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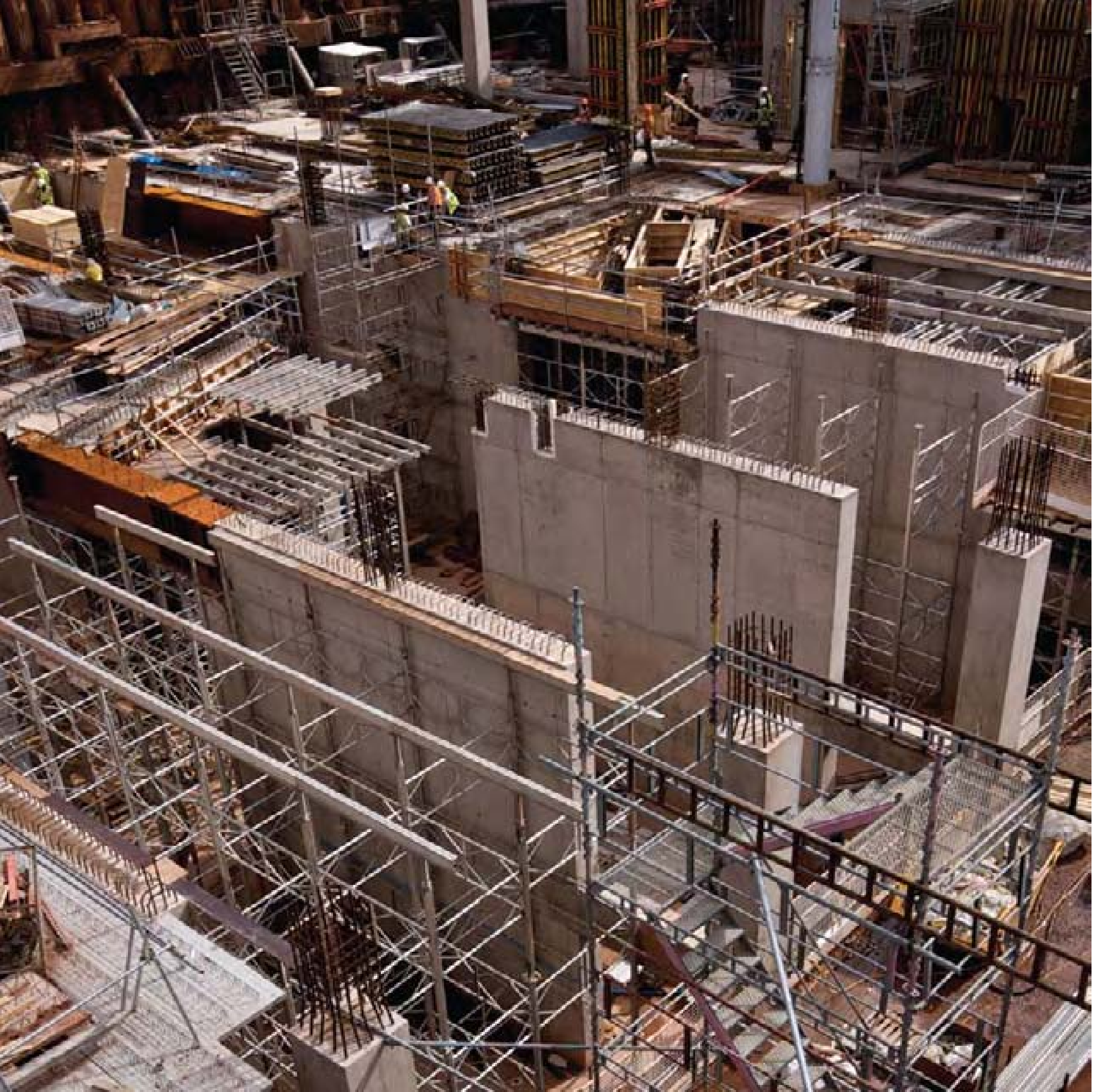
Cities Outlook 2009



Foreword:
Helping our cities through the recession

There is no doubt that Britain's cities are now managing their way through a recession. The only question now is how long and deep the recession will be. The immediate challenge is to support vulnerable households and businesses against the negative effects of the downturn. But we must also make sure that everything possible is done to help our communities and businesses take advantage of the upturn when it comes.

Although it is tempting to look for big ideas and national, catch-all initiatives, some of the most effective solutions are likely to be found in the actions that our cities have already started to take at the local level. Making high-quality housing available, and giving sound debt and business advice will be absolutely crucial to keeping people in their houses and helping businesses through the worst impacts of the slowdown. Increasing the take-up of benefits to which people are already entitled will help support people through difficult times and increase the amount of money in the local economy. Bringing forward energy saving initiatives and home insulation programmes will help households reduce their bills and provide local employment.

At a time of recession we need the maximum possible flexibility from all levels of government to respond to the challenges that local firms and communities face. The front line of the battle is marked out by real economic geography, and local government, business, and the local public and third sectors will need to work ever closer in their response. National government and regional agencies need to recognise this and give cities powers and funding needed at the local level.

The central finding of this year's *Cities Outlook* – that in the coming period the challenges faced by different cities will vary significantly and the response needs to be tailored to local needs – chimes very closely with the findings of the Local Government Association's own research. The message that 'now is the time for more devolution, not less' is also one that we will be pressing at every opportunity with ministers and MPs during the parliamentary passage of the Local Democracy, Economic Development and Construction Bill, and during the Communities and Local Government Select Committee Inquiry into the balance of power between central and local government.

So we look forward to working in the coming year with the Centre for Cities to push the case for real devolution of powers and funding to Britain's cities to help them do their vital economic job better at a time when it could not matter more. We are delighted to sponsor the *Cities Outlook* for a second year, and look forward to its having even more impact in the continuing debate.

Cllr Margaret Eaton
Chair, Local Government Association

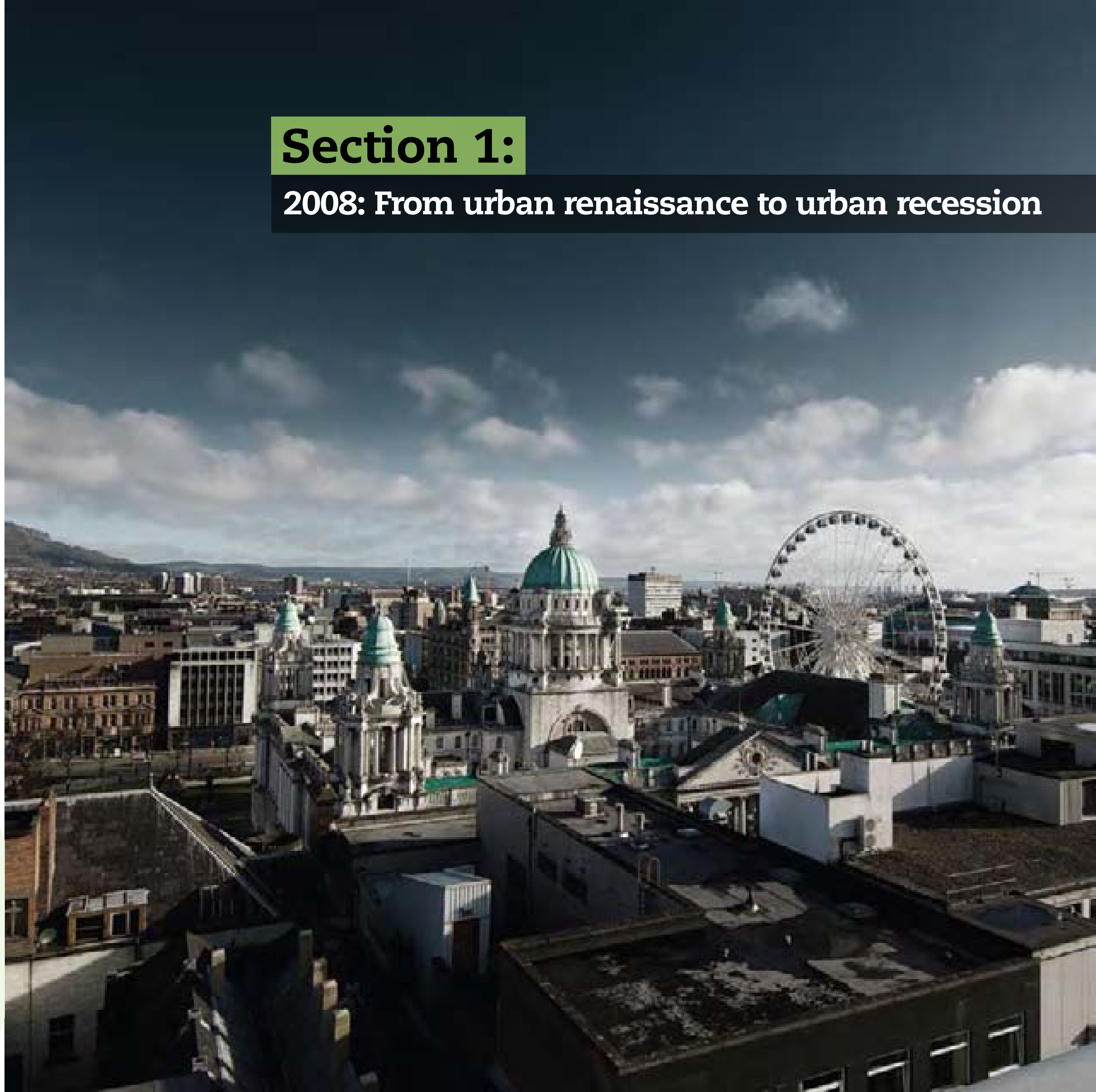
Local Government Association

Contents

Acknowledgements:
The Centre for Cities would like to thank the Local Government Association for its support of Cities Outlook 2009

Section 1:

2008: From urban renaissance to urban recession



2008: From urban renaissance to urban recession

Over the last decade, cities have been at the heart of Britain's economic success. As we noted in *Cities Outlook 2008*, our cities and towns have added large numbers of new jobs during the past ten years. Many have also experienced large-scale physical regeneration – and have developed a new confidence.

But our 2008 report also predicted that times would get tougher for UK cities over the course of the year. The credit crunch has now sparked a full-blown recession – with impacts no longer confined to the financial and business services sector. We are now seeing falls in both consumer and labour demand, high-profile firm closures, and extremely low levels of business confidence.

2009 will be a difficult year for the UK economy. The Pre-Budget Report (PBR) set out the Government's view that the economy will contract by -¾% to -1¼% in 2009, before growing by 1½ to 2% in 2010 [1]. These forecasts are optimistic given the current pace of decline in output, a fact admitted by the Chancellor in a recent interview [2]. Many forecasters now see a contraction in GDP during 2009 of more than 2% and the momentum of revisions remains negative. Members of the Monetary Policy Committee (MPC) have suggested this recession will be comparable in length and depth to the previous three major post-war UK downturns [3].

Uncertainty about the severity and length of the downturn continues – but the deepening recession has ended the decade of stability and growth that has underpinned employment gains in many UK cities. Some of the very same urban areas that led employment gains in recent years will be at the forefront of job losses in the months ahead.

In addition, fiscal pressures will constrain government spending in the medium term. Existing commitments, along with the £20bn stimulus package announced in late 2008, will require efficiency savings and tighter budgets in future – restricting the potential for further public sector jobs growth in our cities.

Despite the rhetoric, Britain's cities are **not** all well-placed to weather the storm. No city will escape the recession unscathed – though some will suffer less than others. Over the coming months, London and other cities with large concentrations of financial services jobs – like Edinburgh and Leeds – will face significant employment losses. Longer-term, other cities, including those with a high dependency on the public sector, will also be affected.

But cities will also lead Britain out of recession. With government support, and more power to tackle local economic problems, cities will move the country back onto the path of growth.

[1] HM Treasury (2008): Pre-Budget Report

[2] Financial Times, 7 January 2009

[3] MPC Speech, 9 December 2008

A new North-South divide?

In last year's *Cities Outlook*, we argued that the North-South divide was oversimplified, with some high-performing areas in the North – and some under-performers in the South.

Economic conditions have changed since then, but the map of city performance remains as complex as ever. The immediate effects of the recession are being felt most heavily in Greater London, which has had a disproportionate share of jobs in financial services, construction and retail over the last decade.

But it's not necessarily 'Grim Down South', as some in the media would suggest [4]. Research by both the Centre for Cities and the Local Government Association confirms that once again, the true picture is more complicated [5].

During 2009, cities with higher concentrations of financial services jobs – such as London, Leeds, Edinburgh and Bristol – are likely to see more headline job losses. However, in the medium-term, cities with diverse business bases, high skill levels and traditions of entrepreneurship will be better placed to recover. In Edinburgh, many of the individuals who face redundancy due to the recession are highly-skilled – with 50% of residents holding a degree. This will make it easier for them to move into new jobs, or to start up their own businesses, either locally or elsewhere in the country.

Although places with weaker economies may see fewer job losses in the short term, the recession could exacerbate the structural challenges they face. In many cities, restricted credit, tougher export conditions and tightening public spending will affect the local jobs base. In Hull – where only 15% of the population have degree-level qualifications – those made unemployed by the recession will face a far tougher battle to get back into work. Public sector employment will be slimmed down over the coming years as well – with proportionately larger impacts on cities that have high concentrations of local and central government jobs.

So it's overly simplistic to say that the South is in for a big correction, and that the North will ride out the storm this time round. Forecasts suggest that some parts of the South will bounce back both quickly and strongly – and that other areas may face a longer road to recovery [6]. The real picture will vary from city to city, economy to economy – as this edition of *Cities Outlook* shows.

The end of the urban jobs boom?

Cities up and down the country were the big winners during the years of economic expansion. Core Cities such as Liverpool, Manchester and Leeds all added in excess of 50,000 jobs over the past decade. Now, however, cities are starting to feel the effects of the recession on their local labour markets. Many urban areas across Britain are now experiencing significant short-term job losses and rising unemployment: at least 60% of the increase in Jobseeker's Allowance (JSA) claimants between June and September 2008 was concentrated in cities [7].

[4] Observer, 19 October 2008

[5] Local Government Association (2008): From recession to recovery: the local dimension. London: LGA

[6] Oxford Economics forecasts for the Centre for Cities, November 2008.

[7] Based on ONS data for change between Q2 and Q3 2008.

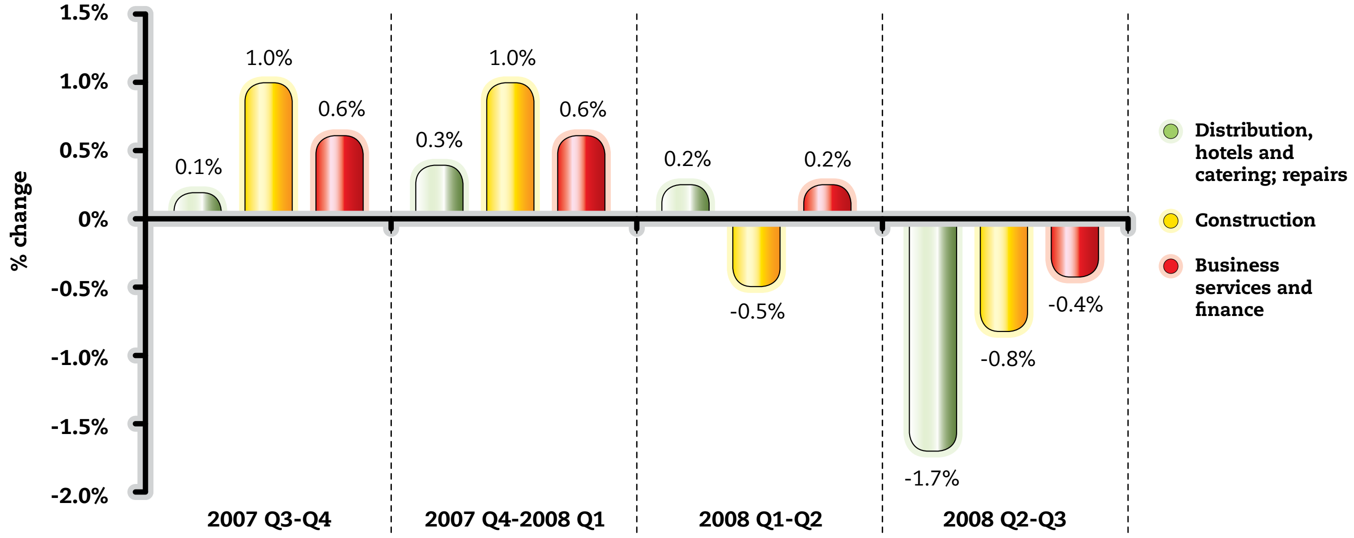
Urban job cuts are highly visible – and are not confined to the City and Canary Wharf. During 2008, newly-nationalised Northern Rock announced plans to cut 1,300 employees; long-established retailers Woolworths and MFI entered administration; automobile manufacturers in Sunderland, Liverpool, Swindon and Birmingham have announced a mixture of shift cuts, longer holiday closure periods and four-day working weeks – a prelude to more redundancies during 2009.

In the City of London, global cutbacks at firms like Citigroup, RBS, Morgan Stanley and Nomura will roll back financial services employment. The City could shed 17% of its workforce by 2010 – taking total employment back to its 1998 level of 291,000 [8].

Though somewhat less visible in the national media, job losses in construction and distribution are also beginning to affect the economic prosperity of our cities and towns. For instance, York-based housebuilder Persimmon saw its sales decrease by 31% over the first six months of the year, leading it to cut 2,000 jobs during 2008 [9]. Wolesley, a major building materials supplier, has cut over 14,000 UK jobs since summer 2007 [10].

As Figure A shows, the latest official statistics reflect the overall downward trend in the economy – with total output falling by 1% from July to October 2008. Business sectors that are highly concentrated in urban areas, such as hotels and restaurants, construction and financial services, are starting to see significant contractions.

Figure A:
Sectors at risk - change in national output Q3 2007 – Q3 2008



As Table A shows, many cities have high concentrations of employment in sectors which are now facing contraction – and will find themselves dealing with additional redundancies and lay-offs during the months to come.

Table A:
Sectors at risk - 10 cities with highest concentration of employment in distribution and hostelry, financial services and construction (Great Britain = 100)

Cities	Distribution, Hotels and Restaurants	Cities	Banking, Finance and Insurance	Cities	Construction
Blackpool	120	London	154	Mansfield	192
Warrington	119	Aldershot	147	Doncaster	169
Newcastle	117	Edinburgh	146	Worthing	165
Bournemouth	117	Bristol	142	Milton Keynes	148
Middlesbrough	114	Wigan	139	Sheffield	138
Stoke	109	Newcastle	135	Wigan	138
Sunderland	108	Nottingham	132	Bolton	135
Telford	108	Crawley	128	Blackpool	133
Southend	107	Leeds	127	Cardiff	131
Bolton	107	Plymouth	127	Barnsley	129

Source: NOMIS, 2008. ABI employee analysis broad sectoral groups (2006 data).
Rochdale excluded from banking index due to errors in the underlying data.

However, despite recent economic turbulence, cities – both North and South – are still home to the biggest concentrations of jobs and economic activity in the country. Cities continue to receive the lion's share of UK inward investment, and are the places where innovative business ideas are brought to life. In England alone, urban areas are still home to approximately 80% of all jobs.

Cities lead throughout the economic cycle
Last year's *Cities Outlook* reported that many of the biggest 'improvers' – cities with significant employment growth – were in the North of England. The most recent numbers confirm this trend. Between 1997 and 2007, Liverpool added 70,000 jobs, compared to just 3,000 in Cambridge (See page 49).

[8] Based on figures by the Centre for Economics and Business Research quoted in the Financial Times, 15 October 2008.

