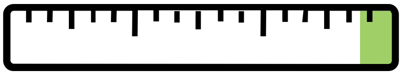
Cities Outlook
2019

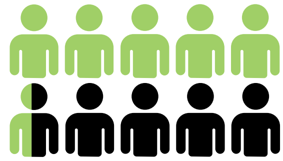
centreforcities

Cities matter to the economy

They make up only a fraction of the UK's landmass **9%**



yet house the majority of the UK's population **54%**



provide **70%** of the most productive jobs

and account for a total economic output of **63%**

But austerity has hit cities hardest

↓74%

Cities have shouldered the highest proportion of all local government cuts

For every person living in a city, this means a spending cut of

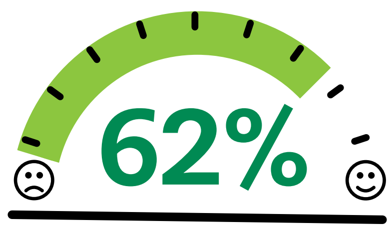
↓£386

compared to a spending cut per non-city dweller of

↓£172

Cities have responded by becoming leaner and more efficient

Despite cuts, public satisfaction with councils in 2018 was relatively high



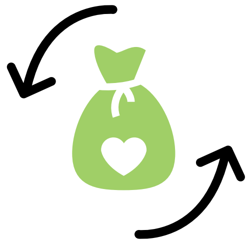
But, simultaneously, demographic changes are driving up demand for services

From 2009/10 to 2017/18, the number of cities spending over half their budget on social care increased eight-fold

For austerity to end, cities need:

1. Fairer funding to ease the pressure on services

2. Social care funding reform to reduce the burden on cities



3. Freedom to raise new funds and decide how to spend them

4. Long-term budgets to provide certainty

This will help cities to strengthen their position as creators of prosperity

"Cities across the country have faced difficult decisions since 2010 with regards to cuts to some local funding. But they have also been able to increase service efficiency, and develop sustainable funding streams of their own.

"Cities Outlook 2019 offers a timely contribution to the evidence and understanding of how UK cities are financed, how this has changed and where both the pinch points and areas of opportunity are. In a critical Spending Review year, this report offers the government advice on what cities should be expecting, as the UK emerges from the age of austerity."

Cllr Ian Gillies, Leader, York City Council

Scotland may often have a different policy landscape to our neighbours to the south but there is enough commonality for us to compare, to share and to learn from each another. Cities Outlook 2019 is a vital part of this.

Amid continuing funding and demand pressures, the need to deliver inclusive growth, where all our citizens share in opportunity and prosperity, is vital.

The Glasgow City Region Deal has been instrumental in delivering these aspirations and the Cities Outlook analysis shows that amidst ongoing austerity cities need to be resilient and their communities empowered if they are to remain successful.

Cllr Susan Aitken, Leader, Glasgow City Council

"The story of cities in recent years is one of resilience and reinvention. We have faced a level of austerity that has hit badly our ability to thrive, but have seen cities such as Newcastle find new ways of securing growth.

"As *Cities Outlook 2019* makes clear, now is the time for Government to back our efforts and ensure cities are recognised as economic powerhouses fuelling the UK economy.

"That means we need a new era of real devolution and an end to the belief in Government that simply taxing local residents more can make up for funding shortfalls, especially when it comes to care services.

"Our message is clear. Hand cities the tools and watch the UK economy flourish."

Cllr Nick Forbes, Leader, Newcastle City Council

"Cities Outlook 2019 examines the continued impact of austerity on UK cities. Cities also face other threats, such as demand for housing, the need for infrastructure investment and pressure on high street retail for example. Cities - like Cardiff - have had to be innovative in securing new sources of finance and play a leading role in ensuring that private investment creates local opportunities and delivers maximum social gain.

"The real potential for growth lies in our cities. Our challenge is to put in place the environment for this to happen. To do this, cities need the powers and flexibilities to deliver on behalf of local people and the UK as a whole. As city leaders, we understand our potential far better than national governments, and it is fundamental to the UK's future success that cities are empowered to deliver."

Cllr Huw Thomas, Leader, Cardiff City Council

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Acknowledgements

All views expressed are those of Centre for Cities.

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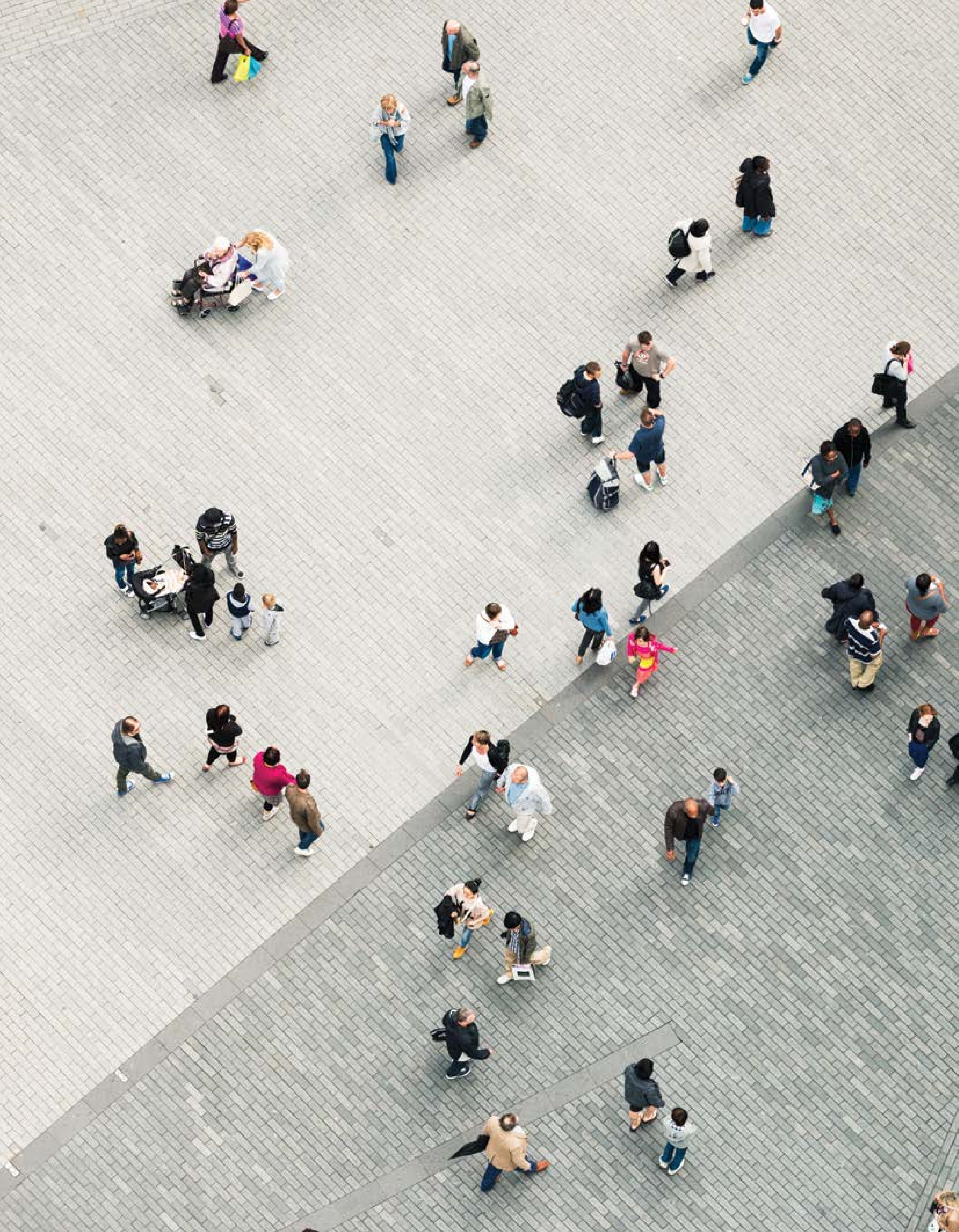
Cities Outlook 2019

