents, for example through regular open consultation sessions, known as 'surgeries.' However, Leeds is a very large authority and there has been a need to increase the ability to respond to local needs. As a result, the Council committed itself to community planning and the development of area partnerships to improve engagement with local communities and to develop joint working to address and focus resources on local needs. The development of community planning in Leeds to date has therefore been based on the principle of working in partnership and involving local people more. In each locality this has included local residents and community groups, City Council services and other agencies such as the police, health and voluntary organisations.

In 1999, a number of Community Involvement Teams (CITs) were created across the city, bringing decision making and priority setting closer to local communities. The CITs responsibilities include:

- leading on consultation about local priorities;
- agreeing local priorities and targeted areas for regeneration;
- developing and then reviewing community plans and improved local input to decision making about local services;
- improving the co-ordination of local services, in particular through working in partnership with other service providers and the voluntary and community sector;
- making decisions about priorities for spending from their own budgets (approximately £1.5 million per year); and

- influencing overall council budget spending priorities which has resulted in more resources going to community safety, environmental services and regeneration activities.

As the community planning process has developed, the importance of co-ordinated planning of services and effective management at an area level has increased. Developing the local area approach to service provision provides a strategic link between local community involvement and corporate planning. This ensures that resources are focused on improving existing services and developing new ones which are well co-ordinated, managed and sustained.

The next stage in the process is the creation of Area Management arrangements. The Council hopes to achieve the following goals by introducing Area Management:-

- to ensure the continuous improvement of Council services;
- to integrate and improve the co-ordination of services at a local level; and
- to allow locally based decision making and accountability to ensure that Council services address local issues and locally determined priorities.

Area Committees of grouped wards will be established in 2004 with delegated powers from the Executive Board to exercise control over the provision of specific Council services. As with the Executive Board, the decisions taken by Area Committees will have to be consistent with the Council's policy and budget framework. Within each of the five Areas there will be two Area Committees, one to represent the inner wards, closer to the city centre and one to represent the outer wards.

Area Management arrangements should help to improve services and meet the Council's performance targets at a local and corporate level. Therefore, Area Committees will have to operate in a way that supports the Council's objectives and purpose. They will not be able to take decisions that oppose the Council's objectives and purpose. The proposals look to significantly expand the role and powers of local councillors, building upon the experience of the Community Involvement Teams. The strengthening of relationships between councillors and service providers at the local level will be very important in improving local services.

As Area Management arrangements are created they will initially concentrate on services that have the highest priority with local communities for example, the 'street scene' and community safety. 'Street scene' includes services that affect the way streets look - refuse collection, street cleaning, maintenance of grass verges, and graffiti removal. Community Safety covers anti-social behaviour programmes, neighbourhood wardens and local close circuit television schemes. However, Area Committees will have a role in overseeing the performance of *all* council services in their areas from June 2004.

The development of Area Management arrangements is an important change for the City Council. The new arrangements will be supported by the revised officer structure. Detailed service proposals are being developed for the initial range of priority services and departments are reviewing their budget and

performance management information to ensure that it can be made available on an area basis whenever necessary.

Area Management arrangements need to reach a balance between meeting the particular concerns of communities in different areas of the city and meeting corporate priorities and maintaining efficiencies of scale. Area Management will be supported by partnership groups modelled on the arrangements of the broader Leeds Initiative local strategic partnership (see Theme 4 below) which will bring representatives of a range of organisations together in each of the five areas of the city. Membership of these partnership groups is likely to include representatives from organisations such as police, schools, young people and the business and private sector.

One exception to the city-wide area management arrangements is for the commercial and business heart of the city centre. Here there has been a separate city centre management arrangement and partnership board operating for several years. The partnership board reflects the commercial and business interests in the city centre as well as the police and other groups. This board aims to increase the regional role and function of the city centre and improving its vitality and viability.

Directly elected regional government.