[9] BBC News, 8 July 2008

[10] The Times, 18 November 2008

Many cities, however, are at the leading edge of the economic cycle: like London, first to benefit during an upturn, and first to feel the effects during more troubled times. The media headlines of 2008 have been dominated by the consequences of the credit crunch: fewer mortgages, falling house prices, the slowing of big development projects, and the signs of a tightening labour market. As Table B shows, claimant counts have jumped significantly in places as diverse as Gloucester and Barnsley, while remaining relatively constant in Aberdeen and Cambridge.

Table B:
Cities with highest and lowest increases in JSA claimant rates, Q3 2007 – Q3 2008

City	% change in JSA claimants, Nov 2007 - Nov 2008	Changes in number of JSA claimants, Nov 2007 - Nov 2008	Total JSA claimants, Nov 2008
Cities with the highest % increase in JSA claimants			
Hull	1.8	3,006	10,292
Barnsley	1.4	1,905	4,929
Doncaster	1.2	2,135	6,759
Swindon	1.2	1,404	3,100
Wigan	1.2	2,200	6,585
Newport	1.1	894	3,035
Gloucester	1.0	736	2,071
Sunderland	1.0	1,818	7,349
Warrington	1.0	1,251	3,244
Liverpool	1.0	4,910	25,821
Cities with the lowest % increase in JSA claimants			
York	0.6	736	2,430
Norwich	0.6	933	3,981
Peterborough	0.6	598	3,249
Coventry	0.5	1,000	7,353
Reading	0.5	1,307	4,318
Oxford	0.4	445	1,796
Edinburgh	0.4	1,305	6,545
London	0.4	21,950	163,485
Aberdeen	0.2	280	1,848
Cambridge	0.1	94	1,266

Source: NOMIS 2008, Claimant Count (Nov 2007 & Nov 2008 data); NOMIS 2008, APS (Jan-Dec 2007 & April-March 2008 data).

Urban property markets – both residential and commercial – have also taken a hit over the past year. Regeneration areas, which have offered high returns to investors in recent years, significantly underperformed the market as a whole during 2007 [11]. Non-residential property transactions fell by half between October 2007 and October 2008 [12]. And as low mortgage approval rates and falling house prices show, residential buyers continue to lack confidence and access to credit. Only 65,000 homes changed hands in October 2008 – compared to 130,000 in October 2007 [13]. The impacts of these falls spill over into consumer spending, affecting cities' retail sectors as well as their property markets.

Many of these issues will take the shine off city economies in the short-term. Over the next year, city leaders and businesses will spend much of their time dealing with the impact of the financial crisis on jobs, property transactions, and regeneration projects. In some cities, job losses in sectors like retail and financial services will have a major impact during 2009.

But despite the recession, Britain's cities are becoming ever more important to maintaining our place in the global economy, especially over the longer term:

- The 64 cities in our sample account for over 49% of the UK's total stock of VAT-registered businesses – including most of our biggest and most productive firms [14].
- Cities account for almost 70% of jobs in private services.
- In England, London, Oxford, Cambridge and the eight Core Cities together account for 68% of public-sector R&D and innovation expenditure [15].

Despite cities' strengths, local leaders need to think carefully about future sources of jobs. Increased government borrowing and the £20bn fiscal stimulus package announced in the 2008 PBR will prompt a reduction in public spending growth beginning in 2011-12. So while public sector jobs may seem more secure in the very short term, they are only one part of a city's economy, and can be cut back as well as expanded. On its own, a strong local public sector jobs base cannot ensure resilience.

Now is the time for more devolution – not less

During a recession, it can be hard to make the case for devolution as a pressing economic issue. Ministers are currently focused on national job losses, business closures and stalled global financial markets. Yet the problems created by worldwide economic pressures require different responses in different places.

Our cities currently don't have the levers they need to respond to recession – much less lead the economic fightback. Most of the big

[11] IPD Regeneration Index 2008

[12] HMRC non-residential property transactions completions above £40,000, seasonally adjusted

[13] HMRC residential property transactions completions above £40,000, seasonally adjusted

[14] NOMIS, plus Inter-Departmental Business Register (Northern Ireland)

[15] Collated from Higher Education Funding Council for England (HEFCE) Quality Related Research Funding for 2008-09

policy decisions and budgets rest with national departments and quangos, including the Homes and Communities Agency, Jobcentre Plus, and the bodies replacing the Learning and Skills Council.

For cities to lead Britain's return to growth, they need greater control over employment, training, housing, and transport policies. With so many decisions being taken in Whitehall and Westminster, cities have found it hard to respond quickly and decisively to fast-changing local economic circumstances.

To their credit, the Government recognised this in the 2008 PBR. Drawing on work by the Centre for Cities and others, Ministers have now announced plans to create two statutory city-regions during 2009 – with devolved powers to address local transport, training, and economic development needs.

The Centre will be following these developments closely over the coming months. While we recognise that proposals for greater local revenue-raising or new Accelerated Development Zones will be more difficult in the current economic context, we will continue to press for realistic changes that give local leaders more room to address employment and growth challenges.

Cities Outlook 2008 argued that further devolution would help to continue the 'unfinished business' of Britain's urban renaissance – and made a forceful case for giving cities the power to shape their own economic destiny. This edition of *Cities Outlook* reiterates our long-standing commitment to devolution – with more control in the hands of city-regions rather than Whitehall. During 2009, at the height of recession, the Centre for Cities will continue to make the case for greater devolution, building on the growing consensus for the need to move more power down from the centre.

Focusing policy more clearly on places

Last year's *Cities Outlook* showed the wide variation in economic performance that exists both within and between our cities. The data suggested that the North-South divide is oversimplified, and that high and low-performing cities and towns exist in every region. The publication of revised Indices of Multiple Deprivation this year reinforced our prior findings. Some cities have seen their rankings shift substantially – while others have remained broadly constant.

Changing inequality in English cities, 2004-07

- **No change at the top or bottom of the table:** Cambridge, England's most equal city in 2004, kept its place in 2007. Manchester remains 56th – the least equal city in the country.
- **Blackpool:** 41st in 2004, Blackpool now ranks 55th, making it England's second most unequal urban area.
- **Chatham:** 6th most equal in 2004, the urban area composed of Chatham and the other Medway towns fell to 15th in 2007, suggesting that rising inequality is an issue in some Southern as well as Northern towns.
- **Bristol:** the most improved major city, moving from 55th (second most unequal) to 32nd in the rankings – a jump of 23 places.
- **London:** the capital, which was sixth from the bottom in 2004, jumped 15 places to 35th in 2007. This suggests that London's long period of sustained economic growth has resulted in improved outcomes for many residents – though the employment rate remains well below the national average.

Source: DCLG, Index of Multiple Deprivation 2004 and 2007; own calculations for inequalities at PUA level.

Addressing inequality – and gaps in employment, health and educational outcomes – will require a radical shift in the way that government policies are designed and delivered. Alongside greater devolution, Whitehall needs to develop a stronger focus on **real places**. For example, the Department for Work and Pensions needs to improve its knowledge of local unemployment and worklessness, and the new Homes and Communities Agency must operate based on a good understanding of the links between local housing markets and economic conditions.

Government departments make policy decisions based on thematic 'silos' – such as skills, education, and health – rather than on real-world conditions in places like Sunderland or Swindon. As a result, many of the initiatives and schemes devised at the centre don't take account of local conditions, and fail to improve the way that our city economies work.

Take back-to-work schemes as an example. Ministers have often expressed their wish to 'personalise' employment services to individuals' needs – using policies designed by civil servants in London. We believe that it's equally important to 'localise' these services, with programmes tailored to cities' specific economic conditions, rather than national blueprints. There may still be half a million vacancies in the economy – but these often don't match up to where unemployed people live.

During 2008, the Centre for Cities initiated work with Whitehall to make national policies more 'place sensitive', and to encourage civil servants to consider local impacts in greater detail. During 2009, we will continue to bring together policy-makers from across the political spectrum to emphasise the importance of cities to the delivery of shared economic, social and environmental aspirations.

National policies – from business regulation to education and transport – affect our cities in different ways. For example, growth policies need to link up with local conditions in places like Glasgow (cited by the World Health Organisation in 2008 for health and economic inequalities), Gloucester (where deprivation has worsened between 2004 and 2007), and Grimsby (where only 27.8% of residents are in high-skilled jobs, some 15% below the national average).

The changing urban political scene

2008 was an important year in urban politics. The Conservatives consolidated their position as the largest party of local government – as Table C shows – and now control a range of cities, including Birmingham, Southampton and Brighton. In May, Boris Johnson was elected Mayor of London, initiating the first mayoral transition since the introduction of the post in 2000. With the Mayoralty and a majority of boroughs Tory-controlled, a more consensual approach to London governance is now beginning to emerge. At the same time, Conservative shadow ministers have made enthusiastic statements in favour of greater devolution – and are considering radical reform of Regional Development Agencies, which the Centre for Cities championed in a December 2008 policy paper [16].

The Liberal Democrats, meanwhile, run a disproportionate number of big cities – including Liverpool, Newcastle, Cardiff, Sheffield, Hull, York, Cambridge and Edinburgh. However, the national party has done little to capitalise on or showcase its urban strength.

Table C:
Local election results 2008

	Overall Results - %		Councils Won		Councillors Won in 2008	
	May 2008 Election	May 2007 Election	+/-	Total	+/-	Total
Conservative	44	40	12	65	256	3154
Lib-Dems	25	26	1	12	34	1805
Labour	24	27	-9	18	-331	1368

[16] Marshall, A (2008): *The Future of Regional Development Agencies*. Centre for Cities

Labour – like the Conservatives in the 1990s – has failed to de-couple its local electoral performance from its fluctuating national popularity. As a result, it has struggled to retain control over many urban areas, but remains the dominant party in Manchester, Glasgow and Nottingham, and runs minority administrations in Bristol, Norwich and Reading. In Greater Manchester, Labour councillors led an effort to introduce congestion charging alongside a £3bn programme of public transport improvements, but were rebuffed by nearly 80% of city-regional voters in a high-profile December referendum.

Regardless of political control, cities across Britain share many common challenges: delivering new jobs and housing, re-training those who are out of work, and achieving their climate change commitments.

In summary
At the start of 2009, Britain's cities face some formidable economic challenges – challenges that will roll back some of the gains in employment and prosperity seen in recent years. However, cities are at the leading edge of economic change. While they may be first to suffer the consequences of recession, they will also lead Britain's economic recovery.

In Section 2, we describe the Centre for Cities' policy and research focus on local economic performance – and what we will be doing during 2009 to help cities deal with both recession and recovery.

Section 2:
Our research and the policy debate

Our research and the policy debate

Over 2008 our work has focused on improving the economic performance of UK cities, and has contributed to the policy debate at national, regional and local level. Over the course of the year we have:

- Helped cities better understand and respond to the challenges of globalisation, and use transport, housing and planning policies to foster more innovative economies.

- Engaged with Government and local leaders on measures to help cities tackle worklessness, and to use housing to support their labour markets and economies, including by increasing the supply of private rented housing.

- Highlighted the importance of improving public transport and other links between cities to drive their economies.

- Investigated the levers available to cities to support national efforts to tackle climate change, specifically by improving the energy efficiency of the existing building stock.

In 2009 we are continuing to deliver practical recommendations to national and local government. Our work will provide specific recommendations to help cities survive the recession and mitigate its worst effects. We will also help cities identify new sources of job growth, and provide recommendations to cities to set the conditions for recovery and attract and retain business investment.

Our impact

Our work has influenced a wide audience, including local government and Whitehall. During 2008 we have:

- Influenced the national policy debate – for instance engaging with media and Government to encourage a shift in policy with regard to the proposals for 15 new 'eco-towns'.

- Used our expertise to contribute to national policy development – such as the Rugg Review on the private rented sector [17], and the Government's new approach to sub-national economic growth announced in the PBR [18].

- Convened networks around key policy areas – working with our partners [19], the Urban Hub, at 2008 Party Conferences attracted over 1350 attendees across 24 events; and

- Influenced city-level policies – in particular through our work with seven partner cities.

- Reached out to a wide range of experts and stakeholders – including work with the World Bank [20] and, in the run-up to the US Presidential Election, with the Brookings Institution in Washington [21].

[17] Rugg, J & Rhodes, D (2008): *Review of Private Rented Sector Housing*

[18] HM Treasury & BERR (2008): *The UK Economy: addressing long-term strategic challenges*

[19] CABE, Core Cities Group, RIBA, The Work Foundation

[20] Larkin, K & Marshall, A (2008): *City-Regions: Emerging Lessons from England*; Directions in Urban Development, World Bank

[21] Webber, C & Berube, A (2008): *Smarter, Stronger Cities: UK Urban Policy Innovations and Lessons for the US*. Brookings & Centre for Cities

Partner cities

All our research is complemented by working closely with cities across the UK. In 2008 we developed strong relationships providing practical advice to seven partner cities – Belfast, Brighton, Bristol, Cambridge, Hull, Sunderland and York – as well as maintaining and developing links with London and the Core Cities. We will expand these partnerships to other cities during 2009. As well as enriching our research, and enabling us to deliver real solutions to cities, our partners have benefited from involvement in cross-city networks and discussions.

Figure B:
Cities we have worked with 2005-09

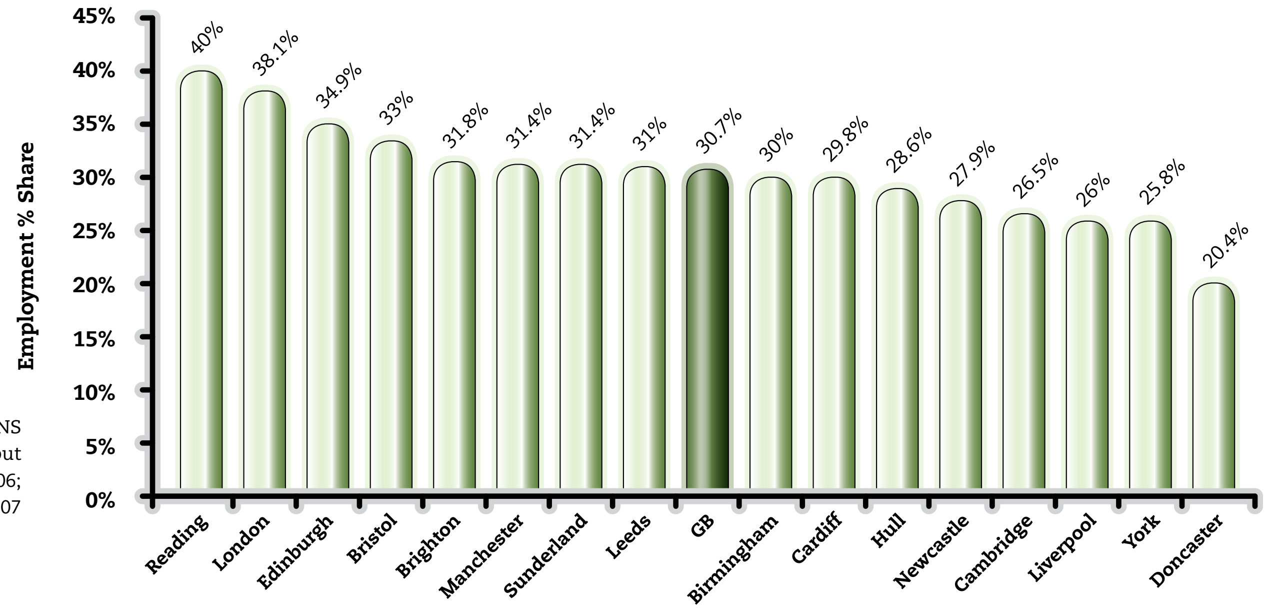
Our research

Globalisation drives long-term change

Our report *UK Cities in the Global Economy* [22] looked at how globalisation has affected different UK cities, and how it will continue to drive their economies. Over recent decades globalisation has driven the growth of new industries such as life sciences in Cambridge and biotech in York – while it has contributed to the decline of traditional manufacturing in many Northern cities. And as shown in Figure C below, there is real variation in the extent to which cities are integrated into the global economy.

Figure C:

Share of employment in top 20 exporting sectors



Source: ONS Input/Output tables, 2006; ABI, ONS 2007

Government has now recognised that cities need to be more realistic about the local impact of global integration, and about their role in the global economy [23]. UK cities outside London are small on a global scale, and so need to collaborate with their regional neighbours in key areas. The Greater Manchester brand has benefited other cities in the region; other city-regions – like Greater Birmingham – could do the same.

[22] Brown, H (2008): *UK Cities in the Global Economy.* Centre for Cities

[23] HM Treasury & BERR (2008): *The UK Economy: addressing long-term strategic challenges*

Sunderland – Resilient employment growth in the global economy?

All cities are increasingly open to the opportunities and challenges of the global economy. Sunderland suffered heavily from the contraction of manufacturing, but its success in rebuilding its enterprise and jobs base around focused priority areas has enabled the city to enter new fields of competition, and create 13,900 new jobs in the decade up to 2008 - making it one of the top 10 employment growth cities in the UK.

It is nonetheless already suffering in the face of the deepening recession. The Northern Rock collapse lead to some redundancies at a local contact centre, and Nissan, easily the city's largest private sector employer, has now announced 1,500 redundancies in response to falling world automotive demand.

With the private sector economy relatively narrowly based, and with worklessness figures among the highest in the country, the recession is bound to bring further pain. Sunderland's small businesses are particularly vulnerable as they generally operate on a local scale and are weakly connected to the wider Tyne & Wear city-region economy.

But there are reasons to expect that Sunderland will not be as hard hit as many Northern cities. Public sector employment makes up a high percentage of the total workforce (30.5%), while 37% of private sector employment is in export-oriented activities. None of the private sector elements of the economy in the front of the recession firing line – financial services, construction or retail – are strongly represented. The two key private sector employers, Nissan and the contact centre cluster, have already suffered job losses, but further damage should be limited by relative competitiveness factors such as low property and labour costs, high productivity and efficient technology. Beyond this, Sunderland has a developer signed up for a major city centre regeneration project, and will benefit from more than £20 million of Working Neighbourhoods Fund resources.

2009 forecasts from Oxford Economics (based on a 2 per cent fall in GDP) project only a 1.1% fall in 2009 GVA and approximately 3,000 job losses (equivalent to 2.3% of 2008 jobs). The GVA figure, in particular, is significantly better than projections for many other cities. Yet Sunderland will suffer as a result of the recession, and the Council's highly regarded business investment aftercare service will have to work hard in order to contain the impacts.

What will be the impact of the recession?

While globalisation will continue to be the long-term driver of economic change, the deepening recession is at the forefront of concerns for businesses and policy makers in UK cities. There is still much uncertainty about how this will play out, particularly at the local level. Our latest report – *Into Recession* [24] - looks more closely at the

[24] Larkin, K & Cooper, M (2009): *Into Recession.* Centre for Cities

impact of the downturn on financial services in Leeds, retail in Brighton and manufacturing in Bristol, and provides insights and analysis that will resonate with all UK cities.

Table D below shows which cities are facing the largest increase in claimant count in the current recession compared to the UK overall, and compares this to how they fared in the recession of the early 1990's. This recession is different to that of the 1990's, and our research base will help cities adapt to economic conditions and develop the appropriate response.

Table D:
The impact of the recession on the 10 worst hit cities

	Change in Claimant Count November 2007 - November 2008 (GB = 100)	Change in Claimant Count 1990's recession, 1990-93 (GB = 100)
Hull	256	153
Barnsley	195	95
Doncaster	172	126
Swindon	165	166
Wigan	163	102
Newport	149	143
Gloucester	148	182
Sunderland	148	72
Warrington	147	95
Liverpool	145	76

Source: NOMIS 2008, Claimant Count (1990-93, and Nov 2007 & Nov 2008 data); NOMIS 2008, Mid-Year Population Estimates (1990-93 data).

