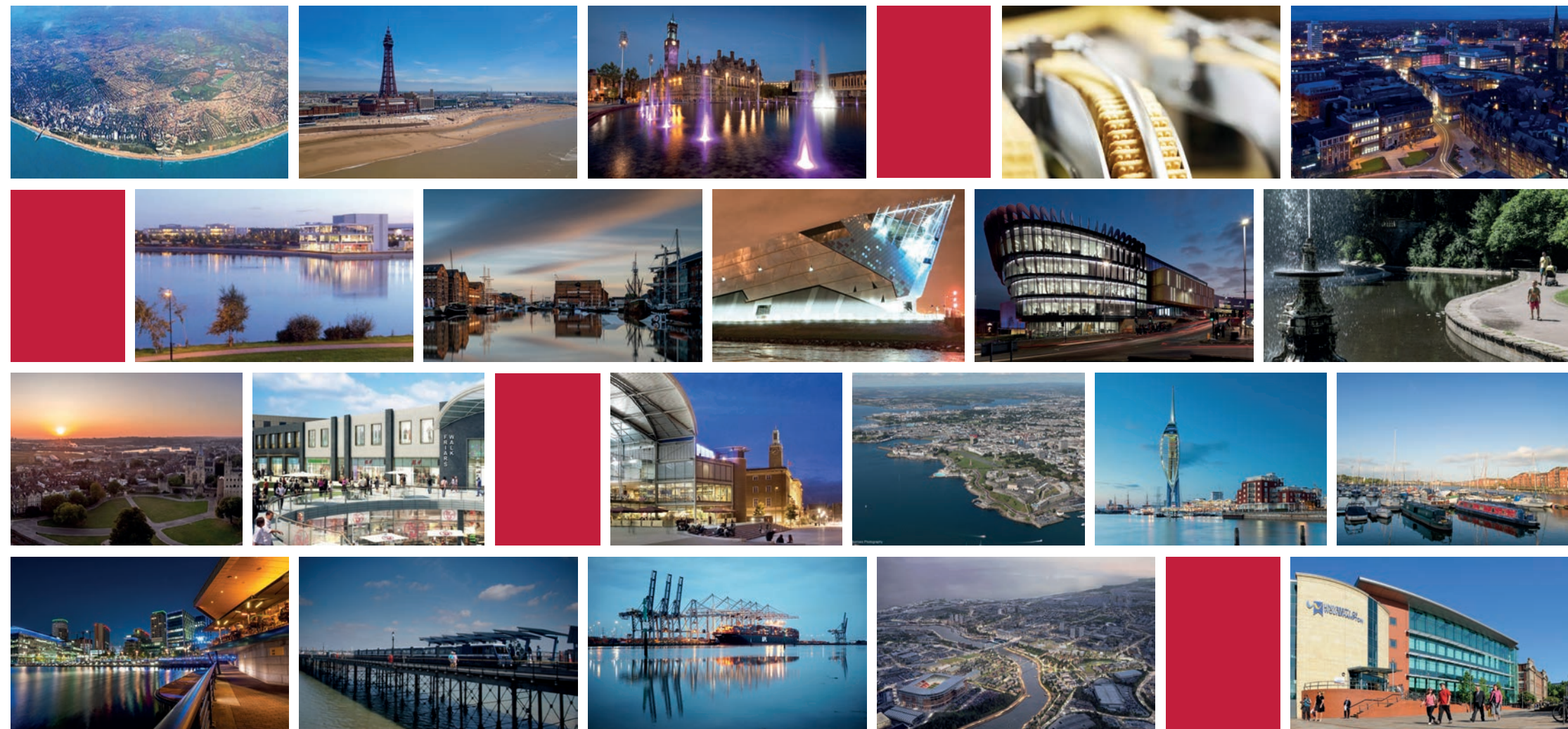


# KEY CITIES **A MANIFESTO**

Outlining opportunities for cities and places across the UK

**KEY**  
**CITIES**  
**UNLOCKING**  
**POTENTIAL**



## OUR KEY CITIES

The UK works best when it works together.

And so, together as Key Cities Group, we will share our knowledge and develop solutions to our problems.

We will become a unified voice and an alliance of shared interests.