The year to re-establish the urban voice



The year to re-establish the urban voice

Brexit has completely dominated politics over the last 12 months. This can't go on if we are to improve the economic opportunities available to people up and down the country.

2018 will not go down as a good year for domestic policy in the UK. Politics has been dominated by Brexit, leaving little parliamentary and civil service time and brain power, and very few newspaper column inches devoted to improving the poor economic performance of certain parts of the country.

The irony is that the focus on Brexit has drowned out any policy that would help improve the economies of those places that voted to leave. The Brexit vote, and the geography of it, sent out a clear message. Sadly in the aftermath those listening have not used it to improve the lives of those who made the call, but instead used it to trigger political jostling and in-fighting in Westminster.

This paralysis has left cities in a difficult position. The very centralised nature of the UK, even after recent moves towards greater devolution, leaves cities with limited tools to get on and improve their economies when central government is absent. The contrast of this to the USA is particularly stark. While American cities have got on with the job of tackling climate change or improving their economies in spite of the goings on in the White House, the lack of freedoms and flexibilities means that such actions aren't as feasible here.

This is compounded by the effect that the paralysis has had on decisions that have an impact on the ability of cities to plan. The devolution agenda has all but stalled since 2016. The social care green paper has been delayed a number of times. And we still have no clarity on what the Shared Prosperity Fund – the fund that will replace EU monies after Brexit – will look like.

Added to this, our recent survey of city leaders revealed that 84 per cent of them did not believe their needs were represented on the national scale, while fewer than a third said they had good relationships with either civil servants or national ministers.[1] No doubt the recent merry-go-round of ministers in cabinet has done little to help this.

The result is that cities are left in limbo. They have some control over policies, but much more limited than their international counterparts. Most feel like they don't have a voice in national government. And they have little clarity on what future funding looks like.

In what little room there has been for political debate on domestic issues, much of this has been framed in terms of 'left behind' places. In recent months left behind has become synonymous with towns, with sections of both the left and the right of the political spectrum suggesting that policy has been too focused in recent years on cities to the detriment of towns.

Any discussion and debate about the geography of the economy is very welcome. Too much discussion is grounded in the concept of the national economy only, when the reality is that the national economy is a catch-all term for many hundreds of economies across the country. But for this discussion to be productive it must take place in the context of how and why the economy concentrates in specific places if it is to help improve the economic opportunity available to people up and down the country.

Cities account for a large part of the economy. Despite covering just 9 per cent of land, British cities account for 54 per cent of the population, 63 per cent of economic output and 71 per cent of knowledge services jobs. This concentration of the UK economy in specific places occurs because of the benefits that cities provide – namely access to lots of workers and proximity to other businesses.

And their role goes beyond direct economic links. Because of their scale, they are able to both support a greater number of specialisms and provide a wider range of services. For example, in terms of specialisms in healthcare and education, 76 per cent of NHS consultants practised in English and Welsh cities in 2018, and 81 per cent of university students studied in British cities in 2013/14 to 2014/15, benefiting residents beyond city boundaries.

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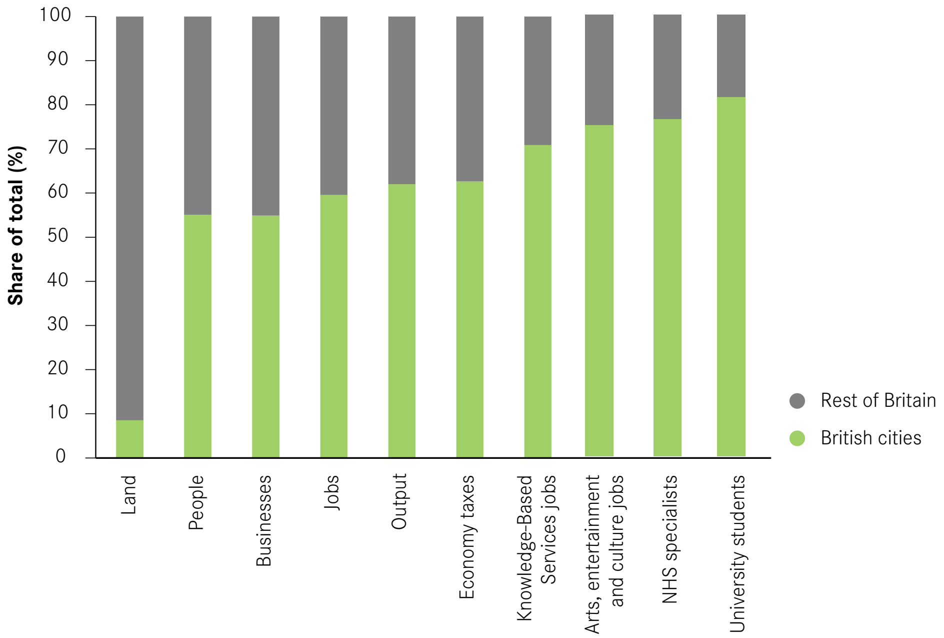
1 Beden R, Ramuni L, Wilcox Z and Arntzen S (2018), Urban Voices: UK City Leaders' Survey 2018, London: Centre for Cities and Arup

Meanwhile because of the size and density of markets that they provide, cities were home to three quarters of all employment in creative arts and entertainment activities in 2017, the activities of which are enjoyed by city dwellers and non-city dwellers alike.

