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Spatial Economics Research Centre

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Cities Outlook 2014: Would UK Cities be better off without London

[Posted by Prof Henry G. Overman]

Great to see Centre for Cities latest 'Cities Outlook' report published today. This year, as well as providing a whole range of up-to-date statistics for Britain's cities, the report focuses on London's relationship with the rest of the UK.

The report considers three broad issues. First, that London sucks talent from the rest of the UK, second, that London's success is a threat to other cities and third, that the rest of the country is a drain on London. I think the report is most convincing on the third of these - London is so reliant on attracting talent from elsewhere in the UK (when people are young) and on commuting from elsewhere in the South East (when people are older) that it makes very little sense to think of London as some isolated island that could simply cut itself off from the rest of the UK and still prosper.

The second part of the analysis looks at the way in which firms headquartered in London create jobs elsewhere in Britain. I thought the figures presented here were fascinating, although not totally surprising: London, as you might expect, is far ahead of any other city in this regard. It's not so obvious, however, that this answers the question about the effect of London's success on the rest of Britain - we surely need to recognise that the location of headquarters is, itself, a firm decision that could be affected by the dominance of London.

I'd make a similar point about the first part of the report's analysis - the way in which London sucks talent from the rest of the UK. I don't disagree with the analysis - we know London attracts talent - although it's good to see the basic ideas and statistics so clearly presented. Where I depart from Centre for Cities, is in the way that we talk about this effect and the broader implications for cities across Britain. Personally, I would like to see the debate reframed by recognising that London offers opportunities to young people that simply aren't available elsewhere. This moves us away from the rather parasitic implication of London 'sucking in talent' and instead raises the question of whether we could generate these opportunities elsewhere. As CfC put it: 'rather than focus only on London's dominance, the more pertinent question appears to be: why aren't other large cities offering people enough economic opportunity to stay — and what can be done about it?'

CfC's answer to this question is that we need to give cities greater powers if they are going to create these opportunities. While I am reasonably sympathetic with the plea for greater powers for cities, I am not so convinced that will create comparable opportunities in those cities. Indeed, all the evidence suggests that a big part of London's advantage in creating opportunities comes from its sheer size. Diverse cities of nine million plus population simply generate a lot more opportunities. If somewhere else in Britain is going to generate similar opportunities to London, there's an argument to be made that it would also need to be pretty big - perhaps half the size of London. At most, Britain could feasibly support one, maybe two cities, of this size (in addition to London).

Of course, recognising the importance of size creates all sorts of problems about which places to focus on outside of London. CfC's report dodges the dilemma by making the case for greater localism for all cities. Most politicians choose to behave likewise, focussing on creating opportunities across Britain. But what if reducing the reliance of Britain on London requires us to significantly increase the size of just one or two other cities? Which cities will they be and how will we help them grow? I don't claim to have the answers, but I at least think we should be asking the question.

Posted by [Prof Henry G. Overman](#) on [Monday, January 27, 2014](#)

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**Patrick Leavey** said...

Say you choose Glasgow and Birmingham. Changing local planning restrictions is clearly one part of the answer, but what are the other elements?

6 February 2014 at 13:03

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