## INTRODUCTION

This manifesto outlines the significant opportunities for cities and places across the UK to work together with the Government to drive our economic and social future as the UK exits the COVID-19 pandemic and realigns its relationship with Europe.

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 and other national and regional stakeholders to open up opportunities for inclusive, regional growth and to boost the economic prosperity of the UK overall. Key Cities already deliver 6.68% of the economy, measured by GVA (ONS 2016), provide 2.8m jobs (NOMIS 2018), and welcome 8.4m visitors every year (GBTS 2018).

From business recovery to the future of our town centres and high streets, to infrastructure development and the creation of smart cities and places, and addressing the root causes of the climate

emergency, policy decisions taken in the next 12 months will have wide-reaching consequences for the future direction of the UK and for our cities and towns in the remainder of this century.

This manifesto has been framed in the context of the COVID-19 pandemic, and Key Cities is a natural partner for Government in seeking to level up opportunities, drive economic recovery and redress the striking inequalities that the pandemic and the impact of our response has laid bare.

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.

There are a number of issues that are central to the future prosperity of cities and places that we are already discussing with Government, and these include supporting the culture and tourism sectors

with post-COVID recovery and the future of international trade following Brexit, such as the Government's Freeports initiative.

As a group, Key Cities endorses the UK Government's 'levelling-up' agenda to deliver greater investment and growth for communities and areas of the UK that need it most. In this manifesto, we have outlined potential themes and policies where collaboration between central and local government could deliver tangible, positive outcomes. This includes harnessing our cities as testbeds for initiatives that could be scaled-up UK wide.

We hope this report will be informative and thought-provoking, and we look forward to working closely with the UK government in the months to come.

**Cllr John Merry CBE**  
Deputy City Mayor  
of Salford & Chair  
of Key Cities





**5.48**  
Million

PEOPLE (8.45% OF  
GB POPULATION)



**2.8**  
Million

JOBS AND 171,000  
BUSINESSES



**£115**  
Billion

GVA CONTRIBUTED TO  
NATIONAL ECONOMY



**8.4**  
Million

VISITORS EACH YEAR

## SUMMARY OF KEY CITIES POLICY RECOMMENDATIONS

### Delivering Regional Growth

- A Cities and Places Fund that would sit across various government departments and is driven from the ground up.
- Development of a national framework for how all corners of the UK can adopt a social value culture in local delivery.

### Manufacturing & Ports

- An advanced manufacturing sector deal including appropriate financial and planning incentives.
- The creation of a Freeports working group to include relevant cities as the concept evolves.

### Lending a hand to SMEs

- Greater integration between central and local government to support SMEs and their return to growth.

### The future role of cities and places

- A fundamental review of the existing Towns Fund to account for the immediate and longer-term needs of our cities and places.
- The creation of a Town and City Centre Commission – made up of political and business leaders from across the UK – to propose solutions and initiatives that reflect the changed nature of our society.
- Financial incentives and grants to encourage greater adoption of Electric Vehicles (EVs) nationwide.
- A re-examination of planning regulations to allow local authorities to develop rapid charging points to make EVs a viable proposition.
- Trialling formal flexible working practices with large employers to reduce the immediate strain on road networks and the effects of the climate emergency.

### The UK's regional skills gap

- Comprehensive skills devolution to cities.
- Identification of key cities as testbeds to address automation challenges and to examine potential policy solutions.
- A Future Careers Pilot that forges a partnership between educators and businesses to drive UK productivity.

### Major Infrastructure Projects

- Formation of a national infrastructure action plan to ensure local knowledge and priorities are prioritised.

**PROVIDING OUR  
CITIES WITH MORE  
OPPORTUNITIES**

## COLLABORATING TO DELIVER REGIONAL GROWTH

The Government is committed to a policy of ‘levelling up’ – expanding opportunity and growth throughout the UK, and drawing upon the expertise and regional specialisms to ensure the vitality and prosperity of communities.

It is an approach that Key Cities enthusiastically endorses – this is an aspiration that central government cannot undertake alone. One of the strands that binds Key Cities so strongly is the shared challenges and deep-rooted imbalances that hold back our cities from reaching their potential. 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 Key Cities increased by 17% between 2013 and 2018, set against a national figure of 19%. If Key Cities were incentivised to achieve the national average for GVA, they could add a further £28bn to the UK economy by 2023.

