

City Regions and Rural Yorkshire and The Humber

Paper to the Y&H Rural Board Meeting
27th June 2007

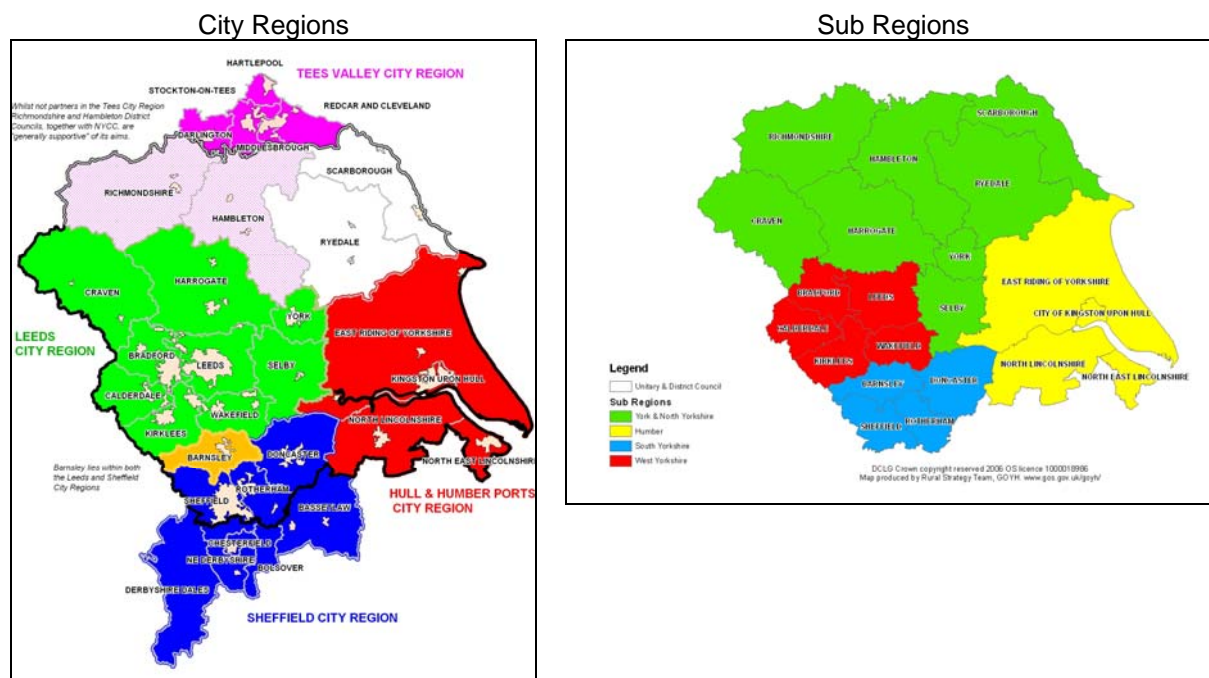
1 Introduction

- 1.1 This paper has been produced to brief the Yorkshire and The Humber Rural Board on rural issues related to City Regions. It contains
- policy background
 - a summary of recent publications looking at rural aspects of city regions
 - suggested issues for the board to consider (page 5)
 - an appendix with summary statistics