One important recent development has been the UK Government's commitment to increasing regional government in England. The process began in the late 1990s with the creation of Regional Development Agencies (RDAs) in each of the English regions. RDAs are responsible for improving the economic performance of each of the English regions. Each of the regional development agencies is led by a board reflecting regional interests, including the voluntary sector, rural areas and local government. The boards are led by business interests. Board members are not elected but are appointed by UK Government.

The overall aims of Regional Development Agencies are to:

- further the economic development and regeneration of their areas;
- promote business efficiency and competitiveness;
- promote employment;
- enhance and develop regional skills; and
- contribute to sustainable development.⁷

A parallel development was the formation of Regional Chambers. These are now called Regional Assemblies, but they are at present **non-elected** organisations and should not be confused with the proposals described below to allow regions to have their own directly elected regional assemblies. The present regional chambers are voluntary, multi-party bodies. The membership is

⁷ For information on the regional development agency for Yorkshire and the Humber, Yorkshire Forward see the website www.yorkshire-forward.com

drawn from both local authorities and representatives of social, economic and environmental bodies in the region.⁸

In each region a Government Office was also established which coordinates a range of specific programmes and government activity at regional level. It also provides a direct link to UK Government and works with Regional Development Agencies and Regional Assemblies to represent the region's interests.⁹

In May 2002 the national Government produced a White Paper "**Your Region, Your Choice**" which set out its future plans for regional governance in England. It described the work which the Regional Development Agencies, Government Offices and Regional Chambers had carried out to develop successful solutions to regional problems and outlined what changes would be made to make this work even more effective. The White Paper described changes that would be made in **all** English regions to give more powers to the regions, for example in giving more control to regional Government Offices.

The White Paper also explained that Government would offer the opportunity for regions to develop their own directly elected regional assemblies. This opportunity would only be offered to those regions where there was enough interest to hold a referendum on the issue. The White Paper outlined the responsibilities that elected regional assemblies would hold, their likely composition and means of election. They will not be regional parliaments as such, nor have the same roles and responsibilities as either the UK Parliament or indeed the present Scottish Parliament or Welsh Assembly. Regional assemblies will be largely strategic in function with around 35 members and will have no legislative role and limited revenue raising powers. They will directly control a budget of around £570 million and have influence over an additional expenditure of around £1,100 million. Creating regional assemblies in some, but not all regions will add further to the 'asymmetrical' pattern of regional governance across the UK.

In autumn 2004 referendums on regional government will be held in the three northern English regions, the North East, the North West and Yorkshire and the Humber. The public in these regions will decide if they want a democratically elected assembly established in their region. The outcome of the referendum process is by no means certain. Whilst there is a strong affiliation to a 'Yorkshire' identity, there are suggestions that the high level strategic nature of powers on offer to elected regional assemblies has so far failed to excite the public interest.

How an elected regional tier of government will affect large cities such as Leeds is uncertain. The powers of elected regional bodies are intended to 'draw down' from national level rather than pull 'up' functions away from local authorities. Under an elected regional assembly the City Council will not have a 'seat at the table' of the assembly and will in effect become a stakeholder in the work of the assembly. Improving decision making based on regional, rather than a 'one size fits all national model' is important as is the potential to bring regional

⁸ For information on the present Yorkshire and Humber Assembly see the website www.yhassembly.gov.uk

⁹ For information on the Government Office for Yorkshire and the Humber see www.goyh.gov.uk

accountability to the many public agencies and non departmental public bodies (commonly known as quangoes) already operating in the region.

The Government's approach to elected regional government has been characterised throughout by the '***Your region, Your choice***', motto, presenting the public with the opportunities on offer, but leaving the decision on whether to have an elected assembly to the electorate in the regions. Regional assemblies will not be imposed on an unwilling electorate, but the level of referendum 'turn out' will be a useful test of the interest of the electorate in the whole regional governance agenda.

Theme 3. The Linking of the Policies of Higher Levels of Government and the Actions of Local and Metropolitan Authorities: Have the Reforms Facilitated Government Intervention in Metropolises?