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## SPIRIT OF COLLABORATION

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 is 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 forthcoming Devolution and Local Recovery White Paper would be an opportunity to strengthen the role of cities and places in shaping their own future. Any devolution solution must be done with the consent of local places and with local communities. One size will not fit all.

Groups such as Key Cities should act as conduits, representing the needs of its members directly to Ministers, and ensuring a joined-up approach that benefits all parties.

A locally led approach to recovery is the only way to ensure local communities benefit from the investments being made. The COVID-19 pandemic has demonstrated the importance of community and ensuring that the delivery of services has a broader social, economic and environmental impact on local communities.

Key Cities and its members have pledged to embed social value indicators into its core workstreams, and would like to work with government to outline a **framework for how all corners of the UK can adopt a social value culture in local delivery.** ■

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## LOCALLY LED APPROACH



## THE FUTURE ROLE OF CITIES AND PLACES AND ADDRESSING THE CLIMATE EMERGENCY

The COVID-19 pandemic has brought into sharp focus the urgent need to address pressing climate emergency issues in our cities and places. The purpose and functions of our cities is likely to change irrevocably as businesses and households alter their behaviours and adopt new ways of working and living.

The immediate aftermath of the pandemic provides central and local government with a once in a generation opportunity to reflect and consider the role of cities and places in the 21st Century – an IPSOS-MORI poll shows that 65% of people agree that the post-COVID recovery phase should be sustainable.

In just a short space of time, we've seen town and city centres deserted as non-essential shops closed their doors and working from home became the norm. It remains to be seen how towns and cities – and particularly their high streets – will emerge from the pandemic. But in the meantime, we must learn lessons from the last century, when many cities suffered severe economic and social shocks that left urban centres as ghost towns.

In the long run, we are likely to see greater flexible working, fewer car and public transport journeys into urban centres, a reduced demand for office space and growing consumer preference for online shopping. These changes have profound implications for the purpose and meaning of our urban centres.



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# ONCE IN A GENERATION OPPORTUNITY

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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.

And although we need to ensure the viability and vitality of town and city centres as destinations for work, retail and leisure, there is a delicate balancing act to ensure some of the recent gains such as lower emissions and cleaner air are not wasted. We believe both challenges must be addressed together. ■



#### CASE STUDY

### THE HUDDERSFIELD BLUEPRINT

Kirklees Council has launched The Huddersfield Blueprint – a ten-year £250million vision to create a thriving, modern-day town centre. Built around the Queensgate Market and library buildings, the council's vision for a new Cultural Heart includes a library, art gallery, museum and live music venue in the Piazza and Queensgate area. This would encourage more visitors and will be supported by restaurants, bars, cafes and the Lawrence Batley Theatre.

The plans also look at making access easier through redesigned streets and footpaths as well as greener and cleaner family-focused public spaces around the town. An improved bus station, railway station, a new Kingsgate cinema, a potential new hotel and a refurbished Open Market with food and drink traders introduced, all also form part of this ten-year vision.

## TRANSPORT

The Government should also carefully consider how to reassure and encourage people to use public transport again – particularly as a viable alternative to cars. We have made considerable progress as a nation in the fight against climate change, and such hard victories may be lost due to a lack of public confidence or using alternative modes of transport such as Ubers.

Existing pressures on the bus industry will inevitably hit the most vulnerable communities who are most dependent on this mode of transport. Key Cities believes strongly that a sustainable model for bus networks must be devised as buses remain a central pillar of local transport connectivity, and as a solution to private car use in the majority of our cities and places. Primarily, the Government should extend the Bus Services Operators Grant for both commercial operators and LTAs to at least the end of the calendar year (or as long as social distancing measures are in place).