2 Background, what are 'city regions'

- 2.1 **City regions are essentially a geography that represents the economic reality or footprint of a city.** Although the term city region has been in use in academic circles since the 1950s, it has recently been adopted as a mainstream geography by central government and a range of regional agencies. Communities and Local Government (CLG) state that city regions reflect "the ways that people live their lives and the economic relationship between a city and its surrounding area (including smaller cities and towns and rural hinterlands located there)." The consensus is that city regions better reflect Yorkshire & The Humber's economic geography, than the current system of four sub regions. See figure 1 below for maps of sub regions and city regions. CLG explain a "city's success depends heavily on its connections with neighboring towns and cities in its region and its rural hinterland - economically, culturally and socially. The city region takes into account functional economic markets such as travel to work areas and labour markets. As such, city-regions have flexible boundaries traversing administrative ones." Reflecting this shift from sub region's to city region's, Yorkshire Forward's (YF) March 2007 Board meeting decided to move over to a system of investment planning based on city regions rather than sub regions, by March 2009. Alternative investment planning arrangements will be developed for areas outside the city regions. These areas are generally referred to as the rural and coastal area.
- 2.2 **The Leeds city region** comprises the districts of Barnsley ,Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield and York. It **accounts for 2.7 million people and 56% of both the regions economy and population** It is also home to **47 % of the region's rural population**. Assuming economic activity matches the spread of population across the Leeds city region, this area will also account for about half of the region's rural economy.
- 2.3 The **Sheffield city region** (districts of Barnsley, Doncaster, Rotherham, Sheffield, Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales and North East Derbyshire) is home to just over **a million people** (within the Y & H region) and includes **21% of the regions population and 20 % of the region's economy. 9 % of the regions rural population live here.**
- 2.4 **880 000 people live in the Hull and the Humber ports** (East Riding of Yorkshire, Hull, North East Lincolnshire and North Lincolnshire) and **it accounts for 18% of the regions economy and population. This area accounts for 25 % of the regions rural population.**
- 2.5 Finally, there are four North Yorkshire districts outside the city regions , the so called **rural and coastal areas** (Ryedale, Scarborough, Richmondshire and Hambleton) **account for just over 290,000 people and 6% of the regions economy and population and 19% of the regions rural population.** Not surprisingly this is **the most rural of all the areas with 66% of its population classed as rural.** Again assuming economic activity matches the spread of population across this area, it will also account for about a fifth of the region's rural economy.
- 2.6 More background information can be found in Appendix 1 at the end of this report.

Figure 1 Yorkshire & The Humber's City Regions and Sub regions



3 Policy and Evidence

3.1.1 The agreed policy and evidence base for moving to city regions for sub regional decision making has primarily been driven by the following reports:

- “**The State of the English Cities report**” commissioned by ODPM and published in March 2006, highlighted a dramatic transformation in our major urban centres including the 8 core cities Birmingham, Bristol, Leeds, Liverpool, Manchester, Nottingham, Newcastle and Sheffield. These cities are seen as key drivers in the economy of the English regions.
- “**Devolving decision making: - Meeting the regional economic challenge: The importance of cities to regional growth**” was also published in March 2006 alongside the Budget by HMT, Communities and Local Government and DTI jointly. It also explores the economic opportunities and challenges facing English cities, building on evidence from “The State of the English Cities” report and beyond. It announced that, in preparation for and to inform the Comprehensive Spending Review 2007, the Government is looking at how to further improve the effectiveness and efficiency of existing sub-national structures in England. **The HM Treasury “Sub-national Economic Development and Regeneration Review”** will consider the optimal geographical levels for governance and decision making for functions directly linked to successful economic development and regeneration of deprived areas.
- The “**Local Government White Paper**” (published by CLG in October 2006) emphasised the economic importance of cities and highlighted the need for stronger leadership to help drive increased economic performance sub-regionally. Government is examining options for devolving powers to the most appropriate spatial levels, as well as promoting Local Authorities and their partners to work together more effectively across their city-region.

4 The Regional Spatial Strategy (RSS) and City Regions

- 4.1.1 City regions have been important to RSS development in terms of analysis but also in terms of spatial policy interventions, the RSS needed to work on a different spatial scale. An example of this is York. York has a strong relationship with Leeds and the Leeds City region but also has an important role to play with the rural hinterlands to the north of the region. These parts of the region are not included within the Leeds City Region boundaries and need to be recognised. The report of the Panel on the examination of the RSS supports this approach.
- 4.1.2 There is a need to understand and recognise the relationships between different city regions, especially those that are outside the Yorkshire and Humber region. The Tees Valley and Central Lancs city regions for example, need to fully understand and appreciate the relationships with Craven and Calderdale. Again the Panel report supports this analysis.
- 4.1.3 Within the draft RSS, the core and sub-regional approaches recognised and ensured that these took on board the needs of the rural areas. The Panel has made recommendations to strengthen this aspect of the Plan.
- 4.1.4 The benefits of city regions to rural areas need to be recognised. RSS believes that development off urban areas and to decrease out migration to rural areas will reduce pressures on the current housing market. Again the Panel report supports this analysis.
- 4.1.5 Also highlights that although ICT is an important factor for helping develop rural areas, face to face 'business' still remains important.