Formal relationships with national Government

English local government funding arrangements rely heavily upon central government funding allocations drawn from UK taxation, rather than local sources. This arrangement presupposes a close link between national government policy and local government delivery. This issue affects all local authorities, but it is particularly the case for large metropolitan areas, as in some respects delivery of services and potential for improvement is more difficult for the larger city 'players'. Benchmarking with other metropolitan authorities in England is one way in which comparative performance is judged.

A number of recent changes aim to link resource allocation and freedoms more closely to local government performance. An overall assessment of local government performance is carried out through the annual Corporate Performance Assessment (CPA) process. For the first two years of CPA Leeds City Council has enjoyed a 'Good' rating (one level below the top level of 'Excellent' which brings the most benefits in terms of freedoms and flexibilities). Government plans for future development of the CPA assessment process are under discussion with local authorities and the national Local Government Association. There is an expectation that in the future, performance and inspection regimes will allow more flexibility by creating locally determined indicators of performance. Local authorities can also negotiate Local Public Service Agreements (LPSAs) with central government. These LPSAs deliver financial rewards to authorities that meet 'stretched' improvement targets over a number of years.

Local authorities fund their expenditure on services through a combination of council tax receipts (raised locally) and Government grants (including business rates which are collected locally and then redistributed to local authorities). The relative amounts received from these two sources is known as the balance of funding. On average 75% comes from central Government grants. Because of concern that the current balance of funding reduces local autonomy and accountability and hence contributes to voter apathy in local elections, the Government is reviewing the current balance of funding and considering options for change in local government finance.

Informal relationships – Core Cities

The UK government's relationship to its largest English cities is being strengthened through the work of the English Core Cities Group. The Core Cities group includes Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield. It was established in 1994 to represent the English non-capital cities of international significance. Its mission is 'To

work in partnership with Government and other key stakeholders to promote and strengthen Core Cities as drivers of regional and national competitiveness and prosperity with the aim of creating internationally competitive regions’.

In early 2002, the Urban Policy Unit in the Office of the Deputy Prime Minister established a joint working group including Government departments, the London and other Regional Development Agencies and the Core Cities. The Working Group’s terms of reference are:

*“To make recommendations for policy changes and practical actions to enable the major regional cities to fulfil their potential as drivers of the urban renaissance and the economic competitiveness of their regions – and thereby strengthen the national economy’s capacity for growth”.*¹⁰

The group’s work contributes to one of the Government’s main Public Service Agreement Targets, which is to:-

“Make sustainable improvements in the economic performance of all English regions and over the long term reduce the persistent gap in growth rates between the regions, defining measures to improve performance and reporting progress against these measures by 2006”.

Economic disparity is particularly important; the rise in gross domestic product per head between 1995 and 1999 was 74% greater in the three south eastern regions of England than in the other English regions. The south east of England benefited from the strength of London’s economy – but the south east is now suffering from increasing congestion and overheating. If London remains the only significant economic driver, the UK’s overall growth path could be in danger. The UK’s international competitiveness cannot and should not rest solely on London’s ability to drive forward the UK economy. The challenge for public policy is how to create conditions that enable London to attract truly global functions and other cities to attract complementary regional and national functions. Achieving this goal would "add more cylinders to the UK economic engine" while creating the necessary "space" for London to further enhance its unique global city role.

Deputy Prime Minister John Prescott has spoken about why the Core Cities are critical for UK economic competitiveness:

“We live in one of the most urbanised countries in the world, and our cities play a critical part in our national and regional life. They are home to many millions of people; they are the backbone of our economy, they are centres of learning, of culture, sport and invention. All this brings a richness to our cities that gives them a unique status. But they are also places with problems. Despite the strength of our national economy and many fantastic regeneration achievements, too many of our cities fail to deliver their full potential. There are too many people living in poverty, too many poor quality environments, too much crime and pollution. If we are to overcome these problems, then it is essential that we improve the

¹⁰ For information on the Core Cities see the website www.corecities.com.

