

Responding to the Changing Economy: City Regions & Suburbs



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This presentation

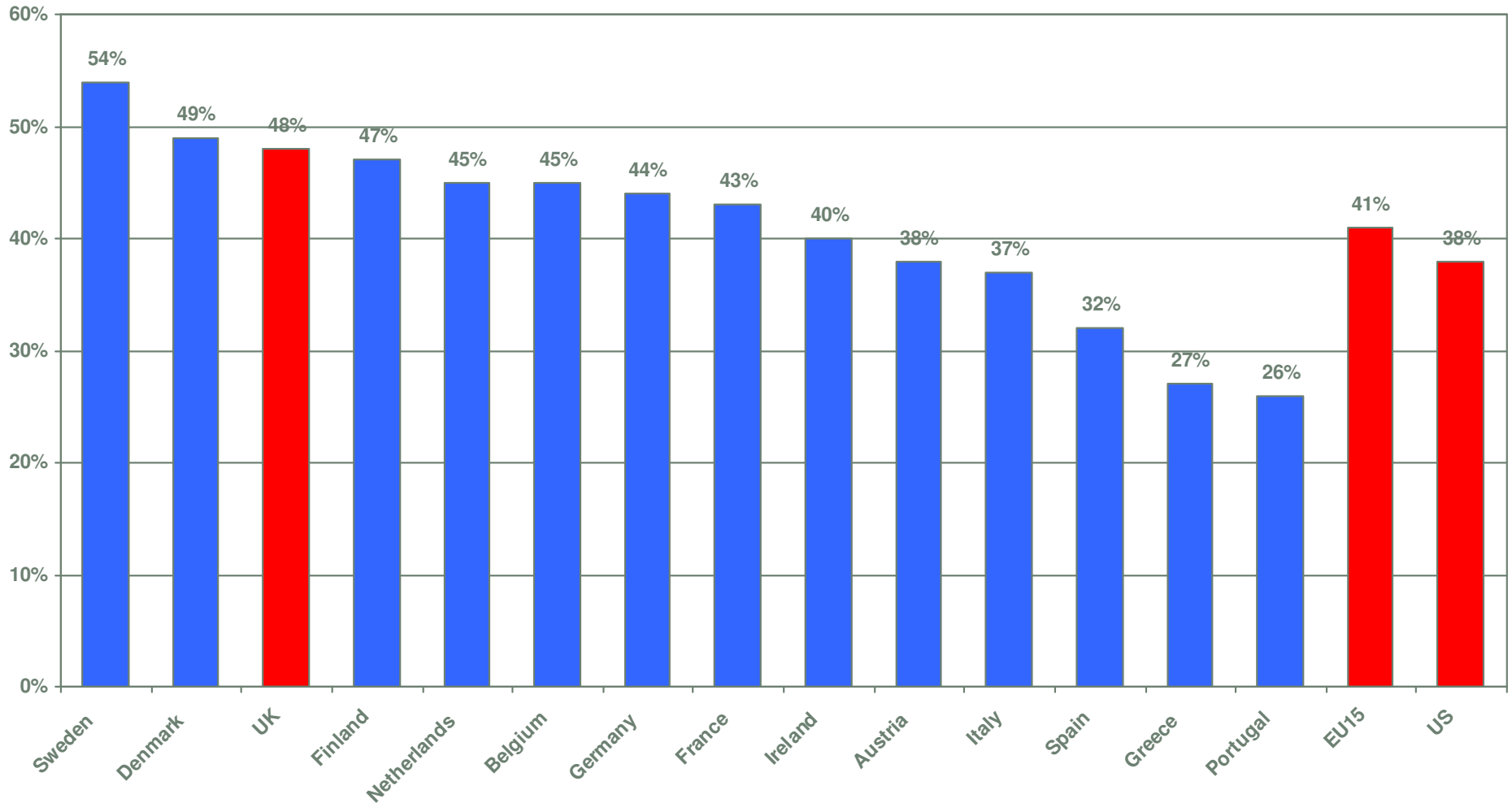
1. How is the economy changing?
2. What does this mean for places?
3. Ideopolis concept
4. Contribution of city suburbs to successful Ideopolises
5. Challenges
6. Priorities for policymakers

How is the economy changing?