5 City Region Development Programmes (CRDPs)

- 5.1.1 The Northern Way is a collaboration between the three Northern Regional Development Agencies: Yorkshire Forward, Northwest Regional Development Agency and One North East. Its 20 year strategy is to transform the economy of the North of England and bridge the £30billion output gap between the North and the average for England. The Northern Way focuses on tackling issues that are important for the whole of the North and which cannot be tackled by one region alone. In July 2006, all eight Northern Way City Region Partnerships (Liverpool, Central Lancashire, Manchester, Sheffield, Leeds, Hull and Humber Ports, Tees Valley, Tyne & Wear) were asked by the Northern Way to submit initial drafts to inform the Northern Way input into the Comprehensive Spending Review (CSR) 2007. The 8 city regions comprise 90% of the north's population and over 90% of its wealth creation.
- 5.1.2 In September 2006 drafts of the region's three CDRPs were produced and in October 2006 a summary of the Northern Way CSR submission was published. Appendix 1 gives more background on Yorkshire & The Humber's city region geography, economy and population. **It is important to note that CRDP submissions contain no proposals to allocate resources to City Regions and that no governance structures, or City Region based geographical partnerships exist to allow such allocations.**

6 Specific Rural Issues

- 6.1.1 To date, the bulk of the research analysis and policy critique relates to the "potential" for marginalizing some rural areas through a city region approach. In summary the following reports are particularly prominent:
- Newcastle University's Centre for Rural Economy report for One NE in 2005 "City Regions and Rural Areas in the North East of England" has considerable generic relevance to our region. A conclusion of their report which was that there "has been relatively little consideration of the concept of city regions from the perspective of rural development."
 - In presenting evidence to the recent House of Commons CLG Select Committee "Is there a future for regional government" Professor Neil Ward from Newcastle University's Centre for Rural Economy raised a number of issues relating to city regions and rural areas. He argued "The idea that city regions are at the cutting edge of a new age of urban economic competitiveness in a globalising world is open to question, not least because the technologies that are playing such a key role in current socio-economic changes can be seen as fundamentally decentering technologies. ICT allows people to live, work and run businesses in polymorphic urban forms". In other words the concept of a core city with its surrounding economic hinterland is arguably outdated. He went on to say that "any potential that the concept of city-regions may have for delivering improvements in local and sub-regional development is likely to be undermined unless a much

clearer and stronger statement about how the risks of marginalising what have been cast as peripheral areas and their problems accompanies the city region approach”

- The CLG select committee concluded: “The emerging city-regions policy is an attempt to tailor arrangements to meet specific sub-regional requirements. Having got this far, however, it is essential to give real assurances to those for whom a city-regional style of governance is inappropriate that the development of the policy will not result in a reduction of support for other areas.”
- A recent joint report “Making the Most Of Our Economic Potential, Looking Beyond the Core Cities”, the Chief Economic Development Officers Society and County Surveyors Society felt that a move to city region planning underplayed and potentially excluded the role of counties and areas outside city regions. Their report welcome(d) the growing recognition that below the national level, the key layer is the sub-region. Our analysis shows that all areas - London, the core regional cities, smaller cities, towns and rural areas - have distinctive roles to play as part of the complex mosaic that forms the modern economic geography of this country.
- The Local Government White Paper notes that the economic development of cities and city-regions risks the creation of greater disparities both within and between regions. At the same time, however, it recognises that the interdependence of rural areas and/or small towns on the edges of our larger conurbations means that an acceleration of economic growth in the latter should lead to greater prosperity in the former.
- Recent research commissioned by Defra on the Economic Performance of Rural Areas Inside and Outside of City Regions, concluded that rural areas within a city region are likely to outperform rural areas outside the city region. Along similar lines The Yorkshire and The Humber Rural Observatory’s Rural Evidence Base 2006 concluded that rural areas in close proximity to the regions urban centers tend to outperform economically more peripheral rural areas.

6.1.2 However evidence gathered to produce this paper indicates that Y & H’s 3 city regions include over 81% of the regions rural population. Work is also underway to devise alternative arrangements for the remaining coastal and rural area outside the city regions. It should also be noted that no current funding streams have been aligned to the new city region geography.