*economic performance of our regional cities so they can compete with the best in the world”.*¹¹

The growing relationship between the Core Cities and central government is not a contractual one, nor is it currently linked to either incentives or penalties of any kind. Work is in progress on a number of policy strands including exploring opportunities to improve governance relationships between Core Cities and national and regional players. In a very recent development each of the Core Cities has been allocated a Government minister from the Office of the Deputy Prime Minister to work with them and provide an immediate link with Government.

Recent research commissioned by the Office of the Deputy Prime Minister for the Core Cities Working Group and carried out by Professor Michael Parkinson of Liverpool John Moores University has examined where the English Core Cities stand compared with their European neighbours. The broad findings identify how English Core Cities can improve their economic performance to match that of their continental counterparts.¹²

One practical example of the Government’s recognition of the significance of economic disparity and the Core Cities’ potential is seen in current proposals for developing a Northern Growth Corridor in England. This approach is intended to capitalise on northern regional assets: universities, airports, ports and river estuaries, ICT and the five northern Core Cities. The Corridor concept aims to complement the strategies for London and the South East which are addressing housing and economic pressures in the south of England.

While planning for the Northern Growth Corridor is still at a very early stage the aim is to transform under-performing city economies, boost connectivity and transport links, lever significant business growth and investment, create new jobs and skills and improve social inclusion and housing for deprived communities. The development of the concept will be led by the three northern Regional Development Agencies working closely with key Government departments along with the five northern Core Cities.

Informal relationships – City-regions

In 2003 each of the Core Cities produced a prospectus setting out their vision for the cities’ future sustainable economic growth. Leeds’ document was presented as an ‘interim’ prospectus as it was intended to *begin* a process of further dialogue with partners across the Leeds city-region. Some other cities, including Birmingham are more advanced than Leeds in developing mutually supportive relationships between the city and the region; Leeds is now engaged in active debate on the way the city-region concept might develop.

Professor Parkinson’s report identified greater awareness in continental Europe than in the UK of:-

¹¹ Leeds Initiative, *Leeds the Business City*, (2003) p3.

¹² Office of the Deputy Prime Minister, *Competitive European Cities Where do the Core Cities Stand?* (2004). This research can be accessed via the Office of the Deputy Prime Ministers website www.odpm.gov.uk

- the relationship between cities and regions;
- the uneasy fit between administrative boundaries and the economic realities of regions; and
- the resulting increased efforts to create sub-regional institutional relationships.

Most city regions internationally have not changed formal boundaries, but have instead worked with informal arrangements, building relationships between neighbouring local authorities, or even more distant towns and cities. These relationships are based on the economic advantages derived from critical mass and increased collaboration. Professor Parkinson's research found that there is some, but by no means extensive evidence, that the continent is more successful in this respect than the UK. It is clear that most competitive city regions in Europe have collaborative action on their agendas.

The importance of cities' relationships with their broader city regions is an emerging theme for the English Core Cities. As noted under Theme One, Leeds does not have any sub-regional or regional governance structures above local authority district level. If and when an elected regional assembly is created it will be much larger than the 'functional' city region. Some joint consultation arrangements (for example the Association of West Yorkshire Authorities) and structures (for example on policing) were inherited from the former metropolitan county. However, there is an emerging recognition that in important areas of spatial planning, transport, employment, skills and cultural provision there is a need for improved planning to cut across 'lines on a map' and deal with the realities of real functional relationships. This initiative is not intended to challenge the governance arrangements or legitimacy of neighbouring local authorities but to find appropriate ways to sustain Leeds's economic success and to promote sustainable development for the mutual advantage of the whole city-region.

Literature on creating city-regions highlights the need to develop strategies that:-

- ensure areas complement, rather than compete with, one another;
- promote spatial diversity; and
- achieve a greater 'critical mass' by working together.