How will the recession affect Brighton?
Brighton is one of the UK's more prosperous cities, and has performed relatively well over the past 10 years – adding nearly 23,600 jobs between 1996 and 2006. However, the recession carries serious threats for the Brighton economy.

As in many other cities, Brighton's retail and leisure sector has been an important source of jobs growth over the past 10 years. Recession is already hurting the sector, and Brighton's relatively high number of small independent retailers may be particularly hard hit – mainly due to their smaller markets and relatively weaker financial management systems.

Financial and business services have also been an important source of jobs growth for Brighton, with the sector adding more than 10,000 jobs to the city's employment base between 1996 and 2006. The ongoing upheaval in the financial sector means that prospects are poor here too, with closures and job losses expected. On the plus side, however, a recent announcement from American Express – the city's largest private sector employer – suggests that job cuts will be considerably less than the 10% expected elsewhere in the company's network of sites.

Based on a 2% contraction in national output, Oxford Economics forecasts suggest that the Brighton & Hove City Council area could lose about 1.8% of jobs in 2008-09, which would equate to around 2,500 job losses. Moreover, if the pattern of the early 1990's recession is repeated, Brighton's economy could remain stagnant for longer than other cities.

Innovation drives growth – looking to the longer-term
As globalisation continues, cities need to attract and foster innovative firms to maintain competitive, dynamic economies – these entrepreneurial firms can help cities develop new strengths to recover from the recession. Table E below shows the variation in performance between English cities in growing employment in knowledge-intensive activities.

Table E:
Percentage of employees in knowledge-intensive businesses 2006

10 most knowledge-intensive			10 least knowledge-intensive		
1	Oxford	37.1	47	Blackpool	11.5
2	Cambridge	34.3	48	Wigan	10.8
3	Reading	29.2	49	Huddersfield	10.8
4	Norwich	27.2	50	Doncaster	10.8
5	London	27.1	51	Birkenhead	10.3
6	Millton Keynes	25.8	52	Mansfield	10.1
7	Aldershot	23.8	53	Burnley	10.1
8	Brighton	23.7	54	Barnsley	9.9
9	Bristol	23.6	55	Rochdale	8.8
10	Southampton	23.2	56	Wakefield	8.5

Source: DCLG, Places Database. For a definition of wide KIBS see Parkinson et al (2006) *State of the English Cities* London: ODPM.

Our report *Innovation, Science and the City* [25] acknowledged that innovation has risen up national, regional and local policy agendas in recent years. But we also highlighted how public sector enthusiasm for innovation often leads to a proliferation of gimmicky policy initiatives – like Science Cities – that fail to address the real issues facing innovative local businesses. Instead businesses can be confused by the extent and range of policies on offer – manufacturers in Birmingham need to navigate between 55 different business and innovation support initiatives across 29 organisations and partnerships in the city. We called for innovation to be integrated into mainstream economic development policy, and for cities to focus on getting the basics right – to tackle transport bottlenecks and congestion, improve the housing offer, and smooth planning processes for growing entrepreneurs.

[25] Webber, C (2008): *Innovation, Science and the City*. Centre for Cities

York – Innovation, recession and recovery?
York is a successful city which has successfully recovered from the decline in traditional manufacturing, such as confectionery, restructuring towards higher value service sectors. York benefits from high employment at 77.5%, and, with 36.9% of the working age population having degree-level qualifications, the city boasts a skilled and flexible workforce.

A key part of the Council's economic development strategy has been to make the most of the University, and there has been much success in raising the profile of York as a Science City. But, as the UK enters a difficult recession, York looks susceptible and the city will need to maintain efforts to sustain economic success. The recent growth of financial and professional services in York leaves the city more vulnerable than in previous downturns. Financial services alone make up 5% of employment in the city, above the national average of 3.9%. This sector has already seen job cuts by a major employer, Norwich Union.

Forecasts by Oxford Economics suggest that under a scenario in which the UK economy contracts by 2% in 2009, York would expect to see its economy shrink by 1.3%. If this were to occur the city would see 2,800 jobs lost over the 2008-09 period – 2.6% of the 2008 workforce.

But while York looks vulnerable, its strong initial employment rate means that it should avoid the worst effects of high unemployment, and its skilled workforce means that the city is well-placed for the upturn when it comes – the job losses experienced are not expected to be permanent. York's response to rising unemployment cannot take the place of continued support for the growth of its high tech science cluster – including improved housing, transport, and critical development projects.

In 2009 our research will further develop the policy priorities for cities looking to survive the recession and position themselves for a recovery. We will help cities identify future sources of good quality jobs and support the case for continued investment in cities over the longer term.

What can cities do to tackle worklessness?
As the recession starts to impact on employment, rising claimant counts will reinforce the case for Government to devolve more power to cities and city-regions to enable them to improve the functioning of the labour market at the local level. Our report *Worklessness: A City Approach* [26] called for cities to work with local businesses in city-regional Skills and Employment Boards to ensure that back-to-work support is relevant to local economic needs. And we have set out how the London Skills and Employment Board needs to prioritise its efforts to meet London's employment challenge [27].

[26] Simmonds, D & Bivand, P (2008): *Worklessness: A City Approach*. Centre for Cities

[27] Shaheen, F (2008): *The Challenge of Increasing Employment in London*. Centre for Cities

Worklessness is already concentrated in our cities – they contain a disproportionately high share of Great Britain's benefit claimants and workless. The recession makes it even more important for cities to tackle rising unemployment and to prevent long-term worklessness. Many of the cities facing the largest increases in unemployment already have high levels of worklessness, and the long-term unemployed will face even more significant hurdles to get into work. The Government has recognised this in its intention announced in 2008 to introduce Employment and Skills Boards [28] as part of new city-regional governance structures.

Belfast – tackling worklessness through the recession?

Belfast has seen rapid change in the past decade, with unemployment falling to around 4% in 2007 from over 9% a decade earlier as the city has matched political progress with greater economic dynamism. The traditional industries around which the city grew, like shipbuilding and textiles, have all but disappeared. Belfast – the economic driver for Northern Ireland – is now largely a service-based economy. A recent surprise growth sector has been hotels and tourism, and the city has started looking to grow a financial services sector.

Over the years, Belfast has benefited from a strong public sector presence – accounting for around 40% of jobs. But the economic transformation is far from complete – the working age employment rate in Belfast City is only 65.5%, with more than one fifth of those registered as unemployed out of work for more than a year [29].

Belfast's economic progress means that the city enters the recession from a stronger position than previous downturns. And despite fiscal constraints on future public spending, there is still backing for key regeneration projects. In November 2008 the Northern Ireland Government confirmed backing for the Titanic Quarter in East Belfast – expected to create up to 600 jobs in construction and 200 in tourism when finished.

The city will inevitably be affected by contractions in both the UK and Irish economies. Based on a scenario of a 2% drop in GDP, Oxford Economics forecasts a fall in employment in the city of 5,000 over 2008-09 – or 2.4% of total employment. Most importantly, this increase in jobless will come on top of existing concentrated pockets of high levels of worklessness – a legacy from decades of industrial decline. Given the extent of worklessness in Belfast, responding to rising unemployment during the recession must not take attention away from this longer-term constraint on the city's success.

[28] HM Treasury (2008): Pre-Budget Report – Chapter 4

[29] Data from NISRA, using Belfast LGD, 2006

Housing is a key part of urban labour markets

During 2008 we have highlighted how labour market policies that have a narrow focus on skills and employment are only half the story. Our *Home Economics* [30] report called for infrastructure and investment to support local labour markets and to help get people into jobs. Provision of appropriate, affordable and flexible housing in the right places, and investment in transport infrastructure to link people to jobs, is essential to enable people and economies to fulfil their potential. Table F below shows the variation in affordability in different UK cities, which has a direct impact on their ability to attract skilled people – often from mobile global labour pools – to meet local business needs. The Southern cities with greater population pressures are facing much more significant affordability constraints.

Table F:
Housing affordability ratio 2007 [31]

10 least affordable cities			10 most affordable cities		
1	Oxford	13.1	54	Dundee	6.4
2	Bournemouth	12.4	55	Doncaster	6.3
3	London	11.8	56	Stoke	6.3
4	Cambridge	11.7	57	Wigan	6.2
5	Brighton	10.7	58	Grimsby	6.2
6	Worthing	9.8	59	Barnsley	6.1
7	Aldershot	9.8	60	Blackburn	6.0
8	Norwich	9.7	61	Rochdale	6.0
9	Crawley	9.7	62	Hull	5.7
10	Hastings	9.6	63	Burnley	5.3

United Kingdom Average 9.5

Source: DCLG 2008 for 2007 housing prices and ONS 2008 for 2007 wages. Own calculations for urban areas. Affordability ratio calculated as mean house prices/annual average earnings. (Belfast excluded from table due to lack of data)

[30] Gibb, K, O'Sullivan, T & Glossop, C (2008): *Home Economics: How housing shapes city economies*. Centre for Cities

[31] English Cities plus Belfast, Edinburgh, Glasgow, Aberdeen, Dundee, Cardiff, Swansea and Newport

Hull and Bristol – migration in a recession
Flows of immigrant labour, particularly from Eastern Europe, have helped meet labour demand in many UK cities over the last 10 years. Since 2004, international migration has made up a significant proportion of the population increase in Bristol and Hull. Migrants have entered local labour markets – between 2004 and 2008, 20,250 and 6,780 A8 migrant workers registered for National Insurance (NI) numbers in Bristol and Hull respectively – the vast majority of Polish nationality, working in low-skill, low-wage sectors.

As the recession hits employment opportunities in local economies, how will this affect migrants' decisions to stay in the UK or return to their countries of origin, and how will this impact different cities? The recession has started to hit all cities – reflected in increasing claimant counts and reduced job vacancies reported locally. In the last year, the number of incoming A8 migrants has fallen significantly – with a reduction in NI applications by 11% in Bristol. But migrants are still arriving, and a substantial proportion remain.

The impact of migration on local labour markets will become clearer as local job losses rise. It will have a differential impact on high growth cities characterised by low unemployment (like Bristol) compared to weaker performing cities with higher unemployment (like Hull). The relative resilience of cities will also be a factor – Hull, with fewer jobs in exposed sectors, could be thought to be more resilient to rising unemployment than Bristol, despite a weaker initial economic position.

In a scenario of a 2% UK GDP contraction in 2009, Oxford Economics forecast job losses in Bristol City over 2008-09 of 6,800 – or 2.7% of 2008 employment. Hull, despite relatively low employment overall at 65.5% is still expected to lose 3,600 jobs or 2.7% of the 2008 workforce. To date, Hull has seen one of the largest percentage point rises in the claimant count rate since the start of the downturn.

As the impact of the recession on city's economies and net immigration play out, cities like Bristol and Hull will have to respond proactively – ensuring that business demand for labour is met, and that rising unemployment does not exacerbate problems for those at the lower end of the labour market.

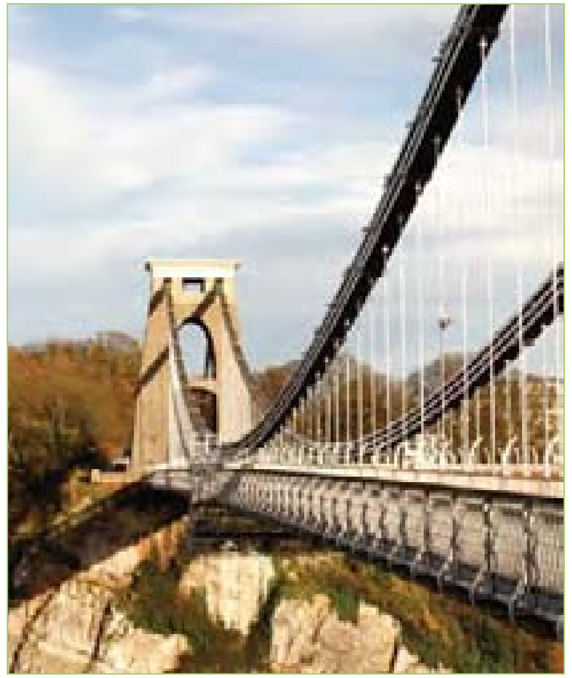
The deepening recession also makes a reality check on housing targets ever more important – are they still achievable, and what needs to be done now to deliver homes to support local labour markets in the longer-term?

Even before the current problems in housing and credit markets the Government would have struggled to meet its target for 3 million new homes by 2020. The target is now impossible to meet, and we argue that it should be extended to 2025. Moreover, we believe that the Government's house-building targets, focused on increasing owner-occupation and affordable housing, are missing a trick – by overlooking the role of the private rented sector in the UK as a means of developing cities' infrastructure and supporting labour market flexibility. The Centre for Cities has been heavily engaged in the debate, feeding into government reviews, and producing a report [32] which brought together views of a range of experts on how to expand the private rented sector and raise quality standards across the country. And with *Housing and Economic Development* [33] we have directly advised the new Homes and Communities Agency on how to link housing growth to local economies.

In 2009 we will continue to focus on cities' labour markets and their central role in urban economic performance. We will examine the varied impact of migration in Britain's cities, and develop practical measures to help cities to mitigate the worst effects of the recession.

Linking cities' economies better
Cities' infrastructure is the backbone of their economies, but cities need to be able to use transport, housing and planning more effectively as levers to support jobs and growth.

Infrastructure – principally transport, buildings and utilities – connects people to jobs, businesses to markets, and cities to wider economies. In March 2008 our report *City Links* [34] provided new evidence on how important these links are to the growth of our major cities and their neighbours. The good links between London and Reading create a mutually supportive economic relationship, compared to the as yet under-exploited links between many towns in the North, such as between Manchester and Burnley. This can be seen clearly in the differing 'growth gaps' between regional neighbours in Figure D over. We have called for this understanding of links between cities to shape a wide range of policies aimed at facilitating city-region economic development.



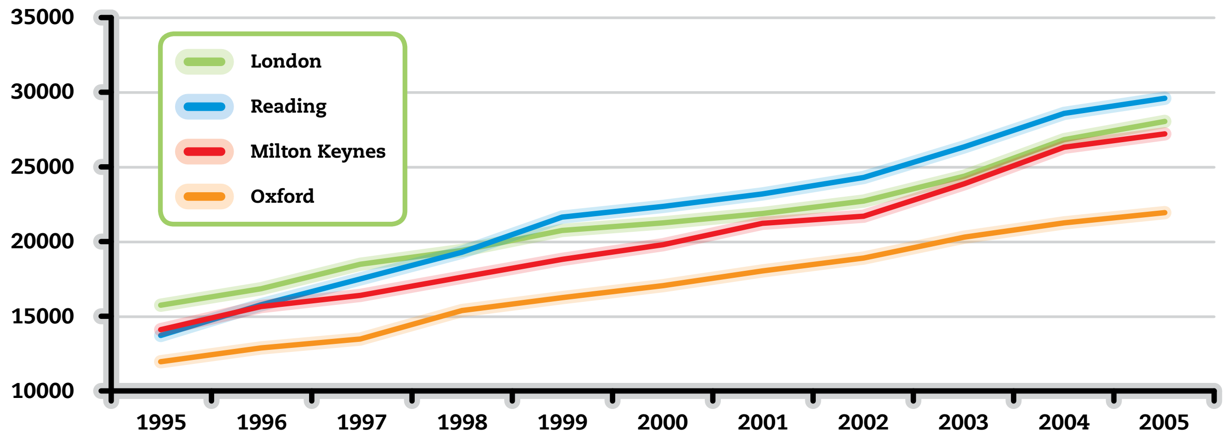
[32] Bill, P, Hackett, P & Glossop, C (eds.) (2008): *The Future of the Private Rented Sector*. Centre for Cities & the Smith Institute.

[33] Glossop, C (2008): *Housing and Economic Development: Moving Forward Together*. Centre for Cities

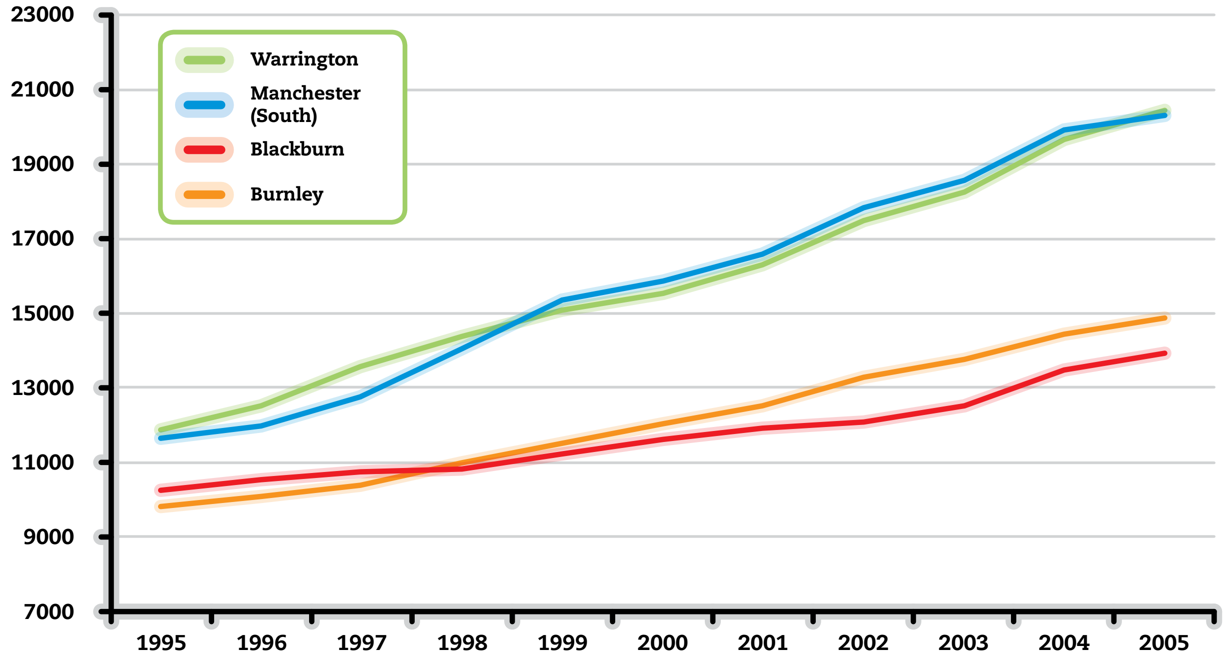
[34] Lucci, P & Hildreth, P (2008): *City Links: Integration & Isolation*. Centre for Cities.

Figure D:
Integration and isolation: the importance of links for city-regional growth

Greater South East GVA per capita (£), 1995-2005



North West GVA per capita (£), 1995-2005



Source: ONS, Selected areas, NUTS3 level (labels approximate NUTS3 to urban areas)

Will the recession limit Cambridge's ability to tackle growth pressures?
Success, like that seen in Cambridge over the last decade, tends to place a strain on transport systems and the environment. Between 1996 and 2006, 9,800 jobs were created in Cambridge City alone [35], and more in the wider travel-to-work area. Most of the strategic road network around Cambridge is now described as heavily or at least moderately congested [36] - and traffic volumes in peak and off-peak periods are pronounced. Even in a recession, these pressures can create a brake on an economy.

Cambridge is less likely to bear the brunt of the direct effects of the recession than cities like Reading or Edinburgh – the city's employment in banking, finance and insurance in 2006 was only slightly above the English average, and employment in construction and distribution, hotels and restaurants is below the English average. Most importantly, the city's public sector employment is high – 43% compared to an English average of 26.7% [37]. Using Oxford Economics' forecast of a 2% fall in national GDP, the employment impact in Cambridge is expected to be 1,230 jobs or 1.3% of the 2008 workforce. This suggests that Cambridge may be one of the better-placed cities to emerge out of the current recession.