Figure 1:
The contribution of British cities



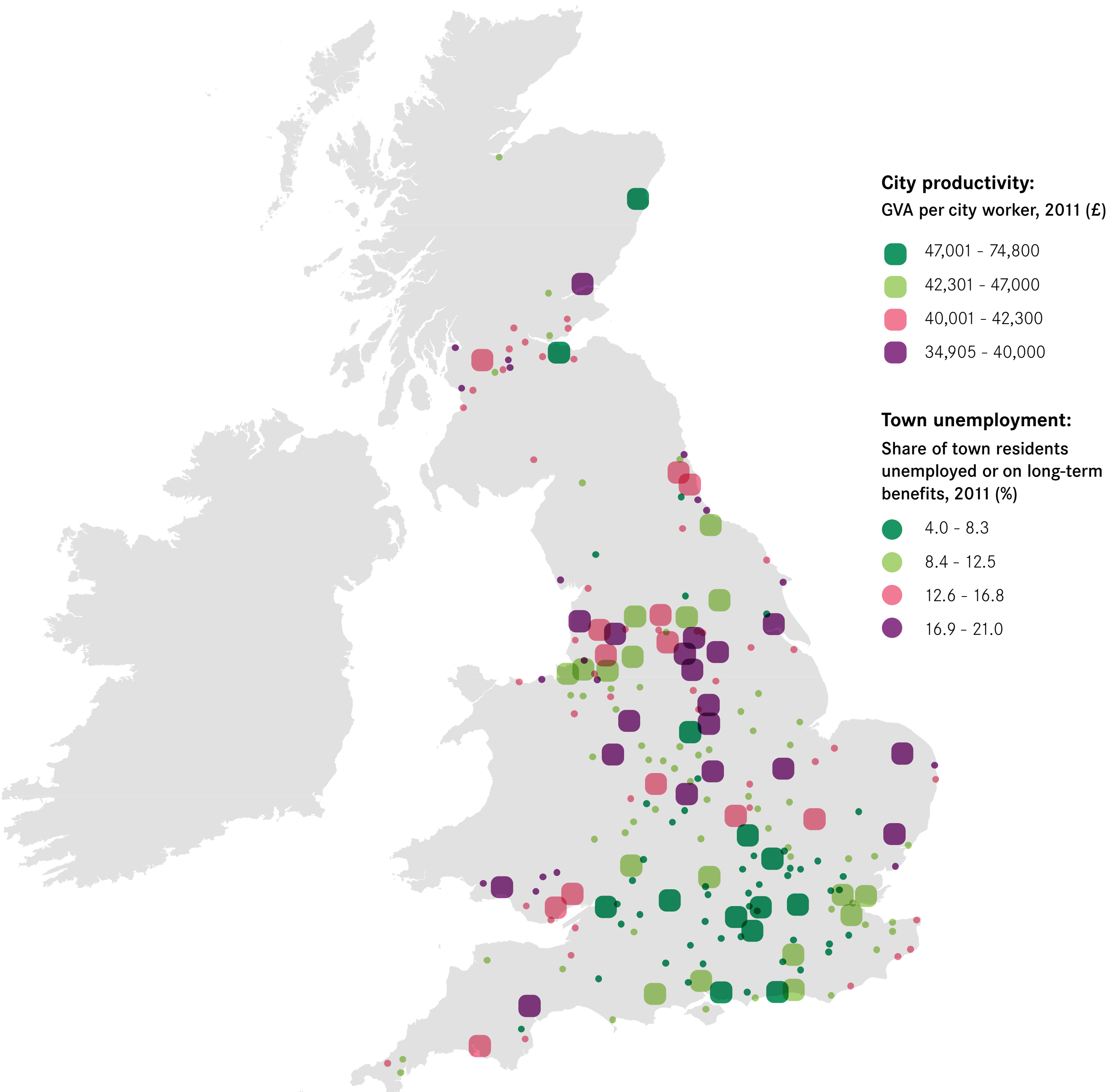
Source: Census 2011; ONS, Mid-year population estimates, 2017 data; ONS, Business demography, 2017 data; ONS: Business register of employment survey, 2017 data; ONS, Regional Value Added (Balanced Approach), 2017 data; Centre for Cities (2015), Mapping Britain's public finances, London: Centre for Cities, 2013/14 data; NHS England, NHS Wales, 2018 data; HESA, 2013/14 and 2014/15 data.

Note: Data on NHS specialists is for England and Wales only

What is crucial within these figures though is that, as Cities Outlook has long shown and contrary to some current opinion, not all cities perform well. Despite their scale, many of the biggest cities punch below their weight. As the Data Monitor chapter shows, cities such as Manchester, Birmingham, Liverpool and Sheffield lag the national average on productivity and a range of other indicators, when they should be leading it.

Figure 2:

The economic performance of cities and employment outcomes of residents in towns, 2011



Source: ONS 2018, Regional Value Added (Balanced Approach), 2017 data. ONS 2018, Business Register and Employment Survey, 2017 data; Census 2011

This is a huge problem for these cities. But it is also bad for the surrounding areas of these cities too. Centre for Cities' research in 2018 showed that on average, employment outcomes for people living in towns located close to successful cities had better outcomes than those located close to poorly performing cities.[2] As shown in Figure 2, those towns close to highly productive cities tend to have fewer residents either unemployed or claiming long-term benefits.

This occurs for two reasons. The most obvious is through commuting links. In total 22 per cent of working people living outside of cities worked in one in 2011, showing that cities play an important role in providing work (and particularly high-skilled work) for those living beyond their borders. Clearly weaker cities are less able to provide these opportunities

The second reason is that cities also influence the ability of surrounding towns to attract in business investment in their own right. Those towns close to successful cities tended to have a higher share of high-skilled businesses located in them, than those close to less successful ones.

To ignore these links, and to ignore the differing roles that different parts of Britain – be they cities, towns or more rural areas – play in the national economy is to misunderstand an important part of how the economy functions. To mistakenly divert policy attention from cities would not only be bad for the city – it would be bad for the surrounding towns too. And crucially, this ultimately would be bad for the national economy.