All these issues will be important considerations in developing a strategy for the Leeds city-region. The benefits of achieving a critical mass are compelling: instead of acting as a disparate group of towns and cities, with limited individual presence in a European or world context, the potential exists to create a much more noticeable, and thus competitive, collective identity. However, at the city region level, critical mass offers more than a marketing advantage. It can offer economic and social efficiencies: a greater size, with better internal connections, offers businesses access to larger and more varied pools of labour, suppliers and customers. It may also help address the situation of unemployment in one area of the city-region, and scarcity of workers in another.

This emerging city-region thinking is being debated as part of the Regional Spatial Strategy for Yorkshire and Humber, where the Leeds city-region is the focus of a full scale sub-regional study.

The Leeds city-region has been chosen for this detailed study because of the complexity of the spatial planning issues and the view that there is a need for:

- the development of a specific “strategic vision” for the area;
- a strategic study of social, economic, environmental and transport issues and relationships;
- the development of an integrated package of strategic policies – linked to other strategies, such as the Regional Economic Strategy and the Regional Housing Strategy; and
- the need to inform a possible separate sub-regional policy section in the Regional Spatial Strategy – and potentially help to develop core policies to include in the relevant Local Development Frameworks and Local Transport Plans as well as the Regional Spatial Strategy.

Though the work is still at an early stage it has been informed by an initial study which looked at the economic growth of the “Leeds phenomenon.” This work identified the following as the main factors in the growth and success of Leeds:

- the growth of financial services cluster;
- the pro-active attitude by the City to development;
- the diversity of the city’s economy; and
- the maintenance of a good and robust balance of other sectors.

But this economic success has not been without difficulties, as there are:

- stresses in the housing market;
- over-loaded transport systems; and
- limited benefits for less well off residents.

The study suggested that if action is not taken soon, the following problems will become evident/increase:-

- a growing shortage of land for appropriate uses;
- increased stress in housing markets;
- labour shortages;
- uneven and inequitable gains from development;
- ever-increasing transport capacity problems; and
- more long distance commuting.

In order to spread the benefits of the growth of Leeds, the study concluded that an integrated package of mechanisms is essential, using various intervention methods in the following areas:

- planning – e.g. public transport orientated development, support for niche roles, centre renaissance schemes;
- housing – e.g. mixed income projects;
- employment – e.g. labour market linkage schemes;
- transport – e.g. agreed priorities; and
- financial and institutional – e.g. regeneration companies.

The Leeds and Environs study work will be progressed during 2004 by a steering group chaired by Cllr Elizabeth Minkin.

Informal relationships – inter - city collaboration at regional level

The Regional Economic Strategy for Yorkshire and the Humber highlights the important role that five ‘key’ cities play as regional economic generators. Since

2002, the cities of Leeds, Bradford, Hull, York and Sheffield¹³ have been exploring the potential for increased collaboration to support the region's economic competitiveness. Three of these cities can be seen as lying within the functional Leeds city-region, the other two lie to the east and south. The Yorkshire Key Cities Group have commissioned research with support from the regional development agency, Yorkshire Forward. This research is exploring the potential for mutually beneficial collaboration.

Collaboration in this sense can be defined as a proactive formal relationship, usually economic, between two or more nearby cities. The real advantages of collaboration lie in achievements that could not have been produced by each city acting independently on its own; in essence providing added value to a single city's 'offer'. Such agreements can be characterised as "collaborating to compete". At the heart of the concept is the idea that by collaboration two or more cities can achieve a combined "weight", which will make them much more attractive in terms of international competitiveness. Collaboration would in effect allow both cities to "borrow" a greater size and critical mass in order to compete in the international urban hierarchy. In practical terms, communications infrastructure is crucial in achieving such success – so that the distance between the cities can be seen to be 'shrinking', and that they operate, as far as possible, as one city.

The main policy priorities emerging from this work are to achieve improvements in all communication modes (physical and electronic), and also to join forces on collaborative strategic projects where the cities already have joint strength, such as: universities and knowledge hub development; urban tourism; cultural developments; and financial services. It is important to remember that collaboration is not "sameness" or homogenising a region, it is rather celebrating and marketing diversity.