But the city still has to deal with the pressures created by its growth to remain attractive to businesses – in particular the overloaded transport system and congestion. An efficient public transport system, building on recent increases in bus use and congestion-busting measures, will be essential to link people to jobs during the recession and ensure Cambridge remains an attractive place to do business.

Integration to improve urban public transport
Improved public transport is particularly crucial to supporting and enabling growth and access to jobs within cities. Over the years, government policies to improve urban public transport use in major cities outside London have largely failed.

Bus passenger journeys outside the capital have declined, as shown in Figure E over – and the lack of effective integration, strong local transport authorities and high quality bus services constrains cities' future growth.

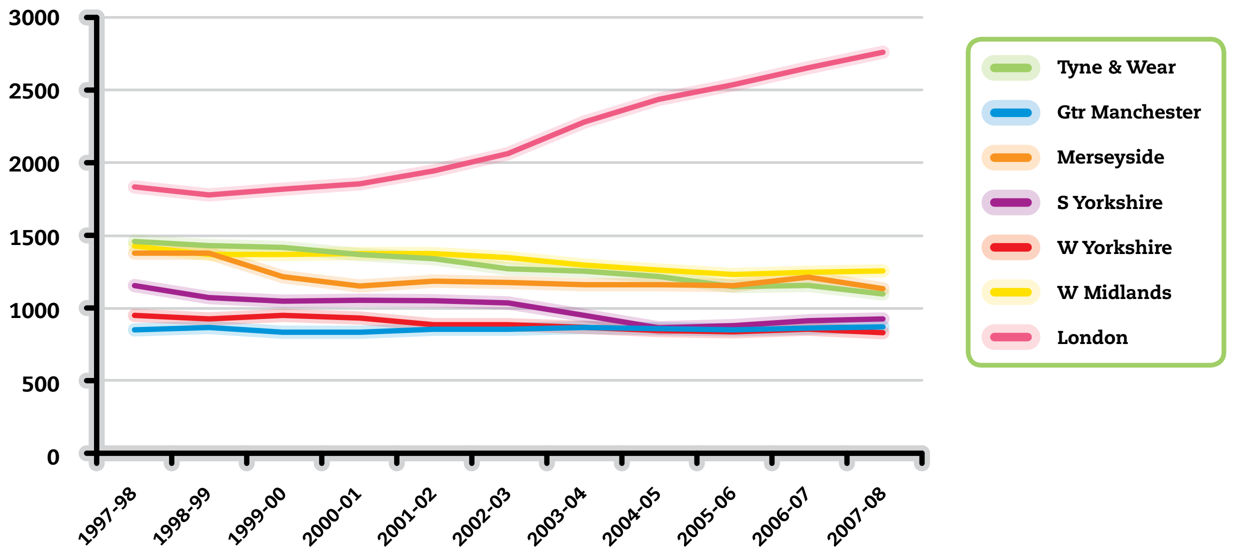
[35] NOMIS 2008, ABI

[36] Department for Transport: *Congestion on the Strategic Road Network*

[37] NOMIS 2008, ABI

Figure E:

Bus passenger journeys per 10,000 population



Source: NOMIS and DFT (2008): Transport Statistics Bulletin: Public Transport Statistics Bulletin; NOMIS 2008, Mid-Year Population Estimates (1997-2007 data).

Our report *On the move: Delivering integrated transport in Britain's cities* [38] called for better-integrated urban public transport. It set out how central and local government can implement policy changes following passage of November's Local Transport Act to link people to jobs and services. Introducing innovations like London's Oyster Card could make real differences to local labour markets in the UK's regional cities. Economic uncertainty and fuel price instability make more effective urban public transport systems even more important. In addition, congestion charging is a live and polarising debate in some of the UK's most important cities. We supported the congestion charging proposals in Greater Manchester, and our report *Congestion Charging: A tool to tackle congestion in UK cities* sets out the economic impacts of charging schemes to help to clarify the issues cities considering a charge need to take into account [39]. The December 2008 referendum result in Greater Manchester, which rejected congestion charging alongside nearly £3 billion of transport investment, was a decisive rejection of the Government's road pricing strategy. There is now a need for greater clarity on the direction of transport policy and how it can better support city economies.

[38] Preston, J, Marshall, A & Tochtermann, L (2008): *On the Move: Delivering integrated transport in Britain's cities*. Centre for Cities.

[39] Tochtermann, L (2008): *Congestion Charging: a tool to tackle congestion in UK cities?* Centre for Cities.

Cities and climate change

As well as hubs of economic growth, cities are central to the UK's efforts to reduce carbon emissions and tackle climate change. Cities are carbon efficient – they account for 54% of the UK population but only 45% of carbon released in the UK [40]. There is also significant variation between cities' emissions – as shown in the table below – but 55 of the 64 UK cities emit less carbon per capita than the national average. These are based on carbon emissions produced by cities – which will be affected by their industrial make-up – rather than their consumption. This explains why Middlesbrough, with its large chemicals industry, has such a high level of emissions. Cities can be critical to the fight against climate change, with key policy levers in areas such as transport and housing. Our work with the All Party Urban Development Group, *Greening UK Cities' Buildings* [41], looked at the practical options available to cities to reduce carbon emissions from existing commercial buildings like offices and shops.

Table G:

Per capita carbon emissions in UK cities

Rank	City	Per capita carbon emissions including ETS (Tonnes) 2006	Rank	City	Per capita carbon emissions including ETS (Tonnes) 2006
10 cities with the lowest per capita carbon emissions			**10 cities with the highest per capita carbon emissions**		
1	Hastings	4.9	55	Telford	8.7
2	Chatham	5.2	56	Barnsley	8.8
3	Brighton	5.3	57	Wakefield	9.1
4	Worthing	5.4	58	Doncaster	9.2
5	Southend	5.5	59	Swindon	9.4
6	Plymouth	5.7	60	Birkenhead	10.2
7	Luton	5.7	61	Warrington	10.6
8	Portsmouth	5.9	62	Grimsby	13.1
9	Bradford	6.0	63	Newport	15.1
10	Ipswich	6.2	64	Middlesbrough	29.1

United Kingdom Average **8.8**

Source: DEFRA 2006

[40] Based on UK Primary Urban Areas in 2007

[41] APUDG (2008): *Greening UK Cities' Buildings: Improving the energy efficiency of our offices, shops and factories*. APUDG

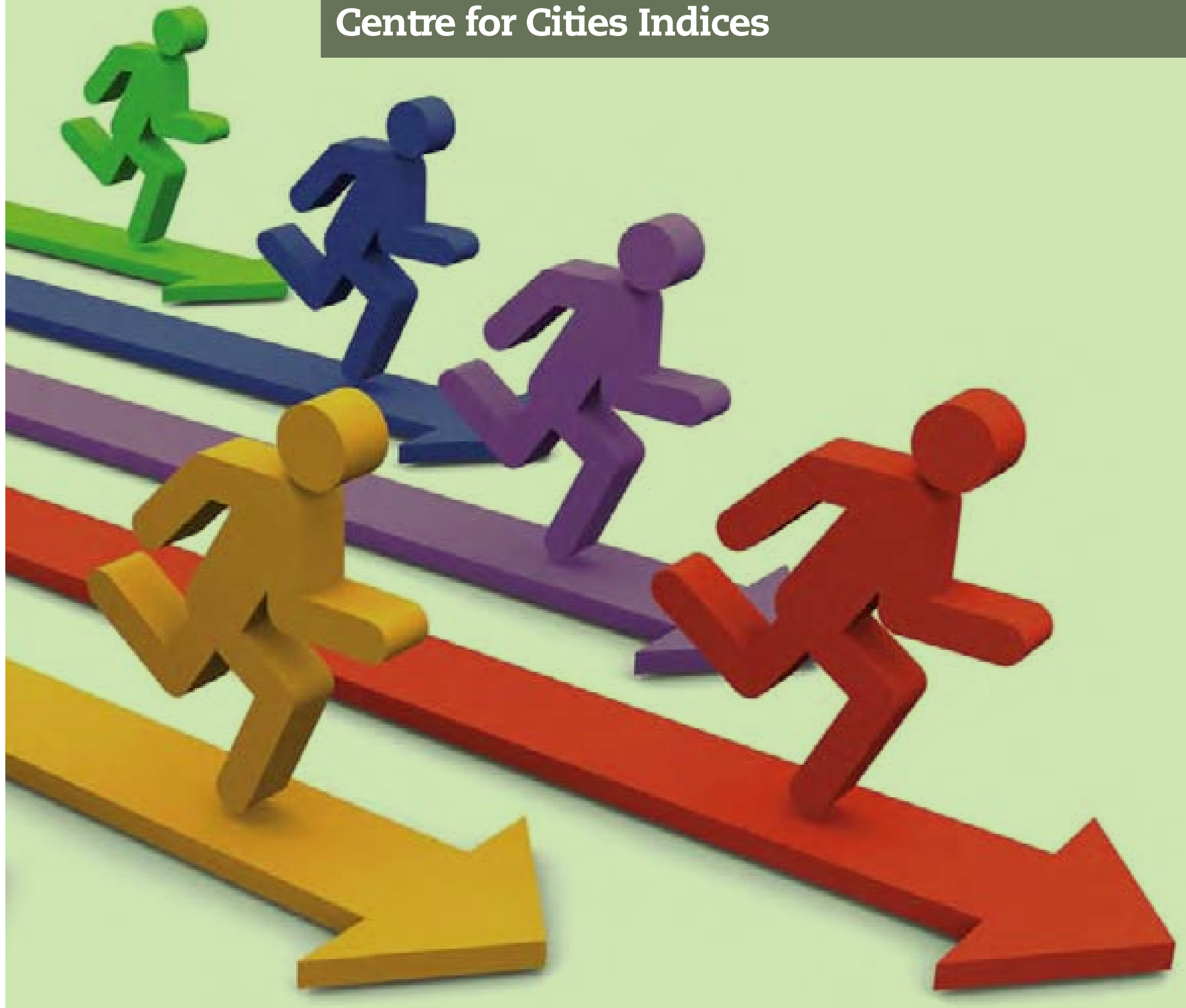
In 2009 we will set out a more detailed picture of cities' contribution to the UK's carbon emissions, and explore how cities can impact on the climate change agenda – particularly by using transport, planning and the built environment to reduce carbon emissions while supporting jobs and growth.

What our research means
Our research over the last year and into 2009 calls for more action from central and local policymakers to make UK cities more effective engines of growth. This builds on our long-term calls for more devolution to cities and city-regions.

The financial crisis and the deepening recession are dominating the policy debate. There is a risk that urban policy and devolution will slip down the policy agenda. The health of the UK economy depends on strong, empowered cities now more than ever, and our research supports cities and Government in their efforts to realise this.

Cities need more devolution – not less – to implement the right reforms across the business environment, labour and housing markets and infrastructure, and to better enable urban economies to weather the storm.

Section 3:
Centre for Cities Indices



Centre for Cities Indices

Measuring the relative economic performance of UK cities is extremely difficult. Cities are not football teams whose performance can be measured by goals scored or conceded and games won or lost. A city's performance is made up of a large and untidy aggregate of economic, social and physical indicators, some of which can only be measured through estimation and some of which do not really lend themselves to any sort of meaningful quantification.

In addition, data is available over a range of different time periods and variable time lags, and data series themselves are frequently disrupted by changes in methodology. Finally, while there are obvious relationships between sets of economic and social indicators, these are often difficult to capture or quantify.

All this said, it is vitally important to produce aggregated indicators of how cities actually are performing. This is important to central government's funding allocation decisions, and equally important to local government as it seeks to develop its own strategic goals and priorities. Finally it is important because cities do compete with each other to attract and retain both investment and jobs.

This competition is nothing like a football game, and a success for one city does not necessarily mean a counterbalancing setback for another. In many cases as well, the benefits reaped by a successful city can spread out, improving the performance of other cities within its wider economic area. It is nonetheless the case that a city with a strong set of attributes will tend to enjoy further success, and that one scoring poorly will need to focus effort and investment on areas of underperformance.

As part of our work to improve knowledge and understanding of the economic performance of UK cities, the Centre for Cities has compiled its own indices. The first set of these are presented and discussed in the rest of this chapter, and it is intended that these indices will become central to our analytical and policy work in the future.

Project Scope

We have compiled three indices: one measuring economic prosperity, one social deprivation and one the quality of the built environment. A full explanation of our methodology is contained in an appendix at the back of the report.

We have used data for Primary Urban Areas (PUA) – a measure of the 'built-up' area of a city, rather than individual local authority districts. PUA data only exists for English cities. For Welsh and Scottish cities, we have used the corresponding local authority area, with the exception of tightly-bounded Glasgow, where we have defined the city as an aggregate of five local authorities: West Dunbartonshire, East Dunbartonshire, East Renfrewshire, Renfrewshire and Glasgow City. Belfast has been defined as the aggregate of Belfast City, Carrickfergus, Castlereagh, Lisburn, Newtownabbey and North Down.

London is often omitted from such comparative exercises, primarily because of its size. We have included it for a number of reasons. Notwithstanding its status as a global city, London shares a common set of structural social and economic challenges with other large British cities. It is also the heart of the UK urban economy and the biggest contributor to all of our relevant data sets. Finally, London is closely interconnected with the cities of the Greater South East, and is one of the major contributors to their successful economies. Indeed as we argued in our 2007 report *London's Links* [42] : the strength of London's trade linkages with other cities are one of the major determinants of their own economic success.

Summary

Three key messages emerge from the analysis of our indices:

- **Large cities remain polarised cities.** Economic performance is either strong or improving, but large-scale investments in regeneration have yet to deliver corresponding improvements in inequalities and deprivation.
- **Core Cities can do a lot better.** The English Core Cities perform relatively less well across all three indices, with only Bristol ranking on a broad par with the Greater South East. The underperformance is most marked in the Social Deprivation Index.
- **Smaller cities outside the Greater South East perform poorly**. Warrington and York are the only smaller Midland and Northern cities which rank highly. The remainder are almost entirely consigned to the bottom of each index.

There is a broad correlation of rankings between the Economic Prosperity Index and the Built Environment Index. The correlation is much weaker with the Social Deprivation Index, where large cities generally rank far lower. There is across-the-board representation at the top and bottom of all three indices, split across a geographical divide:

Five cities in the Greater South East are ranked among the top ten in all three indices:

- Cambridge
- Oxford
- Crawley
- Aldershot
- Reading

Four Northern cities are ranked among the bottom ten in all three rankings:

- Stoke
- Sunderland
- Blackburn
- Hull

This looks like a North-South divide, but the full indices show a more complex picture and some surprising results.

[42] Lucci, P & Seex, P (2007): *London's Links: Who Benefits from London's Success?* Centre for Cities

The Economic Prosperity Index

Rank	PUA	Rank	PUA	Rank	PUA
1	London	20	Worthing	42	Ipswich
2	Reading	21	York	43	Newport
3	Aldershot	22	Southampton	44	Rochdale
4	Crawley	23	Chatham	45	Newcastle
5	Cambridge	24	Preston	46	Wigan
6	Edinburgh	25	Belfast	47	Derby
7	Aberdeen	26	Huddersfield	48	Liverpool
8	Warrington	27	Birkenhead	49	Wakefield
9	Milton Keynes	28	Glasgow	50	Doncaster
10	Oxford	29	Bolton	51	Leicester
11	Southend	30	Portsmouth	52	Coventry
	England	31	Norwich	53	Middlesbrough
	United Kingdom	32	Peterborough	54	Dundee
12	Brighton	33	Blackpool	55	Barnsley
13	Bristol		***Northern Ireland***	56	Blackburn
14	Swindon	34	Sheffield	57	Grimsby
15	Cardiff	35	Nottingham	58	Plymouth
16	Northampton	36	Birmingham	59	Burnley
17	Leeds	37	Bradford	60	Hastings
18	Bournemouth	38	Telford	61	Mansfield
	Great Britain		***Wales***	62	Sunderland
19	Manchester	39	Luton	63	Stoke
	Scotland	40	Swansea	64	Hull
		41	Gloucester		

The ranking paints a picture that is broadly in line with the commonly accepted view of the UK.

- London tops the list, its economic dominance reflecting the size and productivity of its economy.
- The Greater South East performs well. Of the other cities in the top 10, no fewer than six are small to mid-sized cities on the fringes of the Greater London economy. While these cities will be hit hard by the recession, they should bounce back strongly.
- Two Scottish cities are also present, Aberdeen perhaps more surprisingly so than Edinburgh. Edinburgh's dependence on financial services will make it vulnerable in the recession; Aberdeen's position as the UK hub of the North Sea oil industry should make it more resilient.
- Warrington is the only Northern city in the top 10. The next best performing Northern cities are Leeds (17th) and Manchester (19th).
- Only 11 cities rank above the UK and English average. The major reason for this is the large contribution London makes to the overall UK economy.
- England's Core Cities all fall in the broad middle range of the rankings, but there are significant differences in their rankings, which fall into three distinct groups. Bristol (13th), Leeds (17th) and Manchester (19th) are in the top third. Sheffield, Nottingham and Birmingham rank 34th, 35th and 36th respectively, towards the bottom of the middle third. Newcastle (45th) and Liverpool (48th) are in the bottom third.
- Large cities elsewhere perform relatively well. Edinburgh ranks 6th: Cardiff (15th), Belfast (25th) and Glasgow (27th) all rank mid-table.
- While smaller Midlands and Northern cities predominate at the bottom of the index, this is by no means a uniform pattern. The presence of Southern cities such as Hastings and Plymouth in the bottom 10 shows that the North-South divide is not that straightforward, but overall, smaller cities outside the Greater South East tend to perform poorly.

The Social Deprivation Index (least deprived first)

Rank	PUA	Rank	PUA	Rank	PUA
1	Aldershot	23	Brighton	42	Coventry
2	Reading	24	Preston	43	Bradford
3	Crawley		***Great Britain***	44	Wigan
4	Cambridge	25	Leeds	45	Manchester
5	York	26	Ipswich	46	Bolton
6	Oxford	27	Cardiff	47	Mansfield
7	Milton Keynes	28	Telford	48	Grimsby
8	Swindon		***United Kingdom***	49	Hastings
9	Southampton	29	Luton	50	Doncaster
10	Southend	30	Huddersfield	51	Dundee
11	Portsmouth		***Northern Ireland***	52	Burnley
12	Bristol	31	Peterborough	53	Barnsley
13	Norwich	32	Derby	54	Newcastle
14	Worthing	33	Nottingham	55	Middlesbrough
15	Warrington	34	Plymouth	56	Stoke
16	Bournemouth	35	Leicester	57	Glasgow
17	London	36	Sheffield	58	Rochdale
18	Chatham		***Scotland***	59	Belfast
19	Northampton		***Wales***	60	Birmingham
20	Edinburgh	37	Blackpool	61	Sunderland
21	Gloucester	38	Newport	62	Blackburn
22	Aberdeen	39	Birkenhead	63	Hull
	England	40	Swansea	64	Liverpool
		41	Wakefield		

At first glance the Social Deprivation Ranking looks broadly similar to the Economic Performance Ranking, but on closer examination, the similarities are far less striking. There is a broad correlation between economic performance and social deprivation in smaller cities such as Reading and Hull. Big cities have strong economies overall, but encompass significant pockets of deprivation and inequality, accounting for lower social deprivation rankings.