In or out of the EU, for the UK economy to be more prosperous it needs its cities to make a larger contribution than they currently do. Policies such as city deals and devolution to city regions between 2010 and 2016 were welcome progress. The lull since cannot be allowed to persist - there needs to be a renewed focus on improving the economies of underperforming cities in particular when attention is given to domestic policy once more.

The all-encompassing coverage of Brexit has even diverted attention away from one of the most contentious domestic policies of recent times – public sector austerity. But with the Spending Review looming this year, 2019 cannot be a vacuum for domestic policy in the way that 2018 has been. The next chapter looks at how austerity has played out across cities, and what this means for both the forthcoming Spending Review and Fair Funding Review.

2 Swinney P, McDonald R and Ramuni L (2018), Talk of the Town: The economic links between cities and towns, London: Centre for Cities

Box 1: Defining cities

The analysis undertaken in Cities Outlook compares Primary Urban Areas (PUAs) – a measure of the built-up areas of a city, rather than individual local authority districts or combined authorities. A PUA is the city-level definition first used in the Department for Communities and Local Government's State of the Cities report. The definition was created by Newcastle University and updated in 2016 to reflect changes from the 2011 Census.

The PUA provides a consistent measure to compare concentrations of economic activity across the UK. This makes PUAs distinct from city region or combined authority geographies. You can find the full definitions table and a methodological note on the recent PUA update at this page: **www.centreforcities.org/puas.**

02

A decade of austerity

Which cities have been hit hardest by spending cuts?

Which cities have been hit hardest by austerity?

Austerity does not play out evenly across the country, with cities hit especially hard. The end of austerity must signal both more money and more freedoms for cities.

Prior to Brexit, austerity- the reduction in government spending to bring down the amount the public sector borrows – has been the most politically contentious issue of recent times.

Last October the prime minister announced at the Conservative party conference that austerity is over, bringing to an end the policy of cutting public spending that has been in place since 2010. What exactly this means though will only become clear when departments have their budgets set in the forthcoming Spending Review.

This will be a big moment for local government. It has been hard hit by this period of austerity, shouldering a greater share of the cuts than any other area of public spending. A sustained reprieve from these cuts will be a welcome relief.

In light of both the Spending Review and Fair Funding Review (which will recommend how funding should be allocated across local government), this chapter looks at how cuts to local government budgets have played out across the country. It shows that, despite the high profile coverage of the struggles of county councils in recent years (most notably Northamptonshire), it is actually cities, and especially those in the north of England, that have been hit hardest by austerity.

The combination of cuts to budgets and the increase in demand for social care mean that local authorities in these cities in particular are increasingly becoming the providers of social care only. If they are to continue to play a role as custodians of their places then a change in the amount and structure of funding they receive will need to be addressed in both reviews.

Box 2: Methodology

Making precise comparisons on local government spending is difficult because of both changes to policy and differences across England, Scotland and Wales. Here we present as best as possible comparable figures to build a picture of how austerity has played out across local government.

To do this we follow the methodology set out by the IFS and the National Audit Office in their work on local government finance.[3] The chapter looks at day-to-day spend in areas that local government has final responsibility for (so excludes education, fire and police) and have been the responsibility of local government since 2009/10 (and so excludes public health, which became a local government responsibility in England in 2013) to give a consistent set of estimates.

Unlike previous analysis, this research uses total expenditure, rather than net expenditure (which excludes services that are paid for by charging or by non-central government grant, such as National Lottery grant). This is because this research is primarily interested in the provision of services that residents in an area can access, rather than the financial sustainability of local authorities.

As ever, the definition used for cities is the primary urban area definition. The data presented in what follows is for all local government day-to-day spend in cities. Where a higher local authority has activities in a city, such as a county, an integrated transport authority as was or a combined authority, this spending is apportioned on a population basis.

A more detailed methodology note is available on our website.

3 For example, see Amin Smith N, Phillips D, Simpson P, Eiser D and Trickey (2016), A time for Revolution? British local government finance in the 2010s, London: IFS; National Audit Office (2018), Financial sustainability of local authorities 2018, London: National Audit Office

Box 3: Where does local government get its money from?

There are a number of sources from which local government gets its funding. The main one is grant from central government. It also gets to keep all council tax and a share of business rates raised within each authority's area. And it also earns money from income from 'external trading' such as rents from property it owns. Together these streams cover 'net expenditure'. Each authority must balance its spending with income each year, and either builds up or draws down its reserves if they are not aligned.

Two other sources of income are used to pay for additional service provision. One is money from charging for services, such as use of local authority owned leisure centres or theatres. And the other is grant from non-central government bodies, such as the NHS or the National Lottery. Adding these two sources to net expenditure gives total expenditure spent on day-to-day services in an authority.

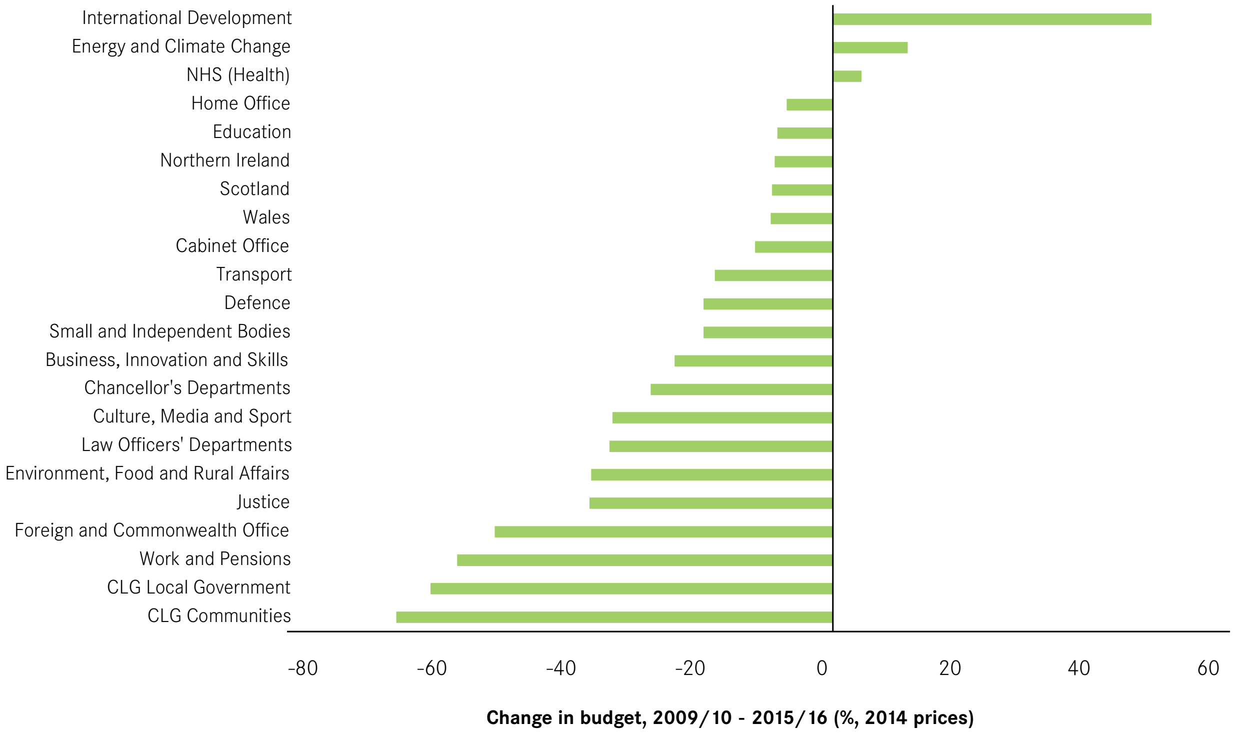
Local government, particularly in urban areas, has been hardest hit by austerity