¹³ Known as the 'Yorkshire Key Cities'

Theme 4. Coordination Between the Various Actors at the Metropolitan Level

Local Strategic Partnerships – the Leeds Initiative

The most important way of co-ordinating the various sectors of civil society in Leeds is through the Leeds Initiative, the city's strategic partnership. The Leeds Initiative was established in 1990. Initially its aim was to increase collaboration between the City Council and the private sector, to promote the economic progress of Leeds and the role of the city centre. However, the Initiative's role has developed and it now works across all of the city's main agendas: social, economic and environmental. The Leeds Initiative now brings together organisations from the public, private and voluntary sectors, as well as representatives from different communities, to drive forward the strategic direction of the Leeds metropolitan district. All of these groups have wide-ranging networks that bring together over 500 organisations under the Leeds Initiative family.¹⁴

In order to accommodate this breadth and scale of partnership working, and ensure that every partner can contribute to the local strategy, the Leeds Initiative agreed its first ***Vision for Leeds*** document in 1999. The Vision contains a number of objectives for the whole city as well as aims in a number of themed areas:

- creating better neighbourhoods and confident communities;
- making the most of people;
- competing in a global economy;
- integrated transport;
- looking after the environment; and
- information and communication technology.

Since 1999, the Initiative has developed as a 'family of partnerships' with a Board, an Executive, seven strategy groups (corresponding to the different themes within the Vision as well as the area of culture) and up to 15 different partnership groups that deal with particular issues and areas in Leeds (e.g. Leeds City Centre Management Initiative and Leeds Financial Services Initiative) or important statutory partnerships (e.g. Leeds Community Safety Partnership).

Through a series of jointly developed and agreed action plans, the partners are working together to achieve success, encourage improvement, and overcome problems for the benefit of all citizens, both now and in the future. This process is managed by the Leeds Initiative Office, which reports to the Leeds Initiative Executive. The Executive is made up of the senior officers of all the main partnership groups who report to the Leeds Initiative Board. The Board is responsible for deciding overall policy and making decisions, and is made up of 36 members drawn from organisations in the public, private, voluntary and community sectors.

¹⁴ For information on the Leeds Initiative see the website www.leedsinitiative.org

The Leeds Initiative has recently produced its second Vision for the city. This will be the community strategy for Leeds, meeting the requirements of recent government legislation and setting out new aims, themes and priorities for the year 2020.

The three aims of the Vision for Leeds II are:

- **Going up a league as a city** – making Leeds an internationally competitive city, the best place in the country to live, work and learn, with a high quality of life for everyone.
- **Narrowing the gap** between the most disadvantaged people and communities and the rest of the city.
- **Developing Leeds' role as the regional capital**, contributing to the national economy as a competitive European city, supporting and supported by an increasingly prosperous region.

The range of activities carried out under the Leeds Initiative, as a 'partnership of partnerships' is complex. Three examples are set out below to give a flavour of the varied work carried out by some of the strategy and partnership groups of the Leeds Initiative.

The **Neighbourhoods and Communities Partnership** takes forward the *better neighbourhoods and confident communities* theme of the Vision. It is made up of partners from the City Council, further education colleges, local faith communities, health service providers, Jobcentre Plus (a government agency supporting people into employment), housing providers, the police, local universities and the voluntary sector. Together, these partners agreed the city's first **Local Neighbourhood Renewal Strategy (LNRS)** in December 2001. This is a local response to the government's national strategy for neighbourhood renewal as well as a daughter strategy of Vision I. The LNRS sets out:

