



Spatial Economics Research Centre

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Unlocking Growth in Cities

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Deputy Prime Minister Nick Clegg and Minister for Cities Greg Clark today launched the Cabinet Office paper *Unlocking growth in cities*. This is the evidence base for the proposed city-led transfer of powers from London to England's largest cities.

Clegg was passionate and Middlesbrough-born Clark as cerebral as an LSE PhD should be. Labour's Chuka Umanna was supportive, so in short, it will happen.

Unlocking growth is concise, readable and contains a high ratio of evidence to blather. The team who wrote it deserve praise.

The startling fact is that only 1 of the 8 largest places outside London has an income above the national average. In Spain it is 2 places, in France 3, in Italy 6 and in Germany 8 out of 8. Noting that cities elsewhere have much more power, the government rightly proposes to extend more powers to our cities.

Whether this will deliver growth is another matter. *Unlocking growth* also tells us that places with more skills than their national average have higher incomes than their national average, and vice versa. This is true for 28 of the 32 places across Europe listed, including all 8 UK cities. Bristol is the only top-8 city with more graduates than the UK average, and is the only top-8 city with a higher income. Birmingham is poorer than Bristol primarily because people in Birmingham have fewer skills and therefore earn less.

In this context the new cities agenda looks weak. It is sensible to give cities unified capital budgets – how could it not be? But if what really matters is education then this is not a game changer.

Education is already controlled locally. National government is not holding schools back in Manchester and Newcastle, although locally determined pay may allow smaller class sizes in many lower cost regions.

Schools in England's big cities fail far too often. Across the country 32% of kids whose parents are in the bottom 20% by income get 5 good GCSEs including English and Maths. London does much better, at 44%, with excellent performances in a range of boroughs including Hammersmith, Hackney and Redbridge.

All other big cities do much worse. The equivalent figures are 29% in Liverpool and Manchester, 26% in Sunderland, 24% in Bradford, Leeds and Sheffield and 22% in Newcastle. These figures take into account ethnicity, place of birth and other characteristics. If every Borough in London can beat the national average, these cities have no excuse: they are failing their kids, and destroying their long term economic potential.

If our cities are serious about improving their position they need to concentrate on making sure that they educate their students much more effectively than at present. Skills attract higher value added companies, and provide local residents with more options in downturns. Education is not a perfect answer, but it is the best one we have.

Unlocking Growth in Cities was launched at an IPPR North conference on 8th December at which the author was a speaker. This blog is based on my speech to that conference.

Posted by [Prof Henry G. Overman](#) on [Friday, December 09, 2011](#)

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