The period of austerity brought about by the financial crisis at the end of the last decade has not been equally shared out across government. As Figure 3 shows, it has been local government in England that has borne the biggest burden, with its budget being cut by more than half between its peak in 2009/10 and 2015/16.[4]

Reflecting the variation across government departments, there has also been a great deal of variation within local government as to the severity of these cuts. Looking at how these cuts to government funding have translated through to spending on day-to-day services shows that cities have tended to see the deepest cuts. As a whole, there has been a 18 per cent fall in the day-to-day spending by local government in cities between 2009/10 and 2017/18, compared to a 9 per cent fall elsewhere.

4 Consistent data is not made available for the period 2009/10 to 2017/18.

Figure 3:
Spending changes by department, 2009/10-2015/16



Source: PESA 2014, Table 1.11

This meant that British cities – home to 55 per cent of the population – have shouldered 74 per cent of the total cuts to local government's day-to-day spending. On a per capita basis, this equates to cuts of £386 per person in cities compared to £172 per person elsewhere in Britain.

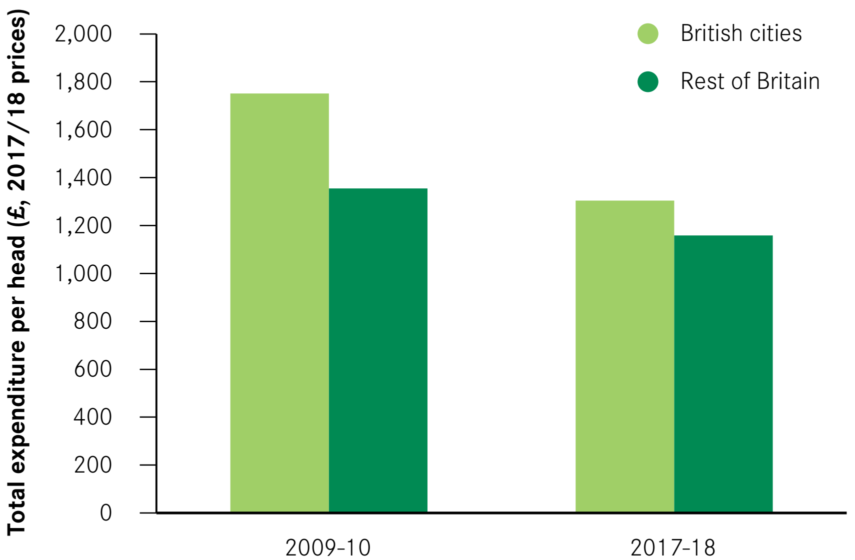
The result is that while spending in cities was much higher than elsewhere in 2009/10 (£1,659 per person in cities compared to £1,293 elsewhere), it is now very similar (£1,273 in the former compared to £1,121 in the latter, see Figure 4). This is despite need on average being higher in cities than in non-urban authorities, as discussed in Box 4.

Box 4: Levels of need in cities

Estimating need is not a straightforward task. What we do know is that poorer households tend to be more reliant on public services,[5] and that these poorer households are concentrated in cities. For example, 62 per cent of people in social housing live in British cities; 62 per cent of people claiming unemployment benefit live in UK cities; and four-fifths of people living in the 10 per cent most deprived areas of England are in cities. By comparison, of the 10 per cent least deprived communities, just 40 per cent of residents live in cities.

Figure 4:

Change in total spending on a per capita basis, 2009/10-2017/18 (2017/18 prices)



Source: MHCLG, Local authority revenue expenditure and financing England; Scottish Government, Local Government Financial Statistics; Welsh Government, Revenue budget (RA) data collection

5 Hastings A, Bailey N, Bramley G, Gannon M and Watkins D (2015), The cost of the cuts: the impact on local government and poorer communities, York: Joseph Rowntree Foundation

Northern English cities have been hardest hit by austerity

Cities in the north of England were much harder hit than those elsewhere in Britain (see Figure 5). Seven of the 10 cities with the largest cuts are in the North East, North West or Yorkshire, and on average northern cities saw a cut of 20 per cent to their spending. This contrasted to a cut of 9 per cent for cities in the East, South East and South West (excluding London).

Barnsley has been the city hardest hit by austerity on this measure, with a reduction of 40 per cent in its day-to-day spending on services. This was a fall of around £145 million, which equated to a cut of £688 for every resident in the city.

On a per capita basis, Liverpool has seen the largest cut. Its £441 million reduction in spending equates to £816 fall for every resident in the city.

In terms of absolute cuts, London has been by far the hardest hit. The capital has had a total of £3.9 billion removed from services spending. This meant that London accounted for 30 per cent of all cuts in Britain, despite accounting for 16 per cent of the population.

Not all cities have seen reductions in spending. Two cities – Oxford and Luton – have seen increases in overall spending. These cities have seen a real terms increase of 15 per cent and 21 per cent respectively in their day-to-day spending.[6]

Cuts have been achieved mainly through services that councils aren’t legally obliged to deliver

Services that local authorities do not have to deliver by law have mostly been hit by the cuts. As Figure 6 shows, services such as planning, libraries and culture activities have seen the deepest cuts in cities and non-urban areas alike, with spending on planning and development falling by 41 per cent in urban areas. Meanwhile, children’s and adult social care, both being statutory services, have been relatively protected. This is especially the case outside of cities, which have seen an increase in spending in this area.