- The six smaller Southern cities that featured in the top 10 of the economy ranking are also in the top 10 of the social table. They are joined by three other Southern cities that scored moderately well in the economic table, and by York.

- Four Northern cities are in the bottom 10 of the economy and social rankings: Stoke, Sunderland, Blackburn and Hull.

- The most prominent casualty is London in 17th place – a reflection of the huge socio-economic disparities underneath its aggregate wealth (although it is still less deprived than the national average).

Comparative Rankings

Economic Performance Rank	PUA	Social Deprivation Rank
1	London	17
2	Reading	2
3	Aldershot	1
4	Crawley	3
5	Cambridge	4
6	Edinburgh	20
7	Aberdeen	22
8	Warrington	15
9	Milton Keynes	7
10	Oxford	6
21	York	5
14	Swindon	8
22	Southampton	9
11	Southend	10

- Edinburgh (20th) and Aberdeen (22nd) also drop out, providing a reminder that Scotland's economic success stories are less homogenous than those of the South of England.

- Large cities tend to perform worse on our social deprivation ranking. Their economic performance has improved, but they still suffer from deep deprivation. Britain's largest centres of population remain highly polarised.

- Manchester, Belfast, Glasgow and Birmingham all rank more than 20 places lower in social rankings. No fewer than four of the major cities enter the bottom 10, with Liverpool supplanting Hull as the overall worst performer.

Comparative Rankings - major cities

Economic Performance Rank	PUA	Social Deprivation Rank
6	Edinburgh	20
13	Bristol	12
15	Cardiff	27
17	Leeds	25
19	Manchester	45
25	Belfast	59
28	Glasgow	57
34	Sheffield	36
35	Nottingham	33
36	Birmingham	60
45	Newcastle	54
48	Liverpool	64

The Built Environment Index

Rank	PUA	Rank	PUA	Rank	PUA
1	London	20	Swindon	41	Nottingham
2	Cambridge	21	Warrington	42	Coventry
3	Oxford	22	Newport	43	Newcastle
4	Crawley	23	Swansea	44	Bolton
5	Aldershot	24	Chatham	45	Bradford
6	Reading		***Wales***	46	Dundee
7	Bournemouth	25	Glasgow	47	Huddersfield
8	Brighton		***Scotland***	48	Derby
9	Cardiff	26	Leeds	49	Wakefield
10	Edinburgh	27	Northampton	50	Sheffield
11	Worthing	28	Blackpool	51	Middlesbrough
12	Southend	29	Luton	52	Wigan
13	York	30	Gloucester	53	Liverpool
	England	31	Manchester	54	Rochdale
14	Milton Keynes	32	Preston	55	Doncaster
15	Bristol	33	Birkenhead	56	Sunderland
	Northern Ireland	34	Peterborough	57	Stoke
	Great Britain	35	Ipswich	58	Barnsley
	United Kingdom	36	Plymouth	59	Mansfield
16	Southampton	37	Leicester	60	Grimsby
17	Portsmouth	38	Hastings	61	Blackburn
18	Aberdeen	39	Birmingham	62	Burnley
19	Norwich	40	Telford	63	Hull

There is a strong correlation between rankings in our built environment index and those in the economic index. Both broadly measure relative wealth.

- Seven cities are ranked in the top 10 of both indices.

- The bottom end of the economic and built environment indices are even more similar. Eight cities occupy a place in both.

Comparative Rankings

Economy Rank	PUA	Built Environment Rank
1	London	1
2	Reading	6
3	Aldershot	5
4	Crawley	4
5	Cambridge	2
6	Edinburgh	10
7	Aberdeen	18
8	Warrington	21
9	Milton Keynes	14
10	Oxford	3
16	Bournemouth	7
12	Brighton	8
15	Cardiff	9

- A final look at the large cities confirms the picture of built environment rankings corresponding far more closely with economic rankings than social rankings. Once again, however, the economic ranking tends to be higher.

Comparative Rankings - major cities

Economic Rank	PUA	Social Rank	Built Rank
6	Edinburgh	20	10
13	Bristol	12	15
15	Cardiff	27	9
17	Leeds	25	26
19	Manchester	45	31
25	Belfast	59	n/a
28	Glasgow	57	25
34	Sheffield	36	50
35	Nottingham	33	41
36	Birmingham	60	39
45	Newcastle	54	43
48	Liverpool	64	53

Policy Implications

Comparing the indices together suggests three broad policy implications:

- **Large cities remain polarised cities.** Social deprivation rankings are significantly worse in most of our major cities than rankings of economic development. This suggests that large scale investment in regeneration has provided a solid economic return without corresponding improvements in inequalities and deprivation. The message here, reinforced in our December 2008 report for the All Parliamentary Urban Development Group [43], is that a better coordinated and resourced effort needs to be made to ensure that local people reap the benefits of local investment.

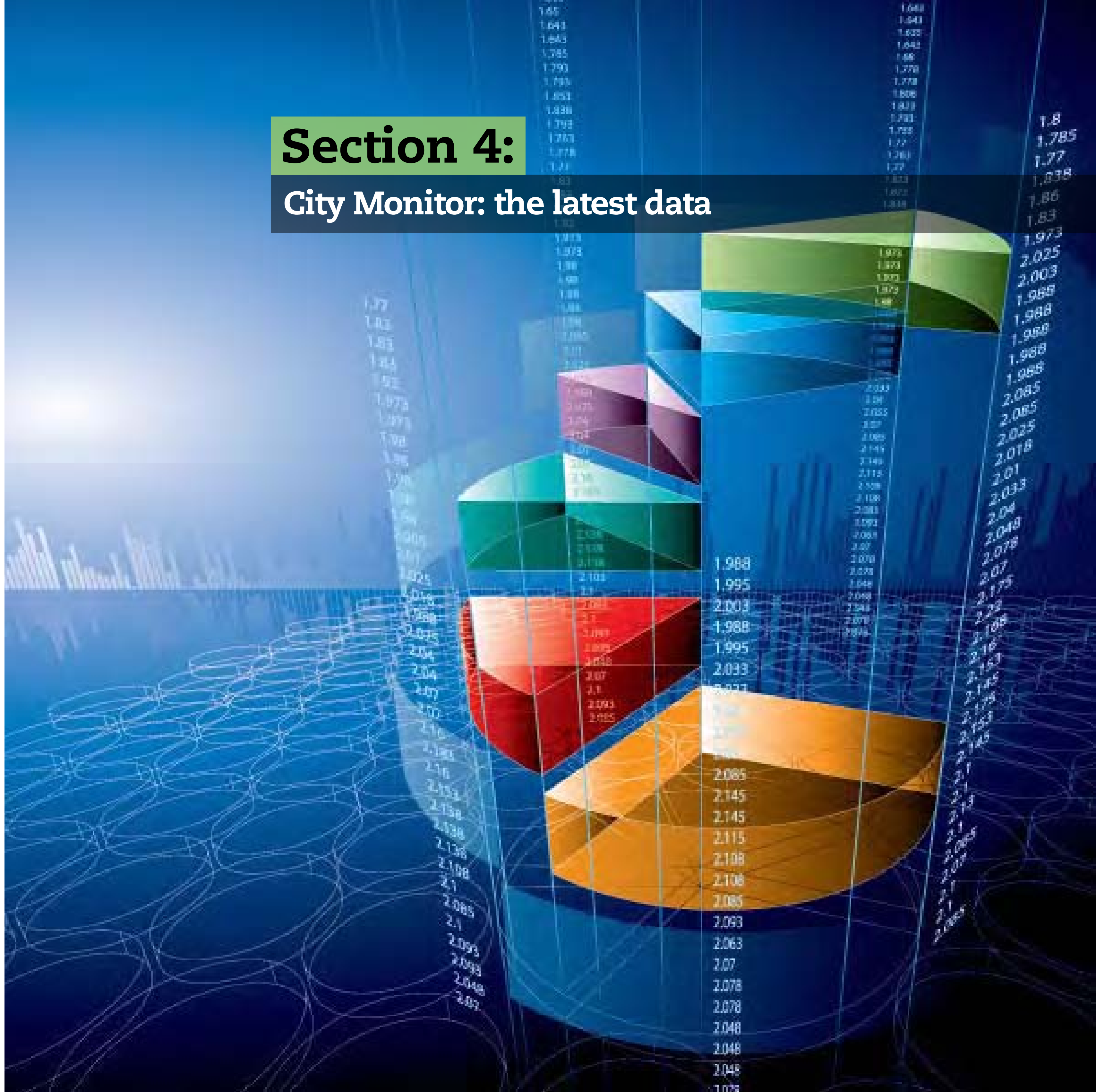
[43] APUDG (2008): *Building Local Jobs*. APUDG

Core Cities can do a lot better. England's Core Cities have all experienced a partial economic revival but most still have average scores in the indices. These cities have a key role to play as hubs of growth in their wider city regions, but have yet to do so to anything like the extent London has in the Greater South East. Continued investment in the Core Cities themselves, and to the infrastructure that connects them to the smaller cities around them, is vital to the continued economic revival of the North and Midlands.

Smaller cities outside the Greater South East perform relatively poorly. With a few noted exceptions such as Warrington and York, smaller cities outside the Greater South East perform poorly. This is almost certainly due in part to the fact that there is limited interconnectivity between the cities themselves, resulting in low multiplier effects for individual investments. The performance of these cities will almost certainly respond more strongly to future investment if it increases economic links between them, allowing their economies to grow in scale and to overlap with positive multiplier effects for all constituents.

Section 4:

City Monitor: the latest data



City Monitor: the latest data

To supplement our new Centre for Cities Indices, we have drawn on a range of datasets released during 2008 to provide more detailed assessments of key aspects of UK city performance.

Most datasets appear with variable lag-times, and the data presented here is in every case the most recently available. It presents the varied urban geography of the UK in considerable detail. Even if it does not capture the beginnings of the current recession, it is extremely useful for illustrating the progress that so many of the UK's cities have made over the last decade, as well as for highlighting the continuing gaps in performance and well-being both between and within our cities.

The greatest number of high-performing cities in terms of wealth, earnings and quality of life remain in the South East, but the North-South divide is oversimplified, as we reported in *Cities Outlook 2008*. Northern cities like York and Warrington have already achieved high levels of performance, and a larger number of other cities, including some of the major conurbations have been on an upward trajectory. Several of the small cities within London's wider economic hinterland, such as Luton and Hastings, are suffering from serious economic problems.

London itself is a city of sharp contrasts – if the east of the capital was a city in its own right, it would rank with some of its most troubled counterparts elsewhere. Disparities within cities remain at least as big an issue as disparities between cities. Indeed, they might be a more intractable problem – many of them are long-lived, and most of them have proved resistant to a succession of policy remedies. They are most closely associated with large cities, the most obvious case being London, where high worklessness and multiple deprivation persist within walking distance of the wealth of the City and Canary Wharf. Even otherwise successful medium-sized cities house areas of severe deprivation – the total number of workless in Bristol is actually larger than that in Hull, while Oxford ranks far lower than expected in labour market indicators – a reminder that the city has been as much a South Midlands industrial city as a Southern university town.

Population growth 1997-2007

Rank	Cities	Population 2007	Population 1997	Annual Growth Rate (%)	Change 1997-2007
10 fastest-growing cities by population					
1	Milton Keynes	228,400	199,700	1.4	28,700
2	Oxford	151,000	133,200	1.3	17,800
3	Cambridge	120,000	108,100	1.0	11,900
4	York	193,300	175,000	1.0	18,300
5	Southampton	351,300	324,600	0.8	26,700
6	Swindon	189,500	175,200	0.8	14,300
7	Telford	161,700	149,700	0.8	12,000
8	Norwich	255,200	236,600	0.8	18,600
9	Bristol	672,900	625,500	0.7	47,400
10	London	8,810,800	8,207,100	0.7	603,700
10 slowest-growing cities by population					
55	Belfast	647,000	665,200	-0.1	-8,200
56	Newcastle	809,100	819,700	-0.1	-10,600
57	Stoke	363,300	369,100	-0.2	-5,800
58	Hull	257,000	261.900	-0.2	-4,900
59	Glasgow	1,036,700	1,058,800	-0.2	-22,100
60	Birkenhead	392,000	402,100	-0.3	-10,100
61	Liverpool	763,800	786,000	-0.3	-22,200
62	Sunderland	280,300	290,800	-0.4	-10,500
63	Aberdeen	209,300	217,300	-0.4	-8,000
64	Dundee	142,200	151,400	-0.6	-9,200
	Great Britain	**59,216,200**	**56,643,000**	**0.4**	**2,573,200**
	England	**51,092,000**	**48,664,800**	**0.5**	**2,427,200**

Source: NOMIS 2008, Mid-year Population Estimates national and local authority levels (1997 & 2008 data). Northern Ireland Statistics and Research Agency (NISRA) 2008 for Belfast mid-year estimates (1997 & 2008 data).

An expanding city population is normally a sign of an economy on an upwards trajectory, and the picture here is broadly positive. Nonetheless, variations in cities' economic performance have often been mirrored by differences in the pattern of population movement. Over the last decade, a sizeable cohort of UK cities has experienced population decline.

- London is easily the biggest contributor to urban population expansion, accounting for just under a quarter of the total increase in England. While ranking only 10th in terms of annual growth rates, its numerical increase dwarfs those of the cities ranked above it.

- The top of the table is dominated by smaller cities in the Greater South East with relatively buoyant economies. While the South East makes the biggest contribution, the presence of cities like York and Telford demonstrate that growth is by no means a simple North-South matter.

- While Bristol was the only major city outside of the capital to rank in the top 10, several other English Core Cities have registered solid gains. Leeds, with an increase of 44,800 has grown strongly, followed by Manchester with 32,100.

- The geography of population decline is far more clear cut than that of population increase. The bottom 10 places in the table are all occupied by cities in the North of England, Scotland and Northern Ireland. Both Liverpool and Glasgow have lost more than 20,000 people, while Sunderland, Birkenhead and Newcastle have each lost roughly half that number.

- Given the nature of population statistics, it is dangerous to read too much into one-year change statistics. Figures for 2006-07, however, suggest that Leeds (+1.5%) and Manchester (+0.5%) are continuing to grow. They also hint that some cities are stemming to the tide of population decline, although there are still small drops recorded in some.

Employment growth 2006-2007

Rank	Cities	Total Employees 2007	Total Employees 2006	Change 2006-2007 (%)	Net job gains/losses
Top 10 Cities – Highest employment growth					
1	Wakefield	142,800	132,500	7.8	10,300
2	Derby	128,300	119,300	7.5	9,000
3	Milton Keynes	139,000	130,700	6.3	8,300
4	Blackburn	65,000	61,300	5.4	3,700
5	Aberdeen	172,100	163,700	5.1	8,400
6	Preston	181,300	173,000	4.8	8,300
7	Reading	231,400	221,900	4.3	9,500
8	Mansfield	85,600	82,200	4.2	3,400
9	Rochdale	79,200	76,500	3.5	2,700
10	Plymouth	107,400	103,800	3.4	3,600
Bottom 10 Cities – Lowest employment growth					
54	Norwich	138,100	140,400	-1.7	-2,300
55	Birmingham	1,036,100	1,055,200	-1.8	-19,100
56	Chatham	84,700	86,300	-1.9	-1,600
57	Swansea	103,500	105,900	-2.3	-2,400
58	Leeds	407,800	417,300	-2.3	-9,500
59	Ipswich	67,000	68,600	-2.4	-1,600
60	Warrington	111,800	115,400	-3.1	-3,600
61	Cambridge	84,600	87,800	-3.7	-3,200
62	Oxford	101,900	106,200	-4.0	-4,300
63	Stoke	145,000	151,600	-4.3	-6,600
	Great Britain	**26,599,200**	**26,320,600**	**1.1**	**278,600**
	England	**23,005,000**	**22,766,600**	**1.0**	**238,400**

Source: NOMIS, 2008, Annual Business Inquiry Employee Analysis (ABI) for 2006 and 2007 data. Belfast not included.

Employment Rate 2008

Rank	Cities	Employment Rate April 2007-March 2008 (%)
Top 10 Cities – Highest employment rate		
1	Aldershot	85.9
2	Swindon	83.5
3	Gloucester	82.8
4	Northampton	81.8
5	Reading	81.3
6	Ipswich	80.8
7	Crawley	79.6
8	Milton Keynes	79.6
9	Aberdeen	79.2
10	Chatham	78.3
Bottom 10 Cities – Lowest employment rate		
55	Bradford	69.3
56	Oxford	69.3
57	Rochdale	69.3
58	Middlesbrough	69.2
59	Burnley	68.8
60	Blackburn	68.3
61	Luton	67.9
62	Birmingham	67.4
63	Hull	66.3
64	Liverpool	65.2
	Great Britain	**74.5**
	England	**74.5**

Source: NOMIS 2008, Annual Population Survey (APS) national and local authority levels. Department for Trade and Investment (DETINI) 2008, Labour Force Survey for data on Belfast (latest data available 2006).

Major City Employment Rates 2008

Cities	Employment Rate April 2007-March 2008 (%)
Bristol	76.7
Edinburgh	76.0
Leeds	74.4
Glasgow	71.6
Manchester	71.4
London	71.4
Belfast (2006 data)	70.6
Newcastle	70.2
Nottingham	69.8
Birmingham	67.4
Liverpool	65.2
Great Britain	74.5
England	74.5

Source: NOMIS 2008, Annual Population Survey (APS) national and local authority levels (April 2007 & March 2008 data). Department for Trade and Investment (DETINI), Labour Force Survey 2008 for data on Belfast (latest data available 2006).

The last decade has been a time of sustained employment growth for the UK's cities. The current recession has already put a brake on this trend, and there is a developing consensus that we will be lucky if unemployment does not push up towards the three million mark before the corner is turned. We have used the latest available annual data (April 2007-March 2008) but this does not capture what is now a rapidly deteriorating jobs picture. What the data does demonstrate is a range of regional and city-by-city variations in performance which should make forecasters and the media more cautious about blanket projections of the impact of the recession on UK cities.

- Jobs growth: a change in ABI methodology means that we are only able to provide comparable data for 2006-07. While too much should not be read into one year's growth, the figures do suggest that there was no distinctive regional pattern to recent employment growth, and that some previously underperforming Northern cities were adding jobs before the advent of the recession. Although the figures published do not capture longer term growth, it is also useful to remember that most Northern Core Cities experienced significant jobs growth over the last decade – in the case of both Liverpool and Manchester, the figure exceeded 50,000.

- Overall employment: there remains a very wide divide in employment rates between British cities – the gap between top-performing Aldershot and bottom-performing Liverpool is just over 20 percentage points. Smaller Southern cities remain the strongest performers, with only Aberdeen breaking into the top 10 from elsewhere. While Northern cities are generally the weaker, there are a small number of Southern cities such as Oxford and Luton with similarly low employment rates.

- The Core Cities remain centres of relatively low average employment, the result in most cases of stubborn inner-city pockets of long-term joblessness. Only Bristol and Edinburgh have employment rates above the national average (although Leeds falls only marginally below). Birmingham and Liverpool are both in the bottom 10 nationally, and London, despite its robust economic performance, has experienced only a modest increase in employment rate – a key challenge for Mayor Johnson and the London Skills and Employment Board.