- Local 'floor targets' for reducing inequalities in education, health, housing, crime and worklessness in Leeds. "Floor target" is a term that was used in the Government's Spending Review 2000 to describe targets that set a minimum standard for disadvantaged groups or areas, or a narrowing of the gap between them and the rest of the country. They meant that for the first time Government departments, local authorities and other service providers are being judged on their performance in the areas where they are doing worst, rather than on the national average. An example of a floor target is the aim that "*no ward in the city to have an unemployment rate 2.5 percentage points higher than the city-wide average by 2005*".
- An evidence based approach with a targeting framework for helping to identify areas facing multiple deprivation. (Leeds has 7 of its 33 wards in the worst 10% of all wards in the UK as calculated by a UK Government formula - the Index of Multiple Deprivation.)
- Four agreed target neighbourhood renewal areas (Harehills, Beeston Hill and Holbeck, the Aire Valley and Gipton areas of Leeds) for comprehensive regeneration activity.
- The basis for setting up more effective partnership working amongst partners at the area (or 'district') level of the city to ensure that local services are better planned and co-ordinated.

The LNRS has helped to increase activity in the four neighbourhood renewal areas, seeing local delivery boards and teams established. Their work has had to balance the need to deliver 'quick wins' with the desire to set long-term plans based upon analysis, land-use assessments and community consultation. Different areas of the city are also operating in very different contexts. Dedicated regeneration funding is helping to increase local activity in the Aire Valley and Beeston Hill and Holbeck areas of Leeds; whereas the Harehills and Gipton areas of the city are building upon opportunities created by other public sector investment linked to wider economic potential within Leeds.

The Leeds Financial Services Initiative (LFSI) is a partnership body, and a leading player within the Leeds Initiative. The LFSI's primary aim is to promote the city as the leading financial centre in the UK outside London. LFSI was founded by Leeds City Council and the Leeds Chamber of Commerce together with a number of leading financial and legal firms in 1993. Membership has grown every year and over 100 firms and organisations are now subscription members, including all the major financial services organisations in Leeds. LFSI's policy and activity programme is overseen by a steering group comprising senior members of the Leeds financial community led by a chairman and a chief executive.

Leeds Financial Services Initiative has an active programme covering the following:

- promoting and lobbying for the Leeds financial sector regionally, nationally and internationally;
- running a forum for networking and the exchange of information;
- regular seminars and meetings with high profile speakers on topical issues;
- research into local trends and market developments; and
- contributing to policy making on local and regional economic strategy issues.

LFSI's current strategy is to: develop the brand of Leeds as a financial centre nationally and internationally; promote Leeds as a key part of the UK financial services industry; make closer links with universities; and work with other partners and agencies to promote the city of Leeds.

Another example of the work covered through partnership groups under the Leeds Initiative group is the **Leeds Architecture and Design Initiative (LADI)** which has been in existence for 10 years. The group consists of approximately 20 members representing the leading players in architecture and design in Leeds across both the public and private sectors. Representation includes architecture, town planning, landscape architecture, urban design, public art, highways, development, design education and product design. Cllr. Elizabeth Minkin chairs the group. Individual members are generally of a very high calibre and include a CABE (Commission for Architecture and the Built Environment) Commissioner, a member of the CABE Design Review Panel and a winner of the Bannister Fletcher prize for best architectural biography

LADI's aim is to enhance the appearance of Leeds and make more people friendly places. Its specific objectives are to:

- promote high standards of design in the built environment, including architecture, landscaping and public art;

- improve the ambience and appearance of highway, rail and water corridors;
- promote Leeds as a leading centre of design in all its forms;
- promote sustainable developments through design, including energy efficient and low maintenance developments; and take the lead to encourage and implement innovative projects for the Leeds Initiative and the Vision for Leeds programme.

The achievements of LADI to date are numerous. It has raised awareness in Leeds of the importance of good contemporary design. This has helped the LADI Chair (Cllr Elizabeth Minkin) in her role as a 'design champion' for Leeds. LADI has advised on a number of development proposals in the city centre and has brought about significant improvements. LADI has also made significant contributions to draft design guides prepared by the Council. One of these design guides, the City Centre Urban Design Strategy, won a national award. LADI has also participated in the master planning process for the Holbeck Urban Village area of Leeds. This has also been nationally recognised as a good practice example.