7 Issues for the Rural Board to consider

- Sparsely populated remote rural areas outside our city regions have a relatively minor impact on the regions economy (6% regional GVA) and could potentially be peripheral in the drive to improve the Region's overall performance. As CLG points out in its white paper, the economic development of cities and city-regions risks the creation of greater disparities both within and between regions. Given that it is still at an early stage in the implementation of this particular policy, this is an ideal time to help ensure all rural areas, especially those outside city regions are fully considered and involved. In drafting this paper it was apparent that there has been no detailed work in this region looking at the specifically rural aspects of the city region agenda. Partly as a response to this issue, Yorkshire Futures have created a new post - City Regional Research & Intelligence Manager (starting 11th June 2007). **Is there a sufficient evidence base, knowledge and leadership to champion rural aspects of city region based activity?**
- **How to encourage positive “buy in” amongst rural partners to maximise opportunities presented by the new city region agenda?** If rural partners do not engage with the city region agenda, they will potentially miss out on economic opportunities and risk being marginalised.
- **How to promote the positive contribution rural areas make to the whole region, both economically and also in providing wider benefits?** i.e. the region's distinctive landscapes, recreation, supply of food, water and air etc. The high quality of life in our rural areas has helped to attract over 10,000 mostly highly skilled inward migrants into our region over each of the last 20 years. The Northern Way Growth Strategy emphasises the need to attract entrepreneurs into the north.
- As part of implementing the Y&H Rural Framework, each sub region (under current geography) now has a strong rural partnership to oversee, coordinate and deliver across a range of rural programmes. **How to promote the city region agenda with existing sub regional rural partnerships?**

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Appendix 1

8 City Region Geography, Economy and Population

Geography

The map on page 1 and table below shows the current city region geography. The city region boundaries are taken from the respective city region development plans.

Table 1 City regions and their constituent local authorities

Leeds City Region*	Hull and Humber Ports City Region	Sheffield City Region**	Rural and coastal area (not part of any city region)
Barnsley	East Riding of Yorkshire	Barnsley	Ryedale
Bradford	Hull	Doncaster	Scarborough***
Calderdale	North East Lincolnshire	Rotherham	Richmondshire ***
Craven	North Lincolnshire	Sheffield	Hambleton***
Harrogate		Bassetlaw	
Kirklees		Bolsover	
Leeds		Chesterfield	
Selby		Derbyshire Dales	
Wakefield		North East Derbyshire	
York			

* The Leeds city region partnership also includes North Yorkshire County Council (but geographically not the whole of the county).

** The Sheffield partnership also includes Derbyshire and Nottinghamshire County Councils (but geographically not the whole of these counties).

*** Richmondshire, Hambleton and Scarborough districts of North Yorkshire are included in the Tees Valley City Region's "zone of influence".

Barnsley

Barnsley has expressed a wish to be included in both the Leeds and Sheffield City Regions.

Ryedale

Ryedale does not fall into any of the Yorkshire and The Humber city regions or the Tees Valley zone of influence.

Tees Valley City Region

Richmondshire, Hambleton and Scarborough districts of North Yorkshire are included in the Tees Valley City Region's "zone of influence".

Leeds City Region

A City Region Partnership containing the councils of each of the 10 districts in the Leeds City Region, plus North Yorkshire County Council was set up in 2004.

Sheffield City Region

Sheffield City Region has 11 local authority areas, including two County Councils outside this region.

Hull and Humber Ports City Region

This city region is geographically identical to the existing Humber sub Region.