Earnings Growth 2006-08

Rank	Cities	Earnings 2008 (av £ per week)	Earnings 2006 (av £ per week)	Growth Rate 2006-08 (%)	Change 2006-08 (£)
10 Cities with strongest earnings growth					
1	Blackburn	407.8	351.1	7.8	56.8
2	Leeds	462.2	410.3	6.1	51.9
3	Cardiff	473.6	423.1	5.8	50.5
4	Plymouth	410.9	367.5	5.7	43.4
5	Worthing	435.6	391.1	5.5	44.5
6	Swindon	489.3	440.2	5.4	49.1
7	Mansfield	394.9	358.1	5.0	36.8
8	Hull	356.9	324.5	4.9	32.4
9	Grimsby	401.7	365.7	4.8	36.0
10	Swansea	416.2	379.0	4.8	37.2
10 cities with lowest earnings growth					
55	Rochdale	410.5	396.9	1.7	13.6
56	Crawley	539.9	523.8	1.5	16.1
57	Luton	399.4	387.9	1.5	11.5
58	Newport	439.9	429.8	1.2	10.1
59	Bradford	383.2	375.0	1.1	8.2
60	Birkenhead	444.5	436.1	1.0	8.4
61	Oxford	463.2	455.9	0.8	7.3
62	Stoke	373.2	369.6	0.5	3.6
63	Cambridge	533.4	539.4	-0.6	-6.0
64	Aldershot	517.4	535.2	-1.7	-17.8
	Great Britain	**475.3**	**443.0**	**3.6**	**32.3**
	England	**465.7**	**449.2**	**1.8**	**16.5**

Source: ONS 2008, Annual Survey of Hours and Earnings (ASHE) national and local authority levels, average gross weekly earnings residence based. Department for Trade and Investment (DETINI), Annual Survey of Hours and Earnings (ASHE) 2008, average gross weekly pay by local government district. Own calculations for PUA level – weighted by number of jobs.

Earnings 2008

Rank	Cities	Average £ per week
Cities with highest wages		
1	London	612.6
2	Reading	561.7
3	Crawley	539.9
4	Cambridge	533.4
5	Warrington	520.5
6	Aldershot	517.4
7	Edinburgh	501.7
8	Milton Keynes	501.1
9	Southend	491.7
10	Swindon	489.3
Cities with lowest wages		
55	Luton	399.4
56	Burnley	398.9
57	Mansfield	394.9
58	Middlesbrough	392.5
59	Blackpool	392.2
60	Sunderland	383.8
61	Bradford	383.2
62	Stoke	373.2
63	Hull	356.9
64	Hastings	349.1
	Great Britain	**475.3**
	England	**465.7**

Source: ONS 2008, Annual Survey of Hours and Earnings (ASHE) national and local authority levels, average gross weekly earnings residence based. Department for Trade and Investment (DETINI), Annual Survey of Hours and Earnings (ASHE) 2008, average gross weekly pay by local government district. Own calculations for PUA level – weighted by number of jobs.

Large City Earnings 2008

Cities	Earnings 2008 (av £ per week)
London	612.6
Edinburgh	501.7
Leeds	462.2
Glasgow	448.5
Bristol	444.9
Manchester	441.7
Belfast	431.2
Nottingham	429.1
Birmingham	415.7
Liverpool	408.8
Sheffield	406.4
Newcastle	402.5
Great Britain	**475.3**
England	**465.7**

Source: ONS 2008, Annual Survey of Hours and Earnings (ASHE) national and local authority levels, average gross weekly earnings residence based. Department for Trade and Investment (DETINI), Annual Survey of Hours and Earnings (ASHE) 2008, average gross weekly pay by local government district. Own calculations for PUA level – weighted by number of jobs.

A significant change in statistical methodology has produced entirely new weekly earnings data, which is not comparable with that previously issued. The lack of comparability is so wide that we have only a three-year time series (2006-08) with which to work. We have included the data as it paints a clear picture of the current wage map of UK cities, but some caution is required in extrapolating trends in earnings growth.

- Although we are only dealing with a short time series, the picture of earnings growth is very different from that portrayed by most other data. Northern cities are well represented in the list of top performers, and Southern cities occupy exactly half of the last 10 places. Among the core cities, Leeds stands out with an annual growth rate just above 6%, while Cambridge and Aldershot, which rank in the top 10 in most of our other tables, have actually experienced mild wage stagnation.

- An in-work benefit effect might be behind the strong earnings growth performance of some Northern cities. Progress here does not align with the latest data on deprivation (discussed later in the chapter). Deprivation in Blackburn, the best earnings growth performer, has got worse; deprivation in Hull (8th) has got better.

- While an exact comparison with the data in our last *Cities Outlook* is not possible, there are some notable new entries in the top 10, particularly Leeds and Hull.

- Wage variations within regions remain wide – there is a spread of more than £250 between average weekly wages in London and in Hastings. What might be described as the “London effect”, however, distorts the picture. The wage spread is halved if London and its high wage satellites are discounted. Average wages in 10th-ranked Swindon are only some £140 above those in Hastings.

- There is some evidence of a wage rate differential that is not only a product of London’s large and unique labour market. Differences in the sectoral mix of city economies can also have a profound influence. Beyond Edinburgh, there is only one Northern city, Warrington, in the top 10 and two Southern ones, Luton and Hastings, in the bottom 10. The wage differential, however, becomes less clear across mid-range performers - wages in Birkenhead, Rochdale and York are all higher than wages in Northampton, Bournemouth and Gloucester.

- As is the case with employment rates, the major cities are not generally strong performers on wage rates. Only London, very much in a class of its own, and Edinburgh are above the national average. There is a fairly wide wage range among the rest. Average earnings in Leeds, for example, are just under £60 a week higher than those in Newcastle.

Benefit claimants as a percentage of working age population 2000-08

Rank	Cities	Claimants May 2008 (%)	Claimants May 2000 (%)	Change (%)
Top 10 cities with the lowest levels of benefit claimants				
1	Aldershot	7.3	6.1	1.2
2	Reading	7.4	7.0	0.4
3	Cambridge	7.5	8.0	-0.5
4	Oxford	8.5	9.4	-0.9
5	York	8.5	10.5	-2.0
6	Crawley	8.9	7.8	1.1
7	Southampton	11.2	11.8	-0.6
8	Portsmouth	11.4	11.5	-0.1
9	Swindon	11.4	10.4	1.0
10	Milton Keynes	11.5	10.4	1.1
Bottom 10 cities with the highest levels of benefit claimants				
54	Middlesbrough	19.5	23.2	-3.7
55	Barnsley	20.2	24.0	-3.8
56	Rochdale	20.2	20.8	-0.6
57	Sunderland	20.2	23.9	-3.7
58	Hull	20.3	22.2	-1.9
59	Glasgow	20.6	26.0	-5.4
60	Blackburn	20.8	21.2	-0.4
61	Hastings	20.9	20.5	0.4
62	Dundee	21.0	23.7	-2.7
63	Liverpool	24.6	30.2	-5.6
	Great Britain	**13.9**	**15.2**	**-1.3**
	England	**13.4**	**14.5**	**-1.1**

Source: NOMIS 2008, DWP Benefit Claimants as proportion of working-age population national and local authority levels (May 2000 & May 2008 data). Belfast not included.

The proportion of the working age population claiming benefits is an indication of participation in the labour market and a general proxy for a city's economic health. We have included the latest available data (from May 2008), which will only have captured the earliest stages of the current recession.

- Many cities in the North were continuing to reduce their claimant counts up to mid-2008, but there was still a wide divide across regions. The only non-Southern occupant of a place in the top 10 is York, which has experienced a positive change in its own claimant count since 2000, while only troubled Hastings disrupts the Northern monopoly of the bottom 10 places.

- The range in the claimant count is extremely wide – the claimant count for Liverpool is more than three times that of Aldershot.

- While Northern cities still have very high claimant counts, many of them have made considerable progress over the last eight years. The counts for Glasgow and Liverpool have fallen by 32,270 and 23,580 respectively, while those of Middlesbrough and Sunderland have both dropped by between 5,000 and 10,000. Improved economic conditions, together with the Government's drive to move more people into work, appears to have made an impact.

- The Core Cities have all reduced their claimant counts. Beyond Liverpool and Glasgow, Newcastle has achieved a 4.6% drop, while four other cities have registered drops in excess of 2%.

Residents with no qualifications 2007

Rank	Cities	Percentage working age population with no formal qualifications 2007
Cities with lowest percentage		
1	Edinburgh	7
2	Reading	8
3	Worthing	8
4	Oxford	8
5	York	9
6	Cambridge	9
7	Crawley	9
8	Brighton	9
9	Swindon	10
10	Bristol	10
Cities with highest percentage		
55	Bradford	19
56	Rochdale	19
57	Blackburn	19
58	Northampton	20
59	Luton	20
60	Birmingham	21
61	Hull	21
62	Liverpool	22
63	Stoke	24
64	Belfast	24
	Great Britain	**13**
	England	**13**

Source: NOMIS 2008, Annual Population Survey (APS) national and local authority levels (2007 data). Department for Trade and Investment (DETINI) 2008, Labour Force Survey data for Belfast for 2006 (2007 unavailable).

Residents with high level qualifications 2007

Rank	Cities	Percentage working age population with NVQ4 & above 2007
Cities with highest percentage		
1	Edinburgh	44
2	Cambridge	44
3	Aberdeen	40
4	Brighton	39
5	London	37
6	Reading	36
7	Cardiff	35
8	Glasgow	35
9	York	35
10	Dundee	34
Cities with lowest percentage		
55	Liverpool	20
56	Burnley	19
57	Hastings	19
58	Gloucester	18
59	Stoke	18
60	Wakefield	17
61	Doncaster	16
62	Mansfield	16
63	Grimsby	15
64	Hull	15
	Great Britain	***29***
	England	***28***

Source: NOMIS 2008, Annual Population Survey (APS) national and local authority levels (2007data). Department for Trade and Investment (DETINI), Labour Force Survey data for Belfast for 2006 (2007 unavailable).

The skills geography of UK cities is very uneven. Both research and policy have increasingly been driven by the realisation that economic inequalities, particularly those in the local labour market, are strongly related to cities' skills imbalances. Training policy will therefore have a major role to play in wider labour market and regeneration programmes.

- The UK's skills geography closely mirrors that of employment with a distinct, but by no means uniform North-South divide. There are some major exceptions, due to the presence of major universities or knowledge-intensive industry clusters.

- All four of Scotland's cities rank in the top 10. While Glasgow in particular shares many of the economic weaknesses of other large British cities, Scotland's superior education system continues to provide its cities with a real advantage in skills.

- The rankings for low and high skills correlate only in a very broad sense. The relationship is particularly weak for big cities. London, which ranks 5th on high level qualifications, is mid-table (24th) on no qualifications. Similarly, Manchester's rankings are 24th and 41st, while Belfast, which is mid-table on high skills, has the highest percentage of residents with no qualifications.

- The overall city-city skills gap is very wide: the high-performing cities have nearly three times the percentage of highly skilled residents as the low-performing ones, while the spread at the other end of the spectrum is broadly the same. Apart from Edinburgh, Bristol is the best skilled major city, placing 10th and 12th in the two rankings.

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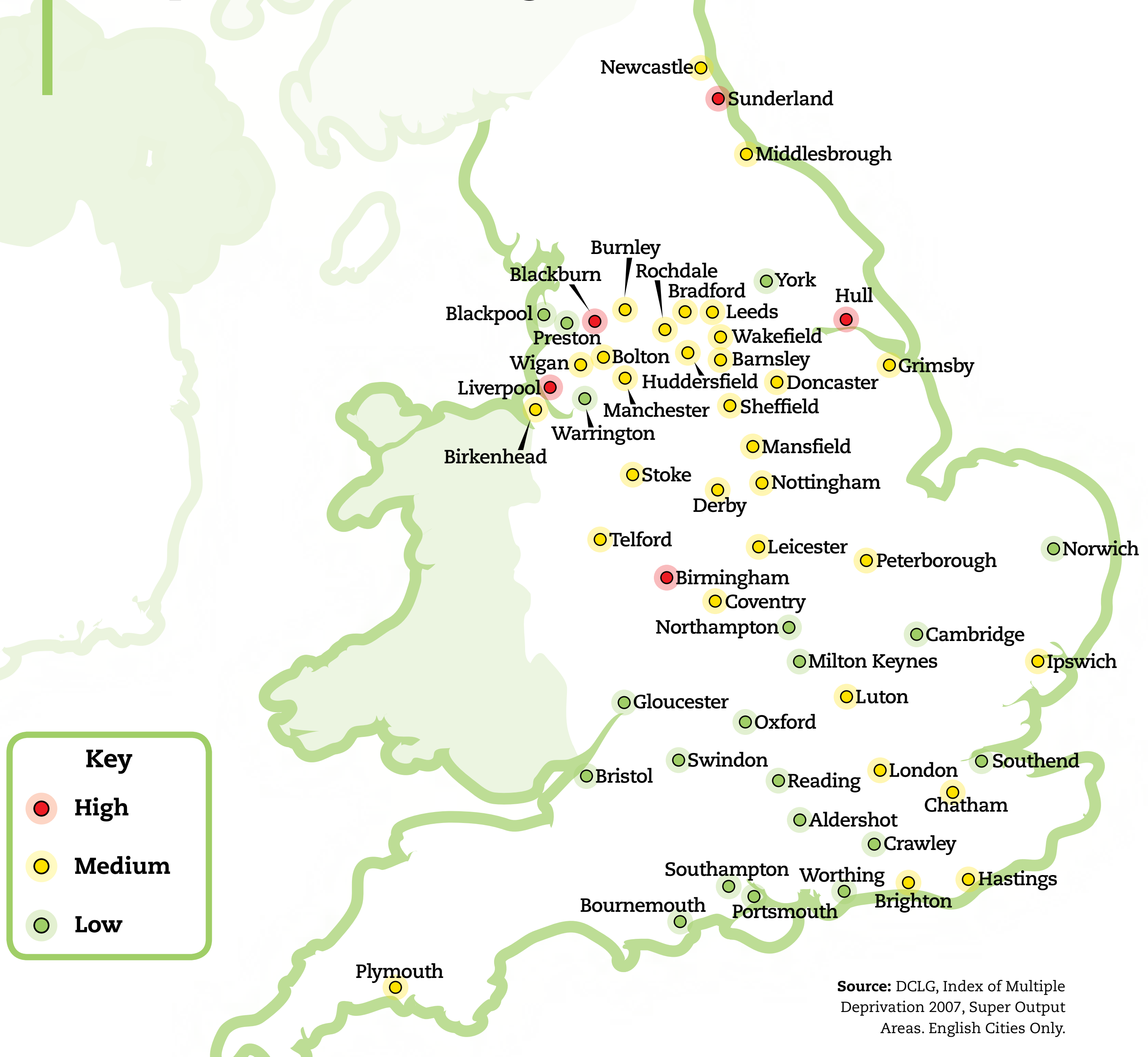
Deprivation in England 2007



Source: DCLG, Index of Multiple Deprivation 2007, Super Output Areas. English Cities Only.

Index of Multiple Deprivation Median Scores 2007

Rank	Cities	IMD Median Score 2007
10 Least Deprived Cities		
1	Aldershot	7.22
2	Reading	7.78
3	Crawley	9.52
4	York	10.38
5	Milton Keynes	10.62
6	Swindon	11.87
7	Cambridge	12.35
8	Warrington	12.54
9	Southend	13.46
10	Norwich	14.09
10 Most Deprived Cities		
47	Doncaster	28.31
48	Burnley	28.42
49	Barnsley	28.78
50	Rochdale	29.65
51	Hastings	29.74
52	Sunderland	30.74
53	Birmingham	31.62
54	Blackburn	35.95
55	Hull	36.85
56	Liverpool	42.20

Source: DCLG, Index of Multiple Deprivation 2007 and 2004, Super Output Areas. English Cities Only.

The recent release of the revised Index of Multiple Deprivation for 2007 provides an opportunity not just to map deprivation across UK cities but also to establish areas of improvement and decline since the previous IMD was calculated for 2004.

Rank	Cities	IMD Median Score 2004 Rank	IMD Median Score 2007 Rank	Change in 2004-2007 Rank
Cities with biggest rises in ranking				
1	Leeds	29	22	7
2	Plymouth	38	31	7
3	Newcastle	51	45	6
4	Nottingham	32	26	6
5	Oxford	21	15	6
6	Mansfield	46	41	5
7	Wigan	39	34	5
8	Huddersfield	31	27	4
9	Wakefield	40	36	4
10	Barnsley	52	49	3
Cities with biggest falls in ranking				
47	London	25	28	-3
48	Telford	22	25	-3
49	Leicester	26	30	-4
50	Stoke	42	46	-4
51	Birmingham	48	53	-5
52	Gloucester	14	19	-5
53	Worthing	11	16	-5
54	Luton	27	33	-6
55	Grimsby	35	42	-7
56	Peterborough	30	38	-8

Source: DCLG, Index of Multiple Deprivation 2007 and 2004, Super Output Areas. English Cities Only.

The broad picture of generally low deprivation in the small and medium-sized cities of the Greater South East, and high deprivation in many of the cities of the North remains the same. Only York and Warrington register top 10 median scores, and only two further Northern cities, Preston and Blackpool, make the top 20. At the bottom end of the scale, Hastings is the only Southern city to rank lower than 40th.

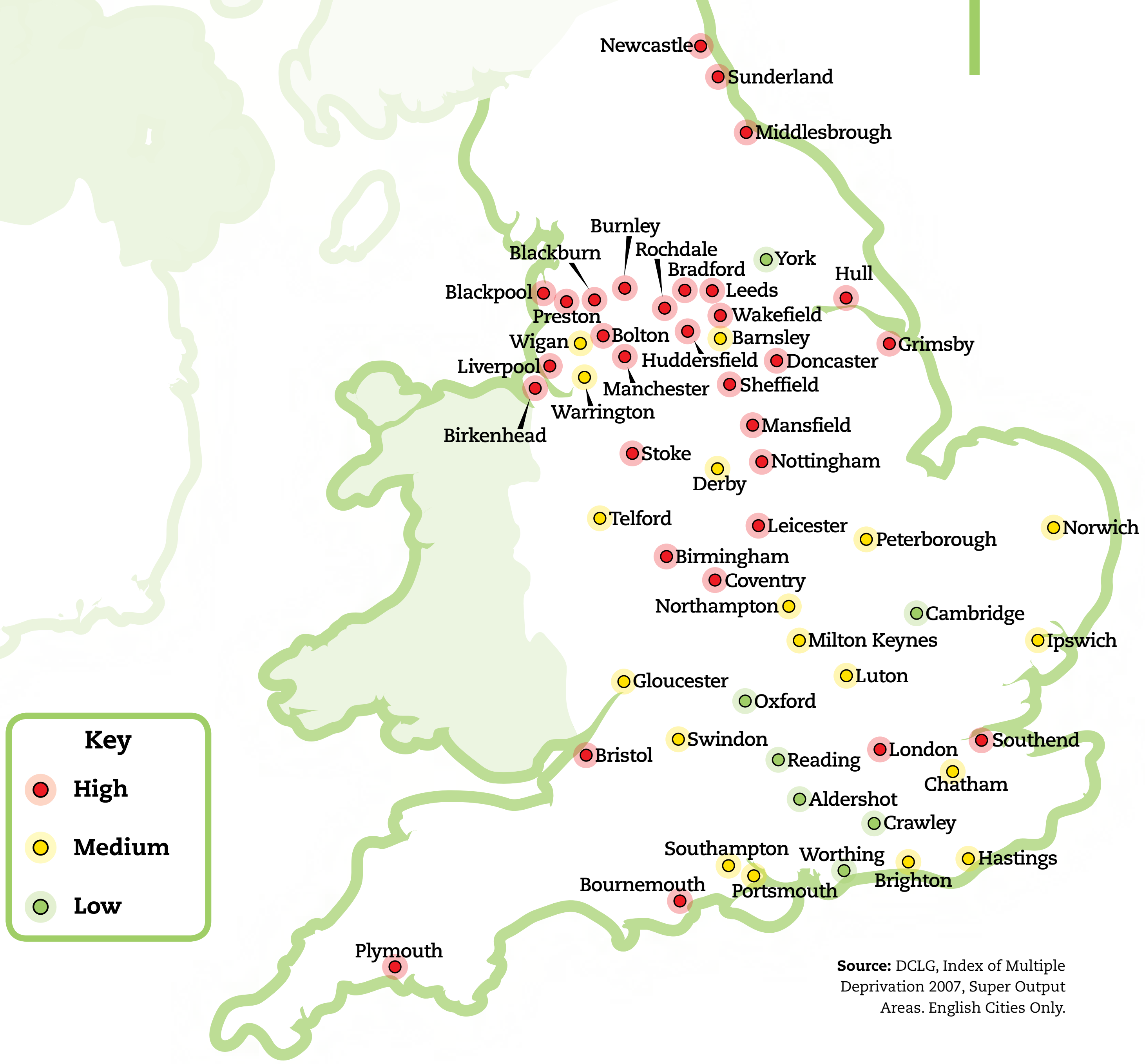
This pattern highlights the depth of the regional disparities problem. While there has been considerable improvement in the cities of the North, they remain the most deprived.