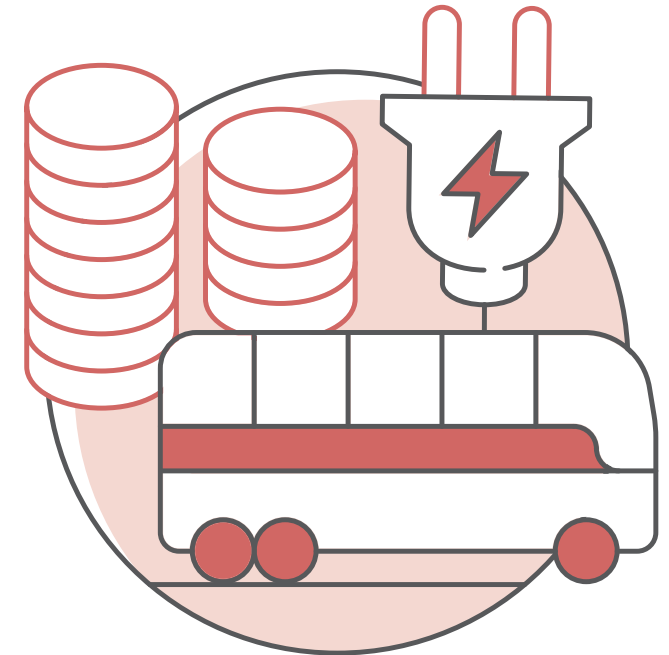
We want to encourage consumers and commuters to switch to greener forms of energy – but that will be challenging when so

many are concerned about their livelihoods and household budgets. We must be bolder.

During the pandemic, the Government 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 (EVs) 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.



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# WE MUST BE BOLDER

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As a Key Cities member, the city of Sunderland has already taken steps individually to grow its rapid charging infrastructure, but greater support and incentives are needed to encourage more local authorities to follow suit.

Evolving the UK's local bus networks and infrastructure is another key piece of the jigsaw – bus networks are the lifeblood of many local communities and regional economies. Many local and regional networks are no longer sustainable. Linked with greater charging infrastructure, electric buses could provide the answer as the long-term financial and green solution for our cities and places.

Key Cities also proposes trialling **formal flexible working practices with large employers** to reduce the immediate strain on road networks and the effects of the climate emergency. Businesses across all sectors have demonstrated the ability to work remotely – and we should consider incentives that will deliver lasting change. ■



#### CASE STUDY

### COVENTRY STATION MASTERPLAN

Coventry Railway Station is a key gateway to the city and on the doorstep of the Friargate development. The Council are leading on the delivery of an £82m programme of improvement works at the railway station to increase capacity and accessibility. With funding awarded from Coventry and Warwickshire LEP Growth Deal and West Midlands Combined Authority,

alongside some Council funding the project will transform the station, creating a second entrance, new footbridge, 633 space multi-storey car park, new transport interchange and associated public realm and highway improvements creating an attractive and modern gateway to support economic growth and sustainable travel.

## RE-ENERGISING OUR HISTORIC INDUSTRIES

The unforeseen financial pressures in 2020 will have a profound and long-lasting impact on the UK's critical historic industries. Righting the ship will not be easy, but Key Cities believes a number of key sectors deserve particular attention in protecting livelihoods and communities – traditional and advanced manufacturing, ports, automotive and transport. We believe the Government should be looking at the Key Cities as places and destinations to prioritise as part of its levelling-up agenda.

Manufacturing remains a core offering of the Key Cities, despite an overall downturn in the sector since 2008. Manufacturing still provides in excess of 252,000 jobs within the Key Cities (Nomis, 2018), with Bradford (27,000), Kirklees (27,000) and Sunderland (21,000) hosting the largest clusters.

For Plymouth, manufacturing provides nearly 14% of the city's employment compared to 9% in the tourism, retail and hospitality sector. Manufacturing is a primary anchor in many of our cities and any further losses in the sector will have a multiplier effect resulting in a significant impact on the economic future of our cities, including for retail and hospitality.

Automotive and other transport & logistical manufacturing have traditionally been the highest performing industries – and these feature prominently within the Key Cities. Sunderland for example is home to Nissan's base of UK operations, whilst Coventry hosts both Jaguar and Aston Martin.

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.

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# LONG- LASTING IMPACT



South Tyneside and Sunderland City Council are progressing with the International Advanced Manufacturing Park (IAMP), the first of its kind nationally that is projected to create 7,000 new jobs across a 150-hectare site, with around 400,000 sqm of commercial space. In addition, Coventry hosts the Manufacturing Technology Centre whilst other Key Cities are heavily involved in advanced 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.