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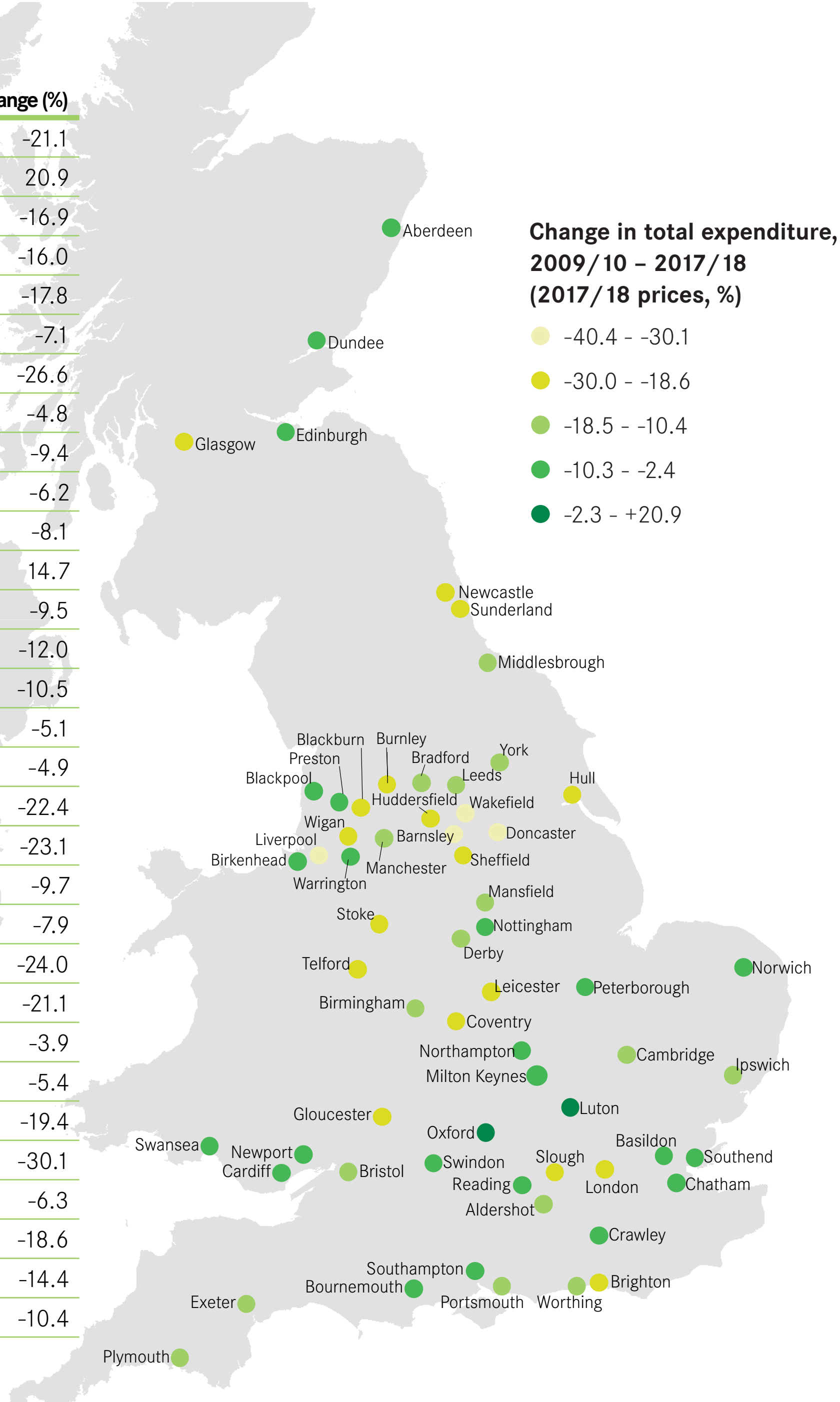
6 In Luton the main reasons for this overall increase have been increases in spend on social care and on homelessness. In Oxford however, the data does not give a clear explanation for the main drivers of this increase in spend.

Figure 5:

Change in total spending, 2009/10-2017/18 (2017/18 prices)

City	Change (%)	City	Change (%)
Aberdeen	-2.4	London	-21.1
Aldershot	-13.5	Luton	20.9
Barnsley	-40.4	Manchester	-16.9
Basildon	-3.7	Mansfield	-16.0
Birkenhead	-9.5	Middlesbrough	-17.8
Birmingham	-13.1	Milton Keynes	-7.1
Blackburn	-26.7	Newcastle	-26.6
Blackpool	-3.3	Newport	-4.8
Bournemouth	-2.5	Northampton	-9.4
Bradford	-16.2	Norwich	-6.2
Brighton	-22.4	Nottingham	-8.1
Bristol	-15.3	Oxford	14.7
Burnley	-22.6	Peterborough	-9.5
Cambridge	-12.5	Plymouth	-12.0
Cardiff	-5.5	Portsmouth	-10.5
Chatham	-9.0	Preston	-5.1
Coventry	-19.5	Reading	-4.9
Crawley	-5.4	Sheffield	-22.4
Derby	-12.0	Slough	-23.1
Doncaster	-30.6	Southampton	-9.7
Dundee	-2.8	Southend	-7.9
Edinburgh	-8.8	Stoke	-24.0
Exeter	-16.8	Sunderland	-21.1
Glasgow	-23.3	Swansea	-3.9
Gloucester	-23.4	Swindon	-5.4
Huddersfield	-23.0	Telford	-19.4
Hull	-23.1	Wakefield	-30.1
Ipswich	-17.8	Warrington	-6.3
Leeds	-12.2	Wigan	-18.6
Leicester	-21.3	Worthing	-14.4
Liverpool	-31.8	York	-10.4
Great Britain	-14.3		