Liverpool, Hull and Blackburn remain the most deprived cities. Among the Core Cities, high deprivation also remains a problem in Manchester (40th), Newcastle (45th) and Birmingham (53rd).

Comparisons between 2004 and 2007 rankings do suggest that progress is being made in tackling deprivation in many Northern cities. Three Northern Core Cities – Leeds, Newcastle and Nottingham – saw some of the greatest improvements in relative position. Five smaller Northern cities also featured in the top 10 improvers.

At the other end of the scale, the picture is less clear. It needs to be understood that the ranking reflects relative position rather than absolute performance. It is worth noting, however, that two of England's three largest cities – London and Birmingham – have lost ground, and that most of the other poor relative performers rank towards the bottom of many of the other indices covered in this report.

Disparities within cities 2007



Source: DCLG, Index of Multiple Deprivation 2007, Super Output Areas. English Cities Only.

Disparities within cities 2007

Rank	Cities	Min IMD score	Max IMD score	IMD range between Super Output Areas for each urban area
Cities with lowest levels of inequalities				
1	Cambridge	2.74	32.07	29.33
2	Crawley	1.23	38.55	37.32
3	Oxford	3.65	78.37	38.19
4	Worthing	6.08	70.01	39.71
5	Aldershot	0.70	42.27	41.57
6	Reading	3.20	75.04	43.82
7	York	3.27	42.98	43.98
8	Luton	5.25	55.48	50.23
9	Ipswich	3.70	54.49	50.79
10	Milton Keynes	1.16	54.03	52.87
Cities with highest levels of inequalities				
47	Nottingham	2.08	55.18	74.72
48	Coventry	4.35	80.34	75.99
49	Newcastle	2.77	78.85	76.08
50	Birkenhead	2.79	78.89	76.10
51	Middlesbrough	2.66	79.05	76.39
52	Bradford	1.25	78.17	76.92
53	Birmingham	1.41	79.68	78.27
54	Liverpool	6.39	85.46	79.07
55	Blackpool	3.42	82.50	79.08
56	Manchester	2.03	84.02	81.99

Source: DCLG, Index of Multiple Deprivation 2007, Super Output Areas. English Cities Only

Polarisation of wealth, skills and opportunities within individual cities is just as significant an issue as relative levels of deprivation between cities.

- Polarisation appears to be strongly related to two variables – size and geographical location. Only three Northern and Midlands cities, all of them relatively small (York, Warrington and Telford) rank amongst the 20 least polarised cities. The leaders (Cambridge, Crawley, Oxford, Worthing, Reading and Aldershot) are all relatively small higher performing cities in the Greater South East.

- Large English cities all display a relatively high degree of polarisation. London and the eight Core Cities all fall in the lower half of the ranking, with Birmingham, Liverpool and Manchester in the bottom five.

- Beyond size, polarisation is very much a Northern phenomenon – the lowest ranking Southern city is Southend in 39th place.

City Wages and Employment Rates

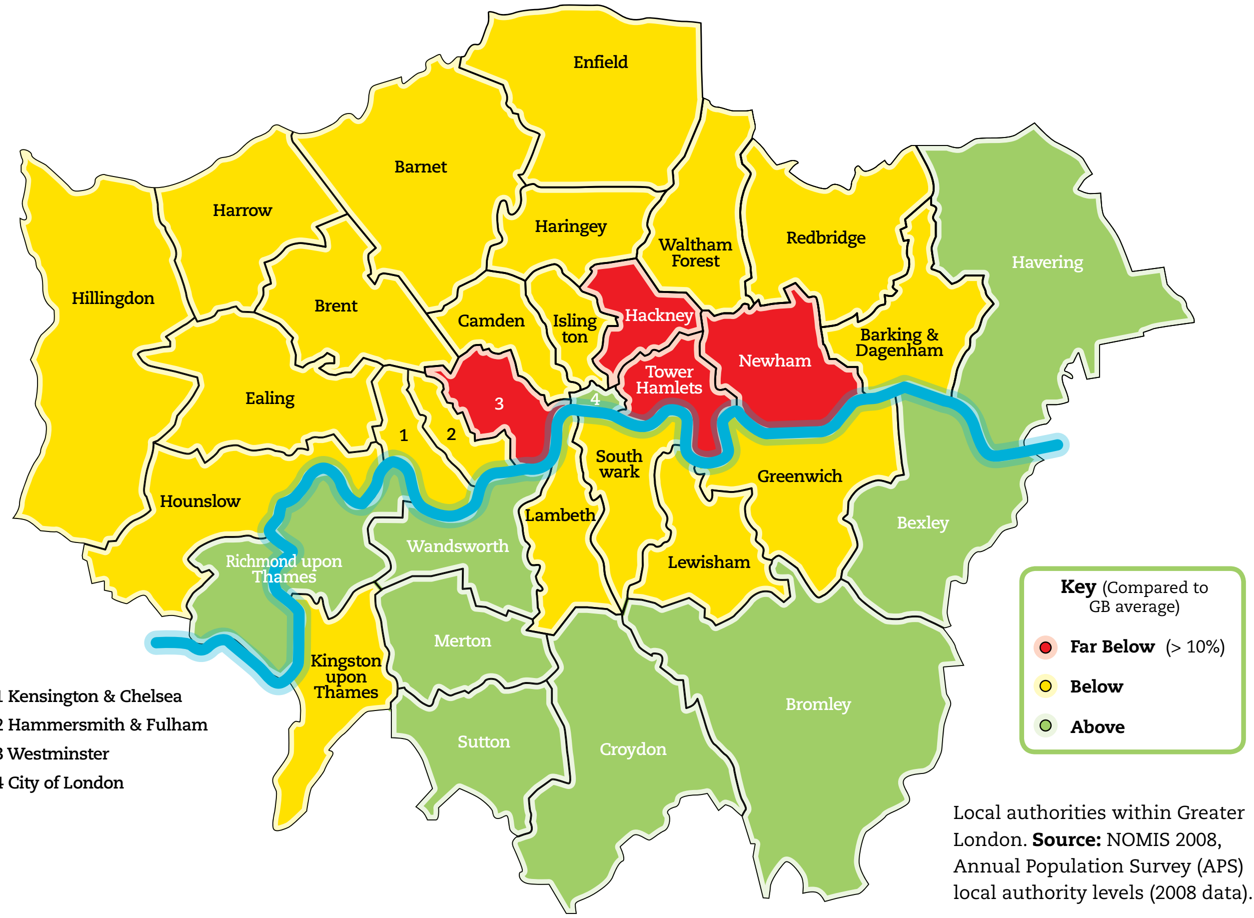
- Disparities in employment rates and residence-based wage levels remain profound within our largest cities. Wage levels in prosperous central London local authorities are double those in the most deprived areas, and employment rates span a range of more than 20 percentage points.

- Wage rate variations in Manchester and Birmingham exceed £140 per week, while within Greater Manchester the employment rate varies between 80% in Stockport and 62.7% in Manchester City.

- While three of the local authority areas in our Glasgow city region have wage levels above the national average, those in Glasgow City itself are more than 5% below the national average.

- Employment rates vary widely within greater Belfast, and although all six local authorities have average wage rates below the national average, there is a £126 a week fall from Belfast City to Carrickfergus.

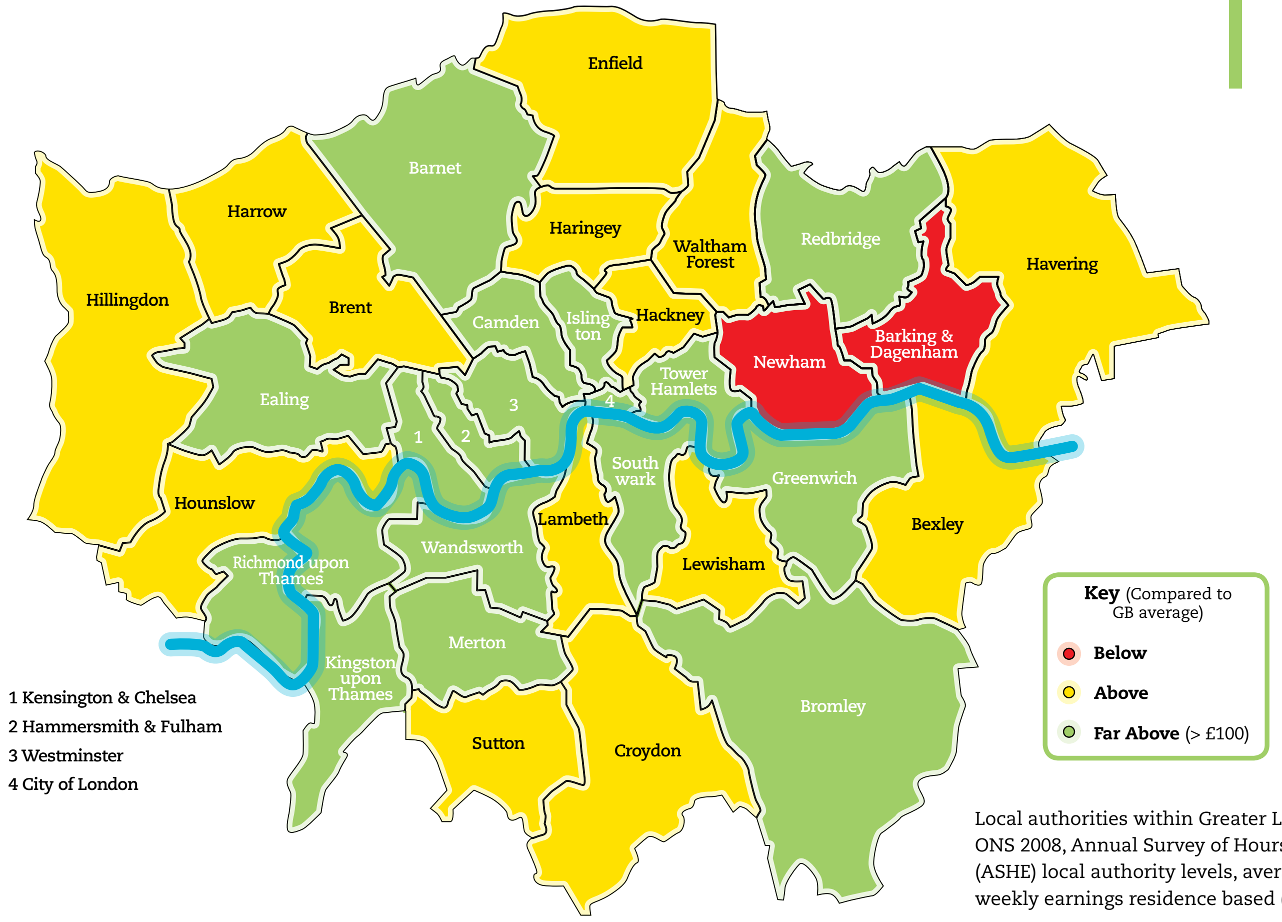
London - Employment Rate 2008



Local authorities within Greater London. **Source:** NOMIS 2008, Annual Population Survey (APS) local authority levels (2008 data).

City of London	92.9%	Hounslow	72.1	Hillingdon	67.7
Bromley	81.2	Hammersmith & Fulham	71.3	Enfield	67.2
Merton	78.5	Lambeth	70.3	Greenwich	67.2
Bexley	78.2	Barnet	69.3	Kensington & Chelsea	67.1
Havering	77.9	Ealing	69.3	Redbridge	66.1
Wandsworth	77.5	Islington	69.1	Southwark	65.9
Croydon	76.7	Brent	68.9	Haringey	64.6
Richmond-upon-Thames	76.6	Barking & Dagenham	68.8	Hackney	63.5
Sutton	75.8	Lewisham	68.7	City of Westminster	63.0
Kingston-upon-Thames	73.6	Camden	68.5	Newham	59.2
Harrow	72.9	Waltham Forest	68.4	Tower Hamlets	58.4

London - Wages 2008

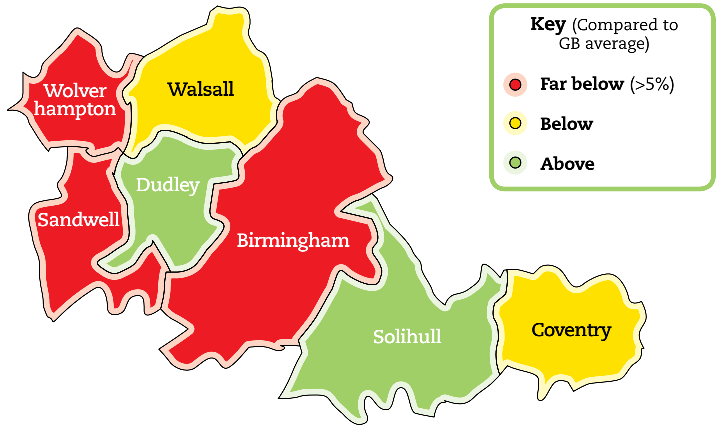


Local authorities within Greater London. **Source:** ONS 2008, Annual Survey of Hours and Earnings (ASHE) local authority levels, average gross weekly earnings residence based (2008 data).

Kensington & Chelsea	£1,073.9	Kingston-upon-Thames	632.2	Bexley	541.3
City of Westminster	1,070.3	Greenwich	612.5	Havering	539.6
City of London	1,064.9	Southwark	604.4	Hackney	534.3
Hammersmith & Fulham	790.0	Barnet	597.1	Waltham Forest	529.6
Camden	785.3	Redbridge	585.9	Hillingdon	527.9
Richmond-upon-Thames	784.6	Ealing	580.2	Hounslow	515.5
Wandsworth	756.9	Harrow	574.5	Lewisham	507.7
Islington	723.2	Lambeth	573.5	Enfield	498.4
Bromley	676.9	Haringey	564.9	Brent	497.8
Tower Hamlets	660.6	Sutton	564.5	Barking & Dagenham	463.0
Merton	641.8	Croydon	545.6	Tower Hamlets	439.7

Birmingham - Employment Rate 2008

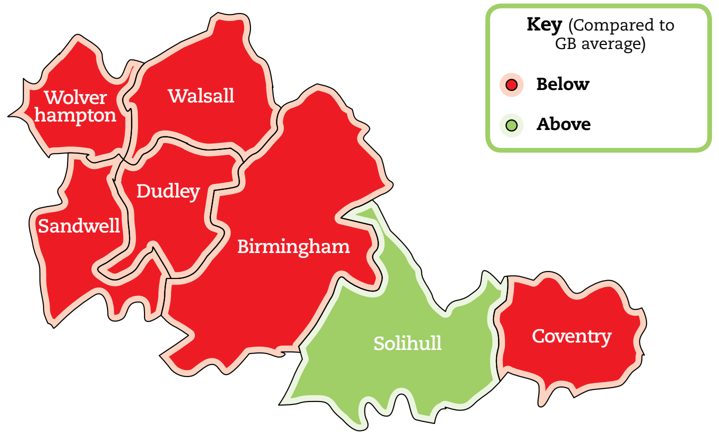
Solihull	75.5%
Dudley	74.9
Coventry	72.0
Walsall	71.3
Sandwell	65.6
Wolverhampton	65.4
Birmingham	63.5



Local authorities within West Midlands Metropolitan County **Source:** NOMIS 2008, Annual Population Survey (APS) local authority levels (2008 data).

Birmingham - Wages 2008

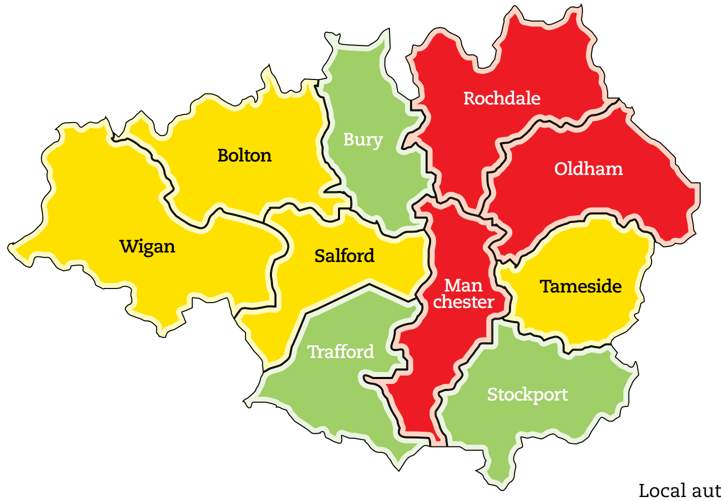
Solihull	£527.2
Birmingham	418.7
Coventry	420.3
Dudley	392.7
Walsall	405.3
Wolverhampton	390.5
Sandwell	381.2



Local authorities - as above. **Source:** ONS 2008, Annual Survey of Hours and Earnings (ASHE) local authority levels, average gross weekly earnings residence based (2008 data).

Manchester - Employment Rate 2008

Stockport	80.0%
Trafford	77.7
Bury	75.4
Salford	73.2
Tameside	73.0
Bolton	72.7
Wigan	71.5
Rochdale	69.3
Oldham	67.4
Manchester	62.7

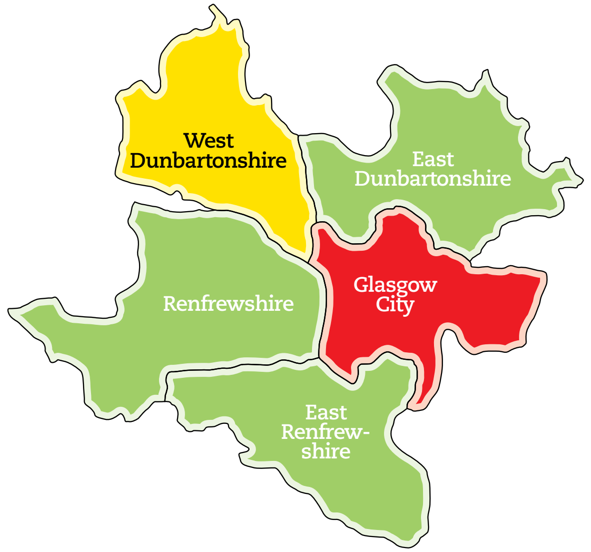


Key (Compared to GB average)
- **Far below** (>5%)
- **Below**
- **Above**

Local authorities within Greater Manchester. **Source:** NOMIS 2008, Annual Population Survey (APS) local authority levels (2008 data).