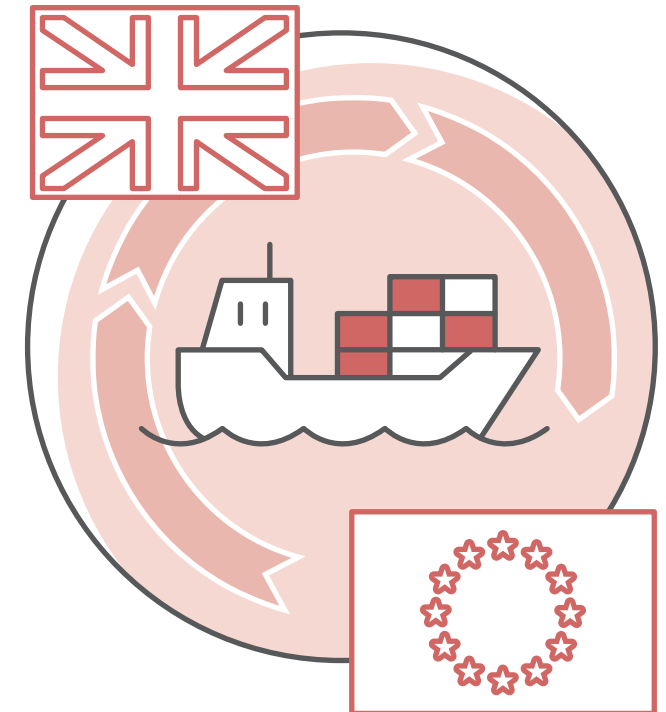
The Key Cities can be a primary driver of growth and provide the expertise to make this sector deal a reality as a collaborative partner.

The ports sector is a major contributor to the Key Cities economies, and post-Brexit, their role is likely to take on even greater significance.

With UK ports handling the vast majority of all international trade (95% in October 2018), their position as a gateway to the UK and the world ensures their strategic position within the UK economy.

Ports – many of whom are Key Cities – are a major employer, home to in excess of 115,000 people, and contribute around £9.7bn to the UK economy. The Port of Southampton is the UK's number one export port, handling £40bn of exports for UK manufacturers every year. Other Key City ports include Hull, Newport, Plymouth, Portsmouth, Sunderland and Poole, all of which offer trading links with countries in Europe and further afield.

Key Cities has been working closely with the Department for International Trade in the development of its much-heralded Freeports initiative. Whilst we endorse the Government's approach and many of our members are interested in exploring Freeport status, there are several significant economic and business considerations and implications that need to be addressed as part of the feasibility assessment of Freeports.



Key Cities proposes the **creation of a Freeports working group** to include relevant cities to ensure the views and expertise of our members are taken into account as the concept evolves. ■

## SUPPORTING OUR CULTURAL INSTITUTIONS

The Government must not lose sight of the importance of cultural investment in cities. Within the Key Cities alone, the arts, entertainment and recreation sectors are home to around 57,000 jobs, delivering an estimated £2bn in GVA annually.

The continued impact of COVID-19 and our response is having a devastating impact on the cultural sector as tourism and visitor numbers fall.

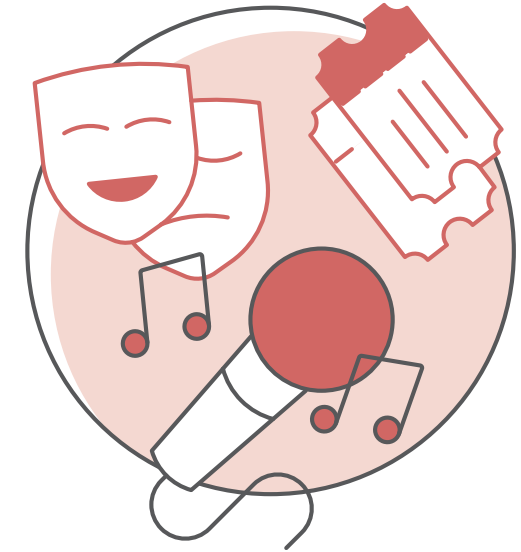
Key Cities was an active partner in the Cultural Cities enquiry alongside Core Cities and the Arts Council, which highlighted the positive impact that culture has on the identity of towns and cities nationwide both economically and within civic society.

