

## **KEY CITIES – COMPREHENSIVE SPENDING REVIEW SUBMISSION**

On behalf of Key Cities, we are pleased to share our submission to the Government's Comprehensive Spending Review.

The Key Cities Group, formed in 2013 and now representing the interests of 21 cities and urban areas in England and Wales, is committed to working with the Government to open up opportunities for inclusive, regional growth and to boost the economic prosperity of the UK overall.

Our submission focuses on what we believe are the key considerations for the UK Government to help drive economic growth as the UK exits the COVID-19 pandemic and realigns its relationship with Europe – and we would be pleased to discuss any of the initiatives outlined below in greater detail if there is an opportunity to do so.

We have a track record of delivery and stand ready to be a willing partner with central government in the recovery process, solving some of the impending economic and societal challenges that our cities, places and communities are facing.

### ***Collaborating to deliver Regional Growth***

Key Cities is supportive of the Government's 'levelling-up' agenda and to ensure funding and initiatives are targeted at places that need it most – and that can demonstrate a strong return on investment – there must be a genuine spirit of collaboration with towns and cities to devise solutions that truly deliver more inclusive places and more inclusive economies.

The economic potential of our cities and places is undeniable – the GVA (gross value added) of the Key Cities increased by 17% between 2013 and 2018, set against a national figure of 19%. If the Key Cities were incentivised to achieve the national average for GVA, they could add a further £28bn to the UK economy by 2023.

Successive governments have heralded Local Growth Deals as a mechanism to drive regional growth. This approach appears to have stalled – and the potential regional landscape following the COVID-19 pandemic necessitates fresh impetus and a willingness to engage directly with cities and places that can identify areas of strategic need.

As such, Key Cities proposes the creation of a Cities and Places Fund that would sit across various government departments and that are driven from the ground up. This approach dovetails with the Government's intentions to allow regional communities to control and direct their own future to meet the needs of their inhabitants. Long term investment – perhaps over five years – would signal the Government's commitment to investment in our cities.

### ***The Future Role of Cities & Places***

Key Cities has been broadly supportive of the Government's £3.6 billion Towns Fund when details were announced last year. However, given the significant shift in landscape, we believe a fundamental review of the existing Towns Fund is required to account for the immediate and longer-term needs of our cities. Key Cities proposes the creation of a Town and City Centre Commission – made up of political and business leaders from across the UK – to develop solutions and initiatives that reflect the changed nature of our society.

## ***Transport***

The Government has recently announced additional funding for local authorities to invest in rapid electric vehicle charging points. This was welcomed by our members but doesn't go far enough in addressing the broader picture.

For electric vehicles specifically, we believe the Government must look again at financial incentives and grants to encourage greater adoption of EVs nationwide. But local authorities have a role to play too. We need more charging infrastructure.

Key Cities believes petrol station-style rapid charging points – that can re-charge up to 24 EVs at a time in a matter of minutes – represents the future of local transport. And so we must re-examine planning regulations to allow local authorities to develop rapid charging points across our cities and places to make EVs a viable proposition.

## ***Advanced Manufacturing***

One sub-sector that is growing in strategic importance is advanced manufacturing, which has been identified as a priority within the Government's Industrial Strategy. Much of the progress made in advanced manufacturing in the UK derives from the Key Cities, including in South Tyneside and Sunderland, in Coventry and in Plymouth for advanced marine manufacturing.

In a post-Brexit landscape, the Government should consider how it could support the long-term prospects and exporting capabilities of the advanced manufacturing sector via a specific sector deal – alongside the one already outlined for the automotive industry – which could include appropriate financial and planning incentives.

The Key Cities can be a primary driver of growth and provide the expertise to make this sector deal a reality as a collaborative partner.

## ***Supporting SMEs***

The total number of SMEs within Key Cities' membership base rose by 8,770 to reach a total of more than 390,000 registered SMEs (defined as companies with 0-249 registered employees). SME growth amongst the Key Cities has been equally impressive over the longer-term, delivering a 27% net increase in SMEs between 2013 and 2019 (Nomis 2019).

We believe the Government must work with all parties – including relevant organisations such as the Federation of Small Businesses and Key Cities – to get SMEs back on their feet and thriving in the years to come. Locally tailored support programmes should be linked to local recovery plans for investment, job creation, linking people to these employment opportunities and ensuring businesses have the skills needed to adapt.

## ***Major Infrastructure Projects***

Key Cities proposes the formation of a National Infrastructure Action Plan, to support clear place based delivery of the Government's proposed Strategy, with direct input from Key Cities, Core Cities, LEPs and other interested groups to ensure local knowledge and priorities are considered carefully.

Key Cities are already delivering a number of strategically important projects that have the potential to deliver long-lasting benefits to business and communities, and we would like to

work directly with central government to discuss the viability of a number of other major infrastructure projects throughout our network of members.