Coastal and Rural area

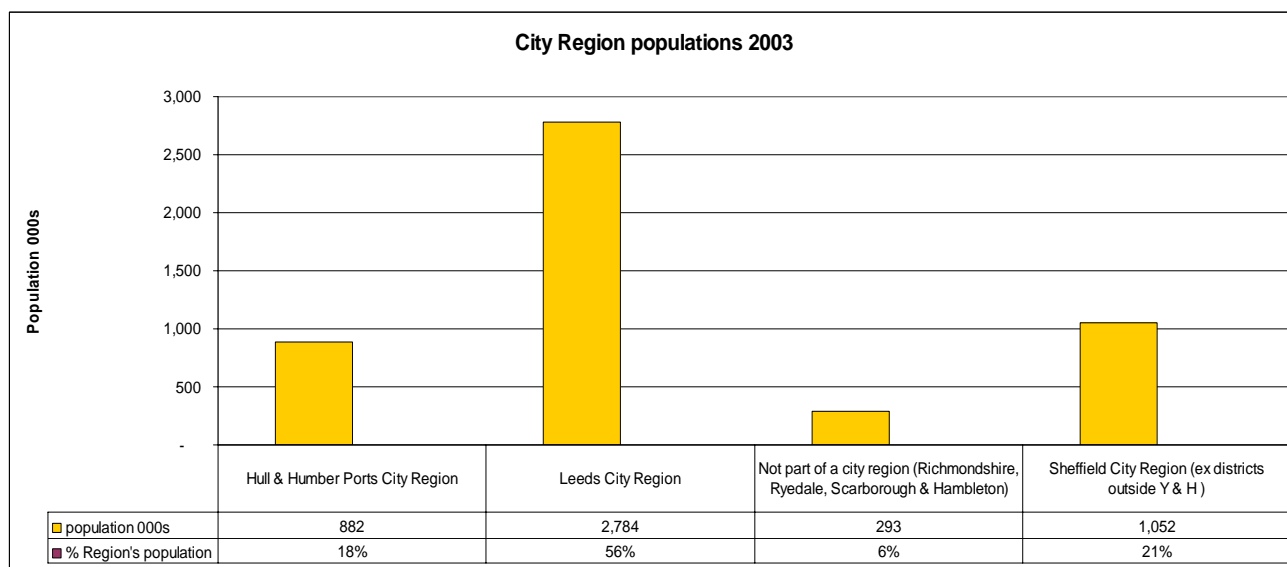
Relevant regional partners including YF & YNYPUP are examining alternative investment planning arrangements for the rural and coastal districts of Richmondshire, Ryedale, Hambleton and Scarborough.

Basic information below has been extracted from the Rural Observatory's "Rural Evidence Base for Yorkshire and The Humber 2006" report. In each case the data is aggregated from unitary or district level data using the groupings described above.

Population

The graph below shows the total population of each city region and also districts not part of any city region - Richmondshire, Ryedale, Scarborough and Hambleton. 56% of the region's population comes under the Leeds city region (2.8 million people) Sheffield city region accounts for 21 % of the regions population and Hull and the Humber Ports 18%. The predominantly rural districts of Richmondshire, Ryedale, Scarborough and Hambleton comprising 6% of the regions population, are not part of any city region.