The Cultural Cities Enquiry recommended the formation of Cultural Compacts across the country. For example, the Bournemouth, Christchurch and Poole Cultural Compact will link the Cultural Sector across Bournemouth, Christchurch and Poole (BCP) with other sectors like Business, Healthcare and Education.

The BCP Cultural Enquiry was founded in 2019 by an ambitious new consortium of partners – BCP Council, Arts Council England, Arts University Bournemouth, Bournemouth University, Bournemouth Symphony Orchestra, Lighthouse Poole and Dorset Local Enterprise Partnership. It's aim is to shape a shared ambition and collective opportunity for BCP as a place of culture. It has been developed through a 'whole place' process of review, engagement and visioning for culture, looking at how culture currently works across the region and to think about what we should do in the future.

We intend to revisit the Cultural Cities report to develop longer-term thinking on how our cultural sectors are funded. In particular, we believe the existing income model based on income generation is unsustainable, and the challenge for the Cultural Cities partners will be to devise a suitable, alternative approach.

Our cultural institutions act as community hubs, and the voids created if many organisations or physical spaces are no longer financially viable would be a further



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## CULTURAL INVESTMENT IN CITIES

blow to our high streets and town centres damaged by COVID.

We have already written to the Secretary of State to ask central government to work more closely with local partners in formulating solutions to individual and specific challenges brought on via COVID-19. ■

## LENDING A HAND TO SMEs

It's been said that we're a nation of shopkeepers, and SMEs remain the building blocks and the spine of the UK economy – particularly for cities and towns. Key Cities have proven remarkably successful as a home for SME growth.

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).

## GET SMEs BACK ON THEIR FEET

We ask the Government to work with all parties – including relevant organisations such as the Federation of Small Businesses – 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.

As the UK realigns its relationship with Europe and the rest of the world, the Government must cultivate an environment where SMEs will be in a position to demonstrate their agility and take advantage of new trading and growth opportunities.

However, in order to do so, they will require support, guidance and nurturing from central and local government, and the Key Cities provide a conduit to reach a significant grouping of SMEs and deliver greater returns. ■



## BRIDGING THE UK'S REGIONAL SKILLS GAP

The skills agenda must be addressed as a long-term, strategic priority. This was true before the pandemic and takes on a renewed urgency as part of our COVID-19 recovery, which has been exacerbated by widespread insecurities within the job market.

There will be particular re-training needs across many sectors as a result of the labour volatility, and in the medium term, we'd like to see the Government work in partnership with the private and public sectors to address this as well as identifying the skills needed for future jobs and how people can make this transition.

The COVID-19 pandemic has also highlighted the potential for a sizeable number of people and families to consider relocating out of London and the South East to the UK regions, particularly with increasing preferences in working from home. This brings into focus the future role of our towns and places, and in unlocking the role and untapped potential of the UK regions.

The Government's Industrial Strategy highlighted a number of initiatives to help young people develop the skills they need to perform the high-paid, high-skilled jobs of the future, particularly considering the continued onset of automation on the global workforce.

Research from Key Cities has previously examined the potential effects of automation, given a higher share of occupations in their workforce are at risk of automation compared to other parts of the UK – and such a trend will only be exacerbated by the recent pandemic.

Now is the time to seriously **consider comprehensive skills funding devolution**. The current disparity in qualifications across the Key Cities underlines the importance of such a policy shift.

Key Cities of a similar size and make-up have considerable differences in the proportions of their populations that have obtained qualifications at NVQ Level 3 and above. Varying from 39.4% of the population in Wolverhampton to 66.1% in Lancaster (NOMIS 2019).



# UNTAPPED POTENTIAL OF THE UK REGIONS



Key Cities members are well placed to act as **testbeds for such initiatives and to examine potential policy solutions.**

The city of Bradford is proposing a £3m investment into a Skills House venture with DWP, and similar innovative approaches should be considered that can be rolled out across our cities and places.

