City Region Exchange

Briefing Note 1 - What are city-regions?

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What are city-regions?

The emphasis on developing and supporting city-regions is a trend that has assumed growing significance across the UK and internationally. It reflects the thinking that in today's globalised economy, where places and businesses are more integrated and connected internationally than ever before, regions which have strong, well-connected core cities are better placed to drive forward economic growth. As such, city-regionalism is primarily driven by the pursuit of economic benefits, but also has the potential to deliver wider social and environmental gains. In Wales, the Welsh Government has recently established two city-regions one of which covers Cardiff and South East Wales (the Cardiff Capital Region), and the other around Swansea (the Swansea Bay City Region). But what exactly are city-regions, why are they being supported, and what are some of the challenges which surround the development of the Cardiff Capital Region?

The city-region ideal

The push for a city-region approach is primarily driven by two complementary logics.

Firstly, an integration logic. This is because there are important economic, environmental and social linkages between cities and their surrounding areas. This reflects the decisions that people take about where to live, where to work, how to travel to work, where to shop, and where to visit for entertainment and leisure. It also reflects the activities of businesses and investors, and their trading links and relationships with customers and suppliers. Critically, these relationships tend to cut across traditional local authority administrative boundaries. As a result, there tends to be a mismatch between the *real* geography of regions and especially the patterns and workings of their economies, and the administrative geographies of local governments and other relevant bodies. If regions are to fully embrace their development potential, then planning and organisation cannot simply be limited or confined to the administrative boundaries of the city. Instead it must take into account the flows of information, finance, people and resources which occur *through* the city, and which connect the city to its neighbouring towns and commuter hinterland.

Secondly, an agglomeration logic. There is evidence that larger places, particularly cities, tend to have particular economic advantages, such as higher rates of productivity growth and a greater capacity to innovate. These advantages result from having a critical mass of economic activity, resources and people. For many commentators, the magic 'million' in terms of population size forms the smallest residential scale at which economies of scale can truly be

realised and growth prospects maximised. This has led policy-makers and academics to seek to identify functional areas that serve to strengthen the economic base of both the city and its surrounding hinterland.

There are also other advantages to be gained from co-ordinating activities at this bigger city-region scale. Evidence suggests that co-ordinating planning and policies for transport and economic development at the city-region scale is conducive to enhancing the economic advantages provided by this clustering of activity in particular hubs across the city-region. This is because it offers the potential to both improve the functioning of the flows of economic activity *within* the region (such as the ease of commuting to particular hubs), as well as improving the region's capacity to act as an effective gateway to economic activity *outside* it.

Developing a city-region

Developing a city-region is inevitably a challenging task. A fundamental issue surrounds how the city-region is to be defined. The economic footprint or pattern of a city-region is not always clear or easy to define, and the flows and relationships that shape it are inevitably highly fluid and subject to constant change. In addition, the interdependencies and hierarchies between its market towns, rural areas and cities may look very different when considered in terms of social and environmental relationships and not just narrowly economic ones. Understanding the 'real' geography of the region and how it operates as a space of *flows* rather than simply a bounded, administrative space is critical if a city-region is to develop both collaborative projects and a governance form which clearly matches its function.

Developing an effective city-region also requires a good understanding of the varied needs and priorities of the region's different constituent cities, towns and communities, and how these varied needs are to be balanced. This requires the development of strong and willing coalitions, not only between different local authorities and across administrative and planning boundaries, but also between other key public and private sector organisations notably universities, other education providers and the business community. Finding ways and means to collaborate and to develop and articulate a shared vision are critically important, and demand an understanding that at certain times, different interests and priorities have to be balanced for the greater good. Furthermore, finding ways to connect the city-region's evolving projects and processes with the communities and people who live and work within it is vital if city-regionalism is to be more than simply a technocratic process for interested professional communities.