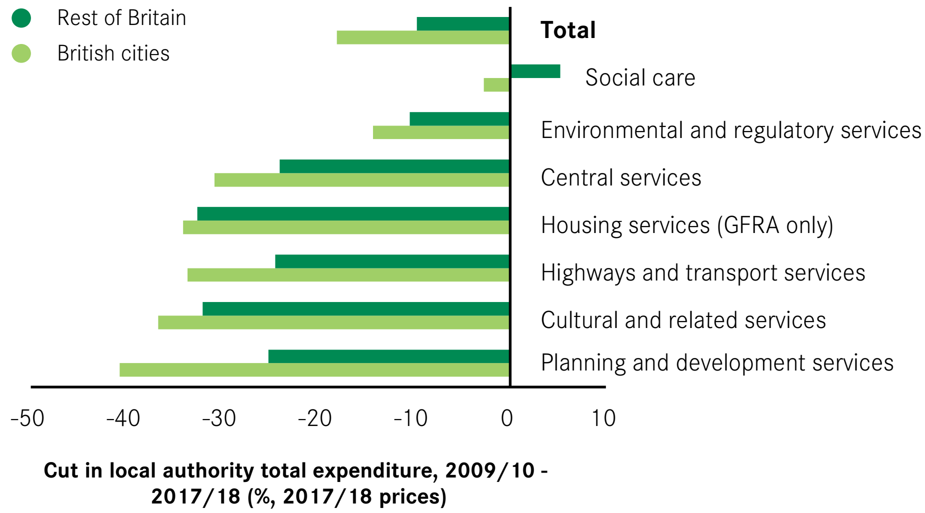


Source: MHCLG, Local authority revenue expenditure and financing England; Scottish Government, Local Government Financial Statistics; Welsh Government, Revenue budget (RA) data collection

Note: Figures for Scottish cities are for 2009/10-2016/17 as data for 2017/18 is not yet available.
For consistency, this data excludes RECS spending, which was included in data for 2009/10 but not for other years.

Figure 6:

Change in total spending on different areas in British cities and elsewhere in Britain, 2009/10-17/18 (2017/18 prices)



Source: MHCLG, Local authority revenue expenditure and financing England; Scottish Government, Local Government Financial Statistics; Welsh Government, Revenue budget (RA) data collection

Note: This figure includes RECS spending. While it is possible to remove this figure from total spending, no breakdown is given across service lines.

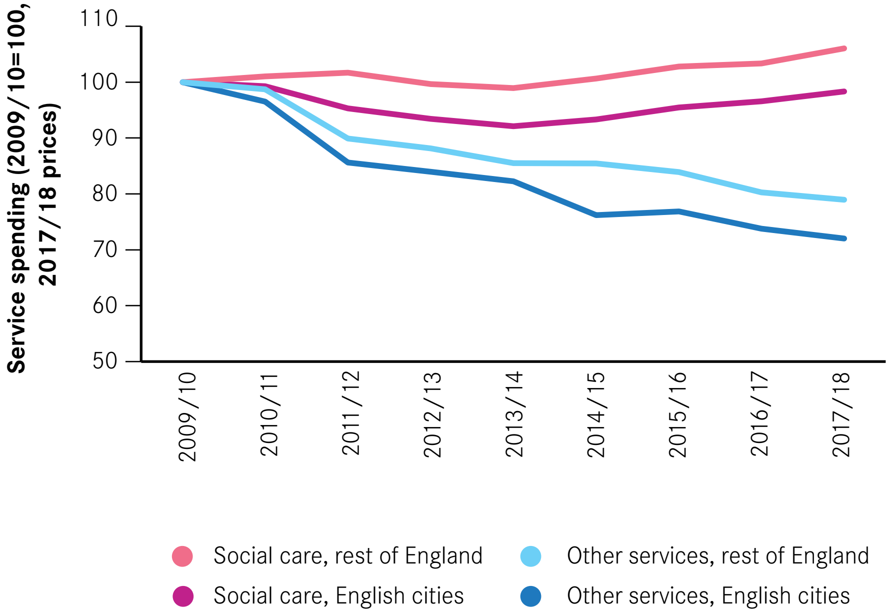
Reflecting the larger cuts overall, cuts across service areas have been deeper in cities than elsewhere. As Figure 7 shows, this has meant that cuts to all spending areas minus social care have been deeper in English cities. Street cleaning and economic development are two areas that have fallen particularly in urban areas. Street cleaning spending is down 30 per cent in cities (compared to 18 per cent elsewhere), while economic development spending is down 43 per cent (compared to 24 per cent elsewhere).

This means that social care has taken up a growing share of overall spending, rising from 38 per cent of spending in cities in 2009/10 to 46 per cent in 2017/18. At the start of the period four cities spent more than half of their budgets on social care. By 2017/18 half of all cities did so.

At 62 per cent, Barnsley committed the largest share of its overall spend to social care. It also saw the largest increase in the share of its budget being spent on social care, rising 20 percentage points. As Figure 8 shows, reflecting the cuts to overall budgets, it has tended to be cities outside of the Greater South East where social care has made up the largest increases in overall budgets.

Figure 7:

Change in spending on social care and other services in England since 2009/10 (2017/18 prices)



Source: MHCLG, Local authority revenue expenditure and financing England

These increases are concerning given both the current state of social care and the likely future increase in demand for it. The National Audit Office notes that there have been significant increases in the demand for social care in recent years, both in terms of the number of children in local authority care and over 65s requiring support.[7] In their Performance Tracker, the Institute for Government and CIPFA identify social care alongside prisons and neighbourhood services as the service that it has the biggest concern over future performance due to both further increases in demand and the ability to make future efficiency savings.[8]

This in turn raises important questions about the future role of local authorities in a city. Are they primarily to be providers of social care? Or are they also the shapers and custodians of their place?