Key Cities propose to work closely with the Government and LEP Advisory Panels in **developing a Future Skills** Pilot that forges a partnership between educators and businesses to better prepare Key Cities economies to be the innovators that will drive UK productivity.

Relaxing the criteria for the Adult Skills Budget, maintaining flexibility with the Apprenticeship Levy, and links with the new Kickstart programme must be considered to safeguard the future of younger generations in a post-COVID world. Such an approach must help with retraining packages for people who now find themselves unemployed as a result of the impact of the pandemic. This must include support for apprenticeships and for retraining in new growth sectors. ■



#### CASE STUDY

### CITY LEARNING QUARTER, WOLVERHAMPTON

Wolverhampton has plans for a City Learning Quarter, to help tackle inter-generational unemployment and create opportunities for residents through the bringing together of a college campus, adult education facilities and the city's Central Library driving footfall in their city centre. The CLQ will shape the skills of the next

generation, stimulating enterprise and creating tomorrow's start-up entrepreneurs. It will also support skills development and economic growth in new sectors: green economic growth, retrofitting housing and new areas of innovation in digital and construction.

## MAJOR INFRASTRUCTURE PROJECTS

Investment in major infrastructure projects is likely to be a significant factor in the UK's return to growth. The Government has already set out plans to develop a National Infrastructure Strategy and must work with cities and places to ensure a joined-up approach that utilises local expertise and practical knowledge so that funding is directed to the right projects in the right way.

The 2019 Conservative manifesto outlined £100bn of additional infrastructure spending – and in the aftermath of the pandemic, Key Cities would like to collaborate directly with government to inform where this spending could be most effectively allocated.

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. ■

## LONG-LASTING BENEFITS TO BUSINESS AND COMMUNITIES



### CASE STUDY

## INNOVATION PARK MEDWAY

Medway is proposing an Innovation Park to offer up to 101,000sqm of high quality commercial space for high value technology, engineering, advanced manufacturing and knowledge intensive businesses. The project would include infrastructure improvements including new roads, footpaths, cycle paths, and delivery of broadband, utilities and necessary upgrades to accommodate high tech businesses, as well as airport improvements to facilitate the release of land. Delivery of Innovation Park Medway will bring forward circa 3,000 high GVA jobs.



## CASE STUDY

### FORDER VALLEY LINK ROAD, PLYMOUTH

This major infrastructure scheme is one of Plymouth’s biggest ever transport projects involving a one-kilometre Forder Valley Link Road. This will not only reduce journey times and improve traffic flow but will improve bus reliability and offer new and improved pedestrian and cycle facilities. The north of Plymouth is set to grow significantly with 4,300 new homes and a new district development of shops and community, leisure and health facilities planned over the next 15 years.

14,500 trees will be planted as part of the environmental mitigation and a new area of recreational land will also be provided, along with an extension to the nearby local nature reserve, connecting local residents and road users with the natural environment. Plymouth City Council has allocated £52m towards the scheme. £22.56m has been awarded from the Department for Transport Growth Deal and £4.7m from Highways England Growth and Housing Fund.

## CASE STUDY

### REGENERATION OF EAST NORWICH

Norwich has a major opportunity to accelerate the regeneration of East Norwich to create a new high-quality urban quarter. This project will develop a comprehensive Masterplan for this important growth area of the city, enabling the City Council and partners to ensure that the new urban quarter becomes a high-quality addition to the city, providing a base for the long-term growth of Norwich.

The East Norwich development area itself is approximately 50Ha and is comprised of former industrial sites and the recently redundant Carrow Works (the home of Colman’s mustard among other things). This is a nationally significant development area, with the potential to deliver a major extension to the city centre: up to 4,000 new homes and 100,000 sq. metres of new employment space, accommodating up to 6,000 new jobs, and act as a catalyst for regeneration of both East Norwich and the wider city.

Key Cities are a united voice representing 21 cities and towns across England and Wales.

We represent the interests of 5.48m people who live in our cities, and the 171,000 businesses who provide jobs.

We have proven our ability to deliver innovative economic and social programmes, and stand ready to work with Government to deliver a strong future for our residents.

## Contact

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