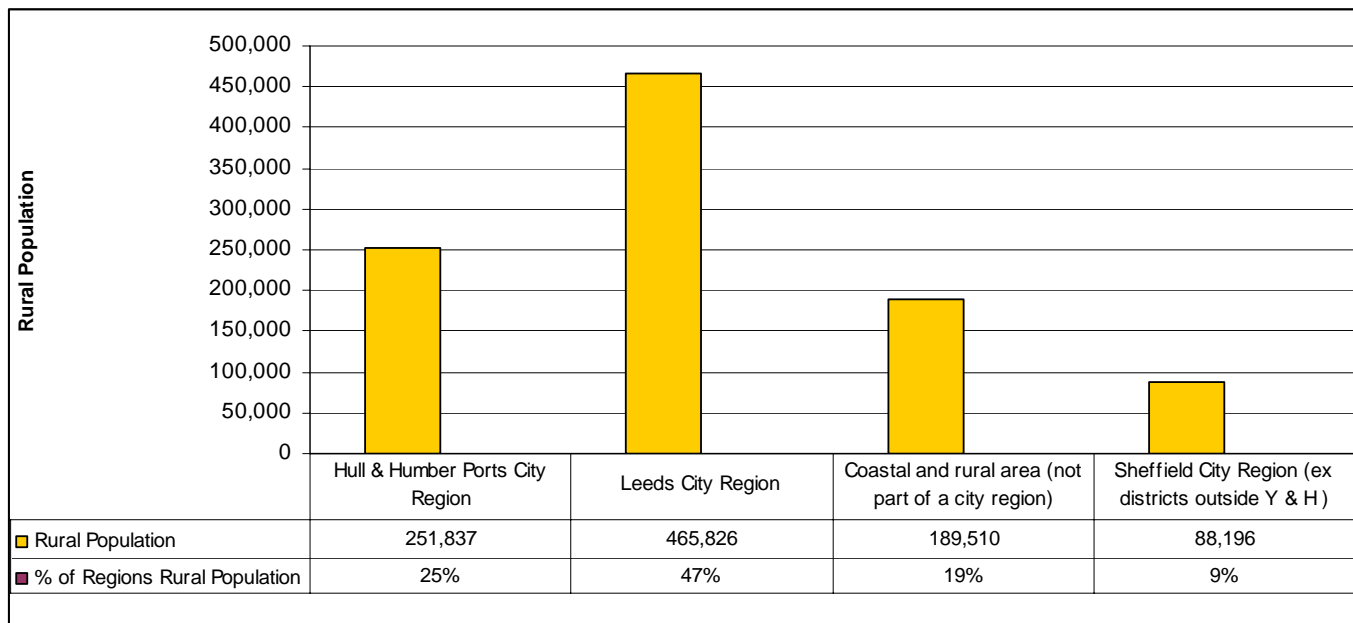
Figure 2 City Region Population



Rural Population

Using the Official National Statistics Rural Urban definition, the region has just under a million rural residents or 20% of the region's population. 81% of the rural population reside in one of the 3 city region's, with almost half the region's rural population (465,000) contained within the Leeds city region alone. Less than 20 % of the rural population live outside the city regions in the 4 districts of Richmondshire, Ryedale, Scarborough and Hambleton.

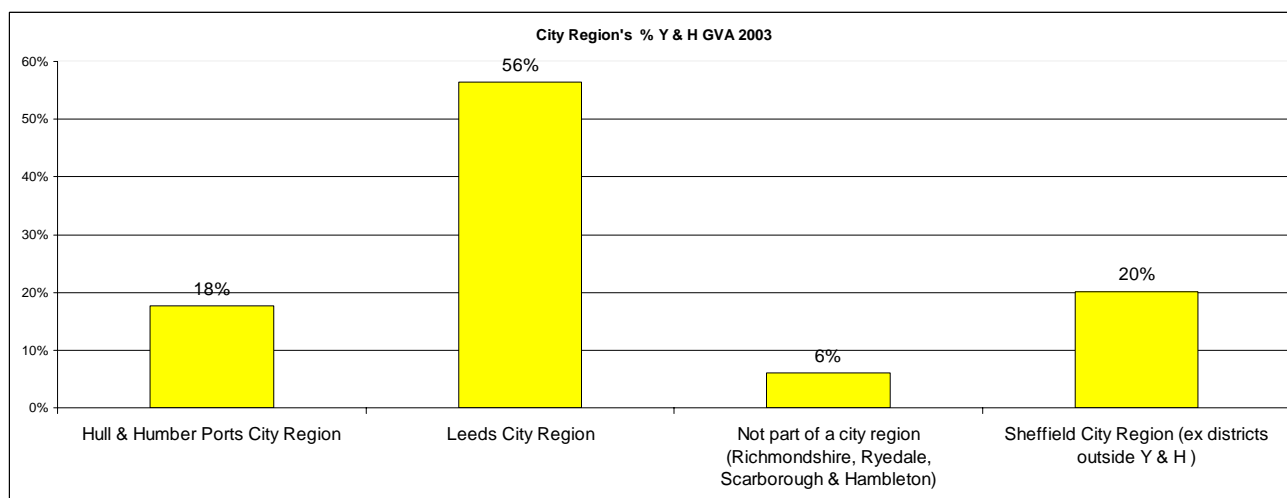
Figure 3 Rural Population of city regions



Economy

Perhaps not surprisingly, the city regions current share of the region’s economy is almost identical to their share of the region’s population. Economic size is measured here using the governments preferred measure gross value added (GVA). The Leeds city region again predominates.

Figure 4 City Region GVA



Looking at past performance using GVA per head as a yardstick, it appears predominantly rural areas outside the City Region’s have outperformed city region areas. This appears contrary to the national evidence that city regions have been the economic drivers of regional economic growth. However the national evidence mostly relates to the core areas in each city – Leeds Sheffield and Hull, rather than the whole city region including their hinterland. Looking at the district and unitary council data that has been aggregated, it is clear that each city region includes a mixture of relatively high and low GVA per head performances. For example, Leeds city region contains both its thriving Leeds core, which has the highest GVA per head in the Region and Barnsley in the hinterland, with the lowest GVA per head.

Figure 5 City Region GVA performance