In developing a city-region, decisions also have to be made about what form of governance will best build and mobilise the collaborative working required to support its development. Experience from city-regions elsewhere suggests that various models exist, from more formal structures where co-ordinating bodies are given powers over financial resources and key areas of policy, to more informal and voluntary partnerships or coalitions of authorities who work together to agree plans and objectives. The development of a new governance body or institutional form inevitably has wider implications for the administrative boundaries and responsibilities of existing bodies, notably local governments, which can themselves be subject to a wider process of review.

The Cardiff Capital Region

The development of the Cardiff Capital Region is predicated on the twin logics outlined above. It has been developed in part to more effectively harness the economic benefits of the critical mass of population and business activity associated with the wider metropolitan area around the cities of Cardiff and Newport – an area with a combined population of some 1.5 million people.

But its development also reflects the desire to better harness the collective power of this wider area and to help secure the benefits of a more integrated approach to social, economic and environmental development. As such, it is intended to encourage the ten local authorities and other key actors within its defined boundaries to work more closely together, and to collaborate on projects and plans for the region as a whole (such as the integrated transport system or metro) in a manner which looks beyond their particular territorial boundaries and interests. In doing so, it is intended that this will raise the ability of the area to secure inward investment, to plan projects and developments more effectively, and to promote higher levels of innovation and economic growth.

Existing analysis has highlighted how the economic activities of the cities of Cardiff and Newport are critically dependent upon the commuting flows and associated transport connections and housing networks that cut across different neighbouring local authority areas in South East Wales. Understanding these and other interrelationships across the region and then supporting and managing them effectively, requires a more strategic level of planning and policy-making than can be provided by single, relatively small, local authorities working alone.

A key question for those shaping the development of the Cardiff Capital Region will be to decide what its key strategic objectives are: whether, for example, to prioritise economic growth, or instead perhaps pursue the development of healthier, more resilient and connected

communities, or foster a low carbon agenda based on environmental transformation. There will also be a need to confront issues around whether, and how evenly, the economic gains from the city-region will be spread across its different places and communities, and whether an approach which prioritises developments in its cities first, is always necessary or indeed desirable.

Logically, this will require some form of collaborative governance structure. At present, the Cardiff Capital Region is characterised by more informal arrangements, but its future form will need to evolve as the region's needs are better understood and its priorities identified. Finding a clear pathway to align the various and ongoing processes of restructuring of local government and wider public services at local level, together with city-region governance structures, represents a key and immediate challenge.

Finally, it is worth highlighting that Cardiff Capital Region is in a unique situation when it comes to the consideration of city-regions:

- Firstly, it is the capital of Wales and thus charged not only with its own development but also of driving forward economic growth across Wales. This is powerfully symbolised by the title of the Cardiff Capital Region Board's report on the future of the city-region "Powering the Welsh Economy".
- Secondly, it is a coastal city-region and as such is a half-moon rather than a circle when considered from its urban cores or Cardiff and Newport. This has an immediate effect on the geographical hinterland and the available critical mass within any given journey time.
- Thirdly, the juxtaposition of need and opportunity. There are significant and long-established economic and social differences between the prosperous coastal zone around Cardiff and the Vale of Glamorgan, and the more disadvantaged areas of the South Wales Valleys. Addressing this geography of disadvantage is a particular feature of the Cardiff Capital Region.

Conclusion

To conclude, the city-region idea is in essence a different way of thinking about the geography of a city and its surrounding areas, and one which is defined by an understanding of how it actually functions in practice – namely through the economic flows and wider relationships and interdependencies that variously connect the people and places within it. Regions that effectively harness the collective power and critical mass of their 'hubs and spokes' can significantly enhance their potential for development success. However, this requires strong

collaboration, particularly between local authorities, and a desire to develop plans which see a 'bigger' picture.

There is no blueprint as to how this can be achieved, since every city-region has a unique history and set of development challenges, as well as a unique political context. As such, the development of a city-region can be defined as a multi-layered process – a process of investigation as to how it actually works; a process of building consensus as to how to develop it further; and a process of assembling the various tools and resources to enable more strategic projects and collaborative planning to develop and take effect. The challenge is ultimately to convert these processes and understanding as to how the region functions, into practical plans that support its integrated development.