Glasgow - Employment Rate 2008

East Dunbartonshire	78.8%
East Renfrewshire	77.9
Renfrewshire	76.4
West Dunbartonshire	73.3
Glasgow City	68.0

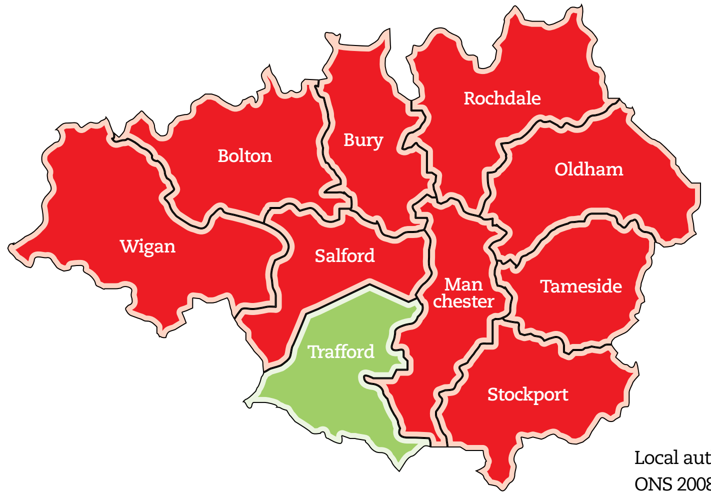


Key (Compared to GB average)
- **Far below** (>5%)
- **Below**
- **Above**

Local authorities per Centre for Cities definition of city-region. **Source:** NOMIS 2008, Annual Population Survey (APS) local authority levels (2008 data).

Manchester - Wages 2008

Trafford	£546.4
Bury	469.7
Stockport	469.5
Salford	427.6
Bolton	414.7
Wigan	410.5
Rochdale	409.7
Oldham	399.0
Tameside	390.1
Manchester	428.3



Key (Compared to GB average)
- **Below**
- **Above**

Local authorities - as above. **Source:** ONS 2008, Annual Survey of Hours and Earnings (ASHE) local authority levels, average gross weekly earnings residence based (2008 data).

Glasgow - Wages 2008

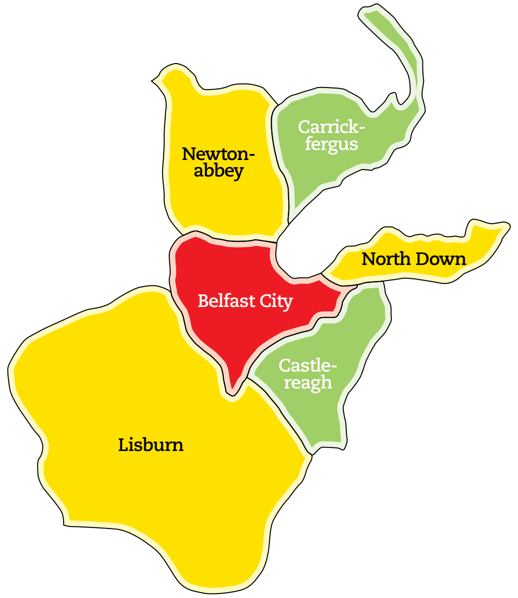
East Renfrewshire	£522.4
East Dunbartonshire	507.1
Renfrewshire	475.3
Glasgow City	421.6
West Dunbartonshire	406.6

Key (Compared to GB average)
- **Below**
- **Above**

Local authorities - as above. **Source:** ONS 2008, Annual Survey of Hours and Earnings (ASHE) local authority levels, average gross weekly earnings residence based (2008 data).

Belfast - Employment Rate 2006

Castlereagh	82.1%
Carrickfergus	78.7
North Down	72.1
Lisburn	71.7
Newtownabbey	71.2
Belfast City	65.5



Key (Compared to GB average)
- **Far below** (>5%)
- **Below**
- **Above**

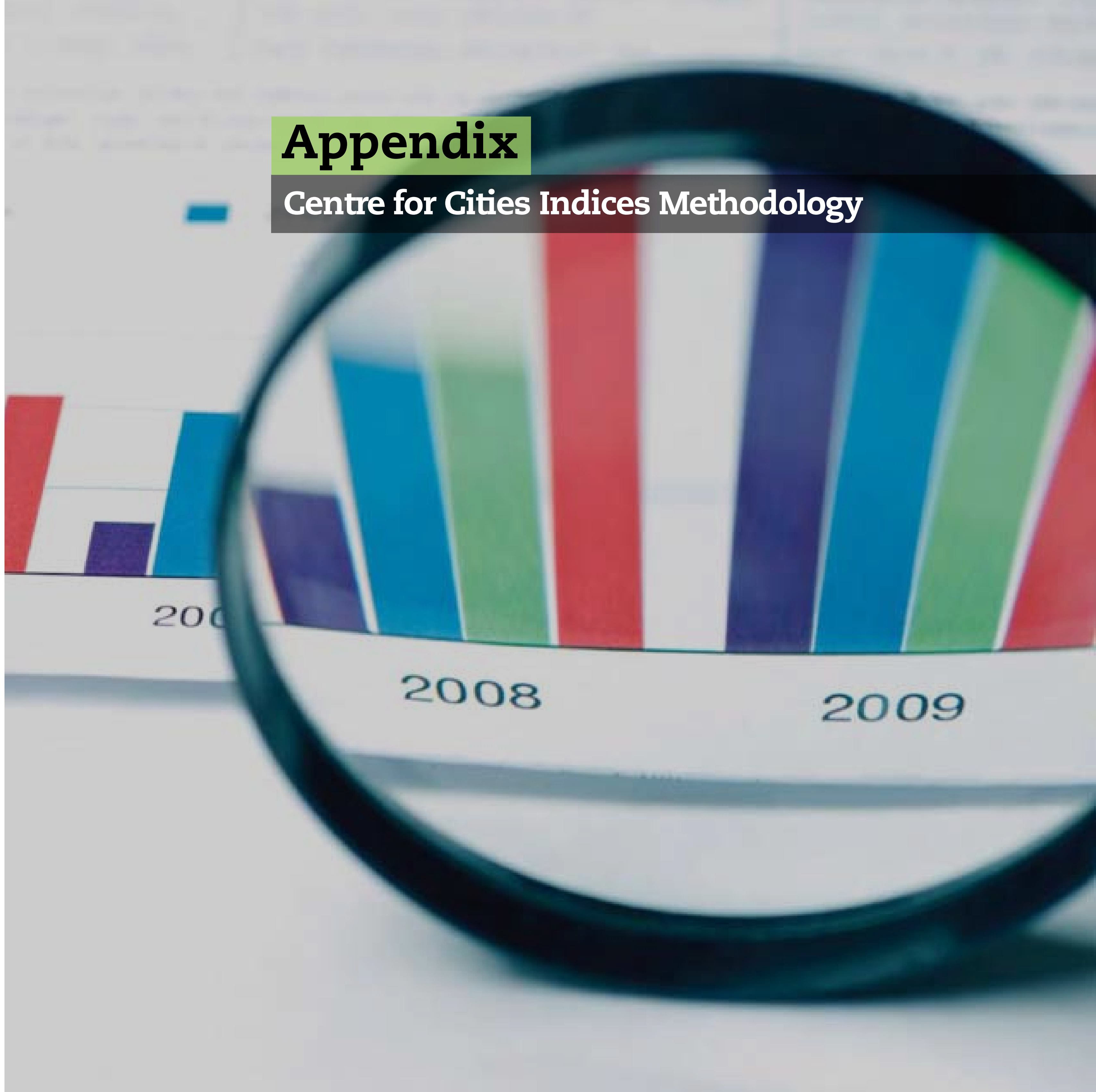
Local authorities per Centre for Cities definition of city-region.
Source: Department for Trade and Investment (DETINI) 2008, Labour Force Survey (2006 data)

Belfast - Wages 2008

Belfast City	£450.9
Newtownabbey	416.6
Carrickfergus	415.2
Lisburn	401.5
Castlereagh	395.4
North Down	364.0

Key (Compared to GB average)
- **Below**
- **Above**

Local authorities - as above.
Source: Department for Trade and Investment (DETINI) 2008, Annual Survey of Hours and Earnings (ASHE), average gross weekly pay by local government district (2006 data).



Appendix

Centre for Cities Indices Methodology

Appendix
Centre for Cities Indices Methodology

Outline Methodology

Our analysis uses a combination of principal components and factor analysis to group together variables contributing to the relevant performance measure and enhance our understanding of their interaction. We followed five steps:

1. **Factor Choice:** we chose a range of variables based on data availability, a thorough literature review and, when required, common sense.
2. **Correlation Analysis:** we analysed the relationship between these variables, eliminating those which correlated entirely with others.
3. **Principal Components Analysis:** We grouped the remaining variables into bundles that explained similar phenomena (components). In the economic model, for example, we grouped together variables measuring overall economic development (component 1), and separated them from another group of indicators that reflected differences in the structure of the labour market (component 2).
4. **Factor Analysis:** we then chose the bundles that had the greatest explanatory power, again dropping some variables that were not adding any additional value. We then standardised these to ensure comparability and performed a factor analysis to assign scores.
5. **Ranking:** After testing how well the factor analysis explained differences between cities, we employed the scores to compile an overall ranking. In two cases (the economic and social indices) the ranking was based on one bundle of indicators, in the third (the built environment), it was based on two, the factor scores of each being weighted by its explanatory power to combine the two bundles into a single index.

A full explanation of the methodology we have employed is available on our website, www.centreforcities.org.

Our Economic Development Index is based on the following indicators:

- PUA income – the average income in a city 2007
- gross weekly pay 2007
- GVA per capita 2005 (a calculation of the average Gross Value Added per head of population)
- VAT stock per 10,000 adult population 2006 (an indicator for enterprise and innovation activity)
- employment rate 2007
- per cent of high skilled workers 2007 (those employed as managers and senior administrators, in professional occupations, and in associated professional and technical occupations)
- per cent of employees in private services 2006 (the aggregate of those employed in distribution; hotels and restaurants; transport and communication; banking, finance and insurance; and other services)

Our Social Deprivation Index is based the following indicators:

- the weekly wage threshold below which 10% of the working population fall 2006
- the Index of Multiple Deprivation (IMD) range 2007 (the range between maximum and minimum IMD scores)
- male life expectancy 2003-05 (rolling average)
- robberies per 10,000 adult population 2006-07
- the percentage of the working age population on three types of benefits 2007 (incapacity benefit, income support and JSA)
- the IMD median score 2007

Our Built Environment Index is based the following indicators:

Bundle 1
- the rateable value per square metre of all bulk classes (non-residential) property 2007
- the percentage of dwellings in council tax bands G & H 2006 (houses in the two highest valuation categories for council tax purposes)
- mean house prices 2007
- retail establishments per 10,000 inhabitants 2006 (a basket composed of retail; hotels; restaurants and bars; recreational; beauty and well-bring establishments)

Bundle 2
- the percentage of dwellings in council tax bands A & B 2006 (houses in the two lowest valuation categories for council tax purposes)
- total unfit dwellings as a percentage of total housing stock 2006
- Local Authority housing as a percentage of total stock 2006

Index of economic development

Indicator	Source	Within Ranking	Differences between cities based on	Exclusions & Restrictions
Employees in Public Administration, Education and Health 2006 (in %)	NOMIS, ABI Employee Analysis; DETI, Census of Employment		Differences in the Structure of the Labour Market (negative)	
Employees in Private Services 2006 (in %) (includes Distribution, Hotels and Restaurants; Transport and Communications; Banking, Finance and Insurance; Other Services)	NOMIS, ABI Employee Analysis; DETI, Census of Employment	●	Differences in the Structure of the Labour Market (positive)	
Economically active with no qualifications 2007 (in %)	NOMIS, APS; DETI, Labour Force Survey		Advanced Economic Development (negative)	Data for Cambridge and Belfast is 2006
Employees that are highly skilled 2007 (in %) (includes Managers and Administrators, Professional Occupations, Associated Professional and Technical Occupations)	NOMIS, APS; DETI, Labour Force Survey	●	Advanced Economic Development (positive)	Belfast
Employment Rate 2007	NOMIS, APS; DETI, Labour Force Survey	●	Advanced Economic Development (positive)	
Average Income 2005-06	HMRC, Survey of Personal Incomes	●	Advanced Economic Development (positive)	
Stock of VAT registered businesses per 10,000 adult population 2006	NOMIS, VAT Registrations/ Deregistrations by industry; NOMIS, APS; IDBR, VAT Registered Businesses by Local Government District; NISRA, Mid-Year Population Estimates	●	Advanced Economic Development (positive)	
GVA per capita 2005	ONS, GVA by NUTS3; NOMIS, ABI Workplace Analysis; NOMIS, Mid-Year Population Estimates	●	Advanced Economic Development (positive)	Belfast
Weekly Gross Pay 2007	ONS, ASHE, Resident Analysis; DETI, ASHE	●	Advanced Economic Development (positive)	

Societal deprivation index

Indicator	Source	Within Ranking	Differences between cities based on	Exclusions & Restrictions
Resident 10 Percentile 2006	NOMIS, ASHE; NOMIS, Mid-Year Population Estimates	●	Citizen Well-Being and Multiple Deprivation and benefits Dependency (negative)	Belfast
Working Age Population on Incapacity Benefit 2007 (in %)	NOMIS, DWP, Benefits Claimants – Working Age Client Group, IB only; DSDNI, IB Claimants		Citizen Well-Being and Multiple Deprivation and benefits Dependency (positive)	
Working Age Population on Income Support 2007 (in %)	NOMIS, DWP, Benefits Claimants – Working Age Client Group, IS only; DSDNI, IS Claimants		Citizen Well-Being and Multiple Deprivation and benefits Dependency (positive)	
Working Age Population on JSA 2007 (in %)	NOMIS, DWP, Benefits Claimants – Working Age Client Group, JSA only; DSDNI, JSA Claimants		Citizen Well-Being and Multiple Deprivation and benefits Dependency (positive)	
Working Age Population on Benefits (JSA, IB and IS) 2007 (in %)	NOMIS, DWP, Benefits Claimants – Working Age Client Group (IB only, JSA only, IS/PC only); DSDNI (IS Claimants, IB Claimants, JSA Claimants)	●	Citizen Well-Being and Multiple Deprivation and benefits Dependency (positive)	
Male Life Expectancy 2003-05 (rolling average)	SOCD, Male Life Expectancy; ONS, Life Expectancy at Birth (Male)	●	Citizen Well-Being and Multiple Deprivation and benefits Dependency (negative)	
Female Life Expectancy 2003-05 (rolling average)	SOCD, Female Life Expectancy; ONS, Life Expectancy at Birth (Female)		Citizen Well-Being and Multiple Deprivation and benefits Dependency (negative)	
Robberies per 10,000 Population 2006-07	SOCD, Robberies per 10,000 population; ONS, Neighbourhood Statistics, Notifiable Offences Recorded by the Police; PSNI, Recorded Crime	●	Robberies (positive)	

Societal deprivation index *continued*

Indicator	Source	Within Ranking	Differences between cities based on	Exclusions & Restrictions
Median IMD Score 2007	DCLG, Index of Multiple Deprivation	●	Citizen Well-Being and Multiple Deprivation and benefits Dependency (positive)	
Minimum IMD Score 2007	DCLG, Index of Multiple Deprivation		Citizen Well-Being and Multiple Deprivation and benefits Dependency (positive)	
Maximum IMD Score 2007	DCLG, Index of Multiple Deprivation		Citizen Well-Being and Multiple Deprivation and benefits Dependency (positive)	
IMD Range 2007	DCLG, Index of Multiple Deprivation	●	Citizen Well-Being and Multiple Deprivation and benefits Dependency (positive)	

Built environment index

Indicator	Source	Within Ranking	Differences between cities based on	Exclusions & Restrictions
Carbon Emissions per Capita including ETS 2006 (Tonnes)	DEFRA, CO2 emissions		Unrelated Piece of Information	
People Commuting to Work by Car 2001 (in %)	NOMIS, Census; NISRA, Northern Ireland Census		Unrelated Piece of Information	Aberdeen, Dundee, Edinburgh, Glasgow
Ratable Value per m2 all Bulk Classes 2007	ONS, Neighbourhood Statistics, Commercial and Industrial Floorspace and Ratable Value Statistics		Monetary Indicators of the Value of Space and Housing	Aberdeen, Dundee, Edinburgh, Glasgow, Belfast
Ratable Value per m2 retail premises 2007	ONS, Neighbourhood Statistics, Commercial and Industrial Floorspace and Ratable Value Statistics	●	Monetary Indicators of the Value of Space and Housing	Aberdeen, Dundee, Edinburgh, Glasgow, Belfast
Ratable Value per m2 offices 2007	ONS, Neighbourhood Statistics, Commercial and Industrial Floorspace and Ratable Value Statistics		Monetary Indicators of the Value of Space and Housing	Aberdeen, Dundee, Edinburgh, Glasgow, Belfast
Ratable Value per m2 factories 2007	ONS, Neighbourhood Statistics, Commercial and Industrial Floorspace and Ratable Value Statistics		Monetary Indicators of the Value of Space and Housing	Aberdeen, Dundee, Edinburgh, Glasgow, Belfast
Ratable Value per m2 warehouses 2007	ONS, Neighbourhood Statistics, Commercial and Industrial Floorspace and Ratable Value Statistics		Monetary Indicators of the Value of Space and Housing	Aberdeen, Dundee, Edinburgh, Glasgow, Belfast
Dwelling Stock in Council Tax Bands A+B 2006 (in %)	ONS, Neighbourhood Statistics, Dwelling Stock by Council Tax Band; Scottish Neighbourhood Statistics, Dwelling Stock by Council Tax Band	●	Monetary Indicators of the Value of Space and Housing	Belfast
Dwelling Stock in Council Tax Bands G+H 2006 (in %)	ONS, Neighbourhood Statistics, Dwelling Stock by Council Tax Band; Scottish Neighbourhood Statistics, Dwelling Stock by Council Tax Band	●	Monetary Indicators of the Value of Space and Housing	Belfast

Built environment index *continued*

LA Dwellings as % of Total Stock 2006	ONS, Neighbourhood Statistics, Dwelling Stock by Tenure and Condition	●	Structure of the Dwelling Stock	Belfast, Aberdeen, Dundee, Edinburgh, Glasgow, Cardiff, Newport, Swansea
Registered Social Landlord Dwellings as % of Total Stock 2006	ONS, Neighbourhood Statistics, Dwelling Stock by Tenure and Condition		Structure of the Dwelling Stock	Belfast, Aberdeen, Dundee, Edinburgh, Glasgow, Cardiff, Newport, Swansea
Owner Occupied Dwellings as % of Total Stock 2006	ONS, Neighbourhood Statistics, Dwelling Stock by Tenure and Condition		Structure of the Dwelling Stock	Belfast, Aberdeen, Dundee, Edinburgh, Glasgow, Cardiff, Newport, Swansea
Total Unfit Dwellings as % of Total Stock 2006	ONS, Neighbourhood Statistics, Dwelling Stock by Tenure and Condition	●	Structure of the Dwelling Stock	Belfast, Aberdeen, Dundee, Edinburgh, Glasgow, Cardiff, Newport, Swansea
Mean House Price 2007	DCLG, Table 585, Housing Market: Mean House Data; Scottish Neighbourhood Statistics, Mean House Prices	●	Monetary Indicators of the Value of Space and Housing	Belfast
Affordability Ratio 2007	DCLG, Table 585, Housing Market: Mean House Data; Scottish Neighbourhood Statistics, Mean House Prices; HMRC, Survey of Personal Incomes		Monetary Indicators of the Value of Space and Housing	Belfast
Basket of Retail Establishments per 10,000 population 2006	NOMIS, ABI Workplace Analysis (aggregate of establishments in retail, hotels, restaurants and bars, recreation, culture and sport, beauty and well-being)	●	Separate Piece of Information	Belfast

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