Three main trends:

1. Growth of knowledge-based industries
2. Growth of knowledge-based jobs
3. Increased demand for 'experience economy'

Employment in knowledge based industries (2005)



Share of total employment using Eurostat definitions (high to medium tech manufacturing, finance, business services, communications, health, education, cultural services, air and sea travel).

US estimate is Work Foundation estimate for share of employees derived from US Bureau of Labor Statistics from similar industries.

What does this mean for places?

- *“Internationally, cities’ contribution to the national economy (in terms of GDP or income) is greater than their share of the national population, and the contribution of larger urban centres is proportionately greater”*

HM Treasury (2006)

- Places matter more – productivity and consumption benefits
- More knowledge-based industries and jobs make cities more productive
- Managing at the area at which people live, work and consume matters more
- Growth in lower value jobs and challenges around quality of life for all
- Individual paths to success

Ideopolis: Knowledge City-Regions

An Ideopolis is a sustainable knowledge city that drives growth in the wider city-region

Nine drivers of success:

1. Physical knowledge city

- Infrastructure and investment in office and residential accommodation

2. Building on what's there

- Playing to the city's strengths and weaknesses

3. Diverse specialisation

- Diverse industries & specialist niches

4. High skill organisations

- The 'high road' to productivity

5. Vibrant education sector

- Working with universities, investing in schools and FE

Nine Drivers of Knowledge (2)

6. Distinctive 'knowledge city' offer

- 'Offer' for those living, working, investing in the city

7. Leveraging strong connectivity

- Strong communications & transport

8. Strong leadership around knowledge city vision

- Civic and private sector leadership, built on networks

9. Investing in communities

- The challenge of the hourglass economy

Some drivers relevant even if not a knowledge city – but knowledge cities must consider all drivers

Relationships between Ideopolis & Suburbs (1)

- **Inter-relationships between different places are vital**
 - “City centres” – cutting-edge businesses, most employment, “buzz”, leisure and consumption opportunities
 - “Suburbs” – lower cost housing, better public services, safety, proximity to countryside, some employment opportunities, retail and leisure for surrounding area

- **Part of the city region offer**
 - Mobile workers make choices based on employment, then quality of life issues (public services, green spaces, safety)
 - Without employment, difficult to attract these workers
 - Without quality of life, some will choose other places instead

Relationships between Ideopolis & Suburbs (2)

- **Mutually beneficial and dependent**
 - Dual income households rely on employment in suburbs
 - Quality of life and employment offer
 - Different retail offers
- **City regions pushing suburbs up the agenda**
 - Increasingly important that authorities work together at the level at which people live, work and consume

Distinctive contributions, collaborative framework

- **But what is a suburb?**
 - Urban / suburban split is problematic
 - Islington – suburb / inner city?
- **Suburbs matter**
 - Inner city is often preferred but suburbs are where vast majority of people in UK live
 - Need to consider them in detail – not just generalised view
- **Suburbs are diverse**
 - Need clarity about your strengths and weaknesses, what role you play in the city region and what relationships are in place
 - Quality of life / employment
- **City region planning**
 - Some suburbs divorced by boundaries from centre, making planning and leisure difficult

Distinctive contributions, collaborative framework

- **London & South East looks different**
 - London facing significant congestion and affordability challenges – but has high levels of employment
 - Extended network of ‘suburbs’
- **Strength of relationships elsewhere?**
 - Important that other places recognise the strengths of their inter-relationships (building on city region arrangements)
- **Dual identities**
 - Suburbs and places in their own right

Challenges

- **Changing economy can leave people behind**
 - Outdated skills
 - Challenge of migrating people to different types of work
 - Skills gradient in London, Manchester etc.
- **Polarisation & concentration of multiple deprivations**
 - Suburbs face challenges
 - Need to work together to reflect city region demands of employers
- **Affluent commuters, low wage locals**
 - Some areas face high prices because they are attractive to high earners working elsewhere
 - Locals earn lower wages, affordability becomes challenging

Priorities for Policymakers

- **More city region level working**
- **Collaboration within city regions**
 - High skill workers
 - ‘Experience economy’ planning
- **Realistic assessment of suburbs’ distinctive strengths in the city region**
 - What are the inter-relationships?
- **Suburbs should be more self-confident and more pragmatic**