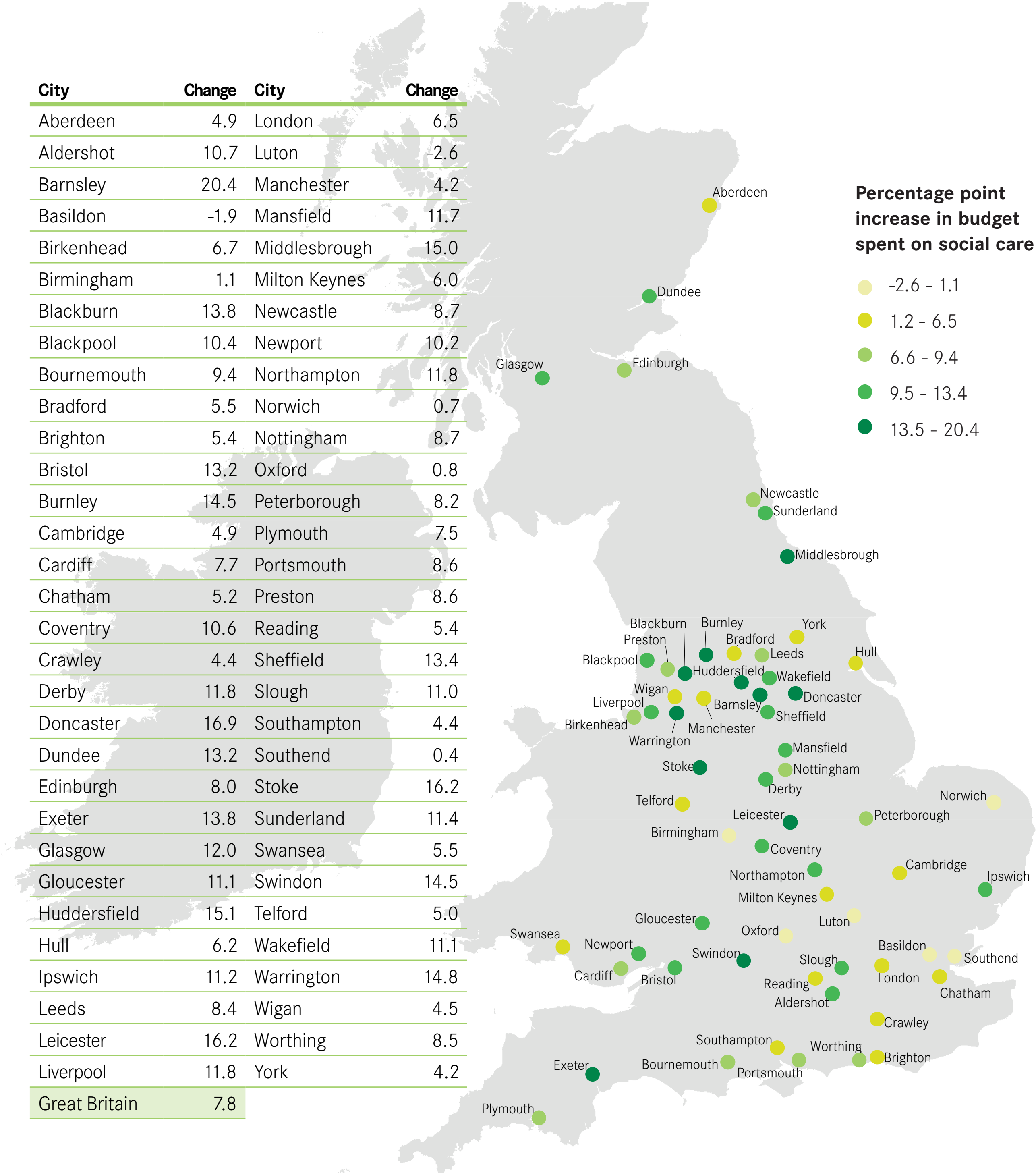
7 National Audit Office (2018), Financial sustainability of local authorities 2018, London: National Audit Office

8 Institute for Government and CIPFA (2018), Performance Tracker 2018, London: Institute for Government

Figure 8:

Change in social care spending, 2009-10 - 2017/18

City	Change	City	Change
Aberdeen	4.9	London	6.5
Aldershot	10.7	Luton	-2.6
Barnsley	20.4	Manchester	4.2
Basildon	-1.9	Mansfield	11.7
Birkenhead	6.7	Middlesbrough	15.0
Birmingham	1.1	Milton Keynes	6.0
Blackburn	13.8	Newcastle	8.7
Blackpool	10.4	Newport	10.2
Bournemouth	9.4	Northampton	11.8
Bradford	5.5	Norwich	0.7
Brighton	5.4	Nottingham	8.7
Bristol	13.2	Oxford	0.8
Burnley	14.5	Peterborough	8.2
Cambridge	4.9	Plymouth	7.5
Cardiff	7.7	Portsmouth	8.6
Chatham	5.2	Preston	8.6
Coventry	10.6	Reading	5.4
Crawley	4.4	Sheffield	13.4
Derby	11.8	Slough	11.0
Doncaster	16.9	Southampton	4.4
Dundee	13.2	Southend	0.4
Edinburgh	8.0	Stoke	16.2
Exeter	13.8	Sunderland	11.4
Glasgow	12.0	Swansea	5.5
Gloucester	11.1	Swindon	14.5
Huddersfield	15.1	Telford	5.0
Hull	6.2	Wakefield	11.1
Ipswich	11.2	Warrington	14.8
Leeds	8.4	Wigan	4.5
Leicester	16.2	Worthing	8.5
Liverpool	11.8	York	4.2
Great Britain	7.8		



Source: MHCLG, Local authority revenue expenditure and financing England;Scottish Government, Local Government Financial Statistics; Welsh Government, Revenue budget (RA) data collection

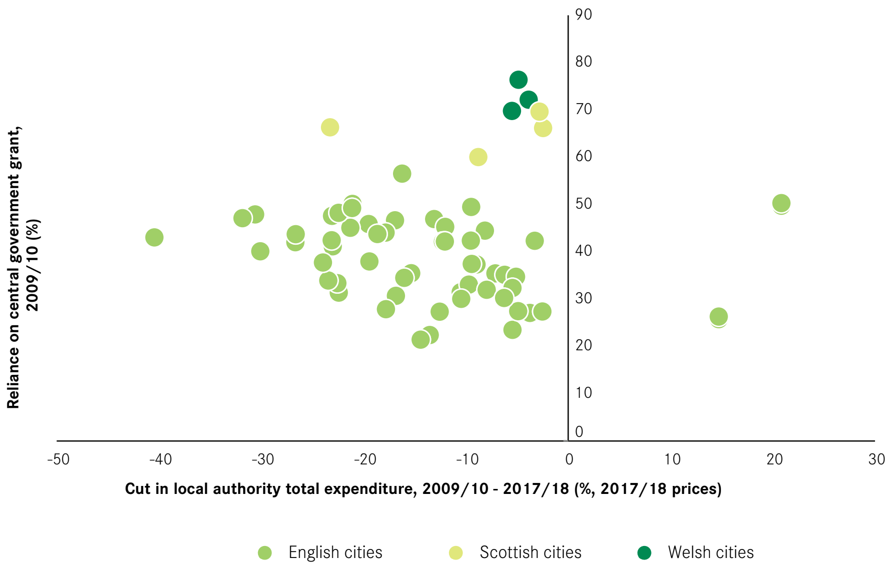
Cities most reliant on grant have seen the largest cuts to this grant

The main driver of the cuts to local government spending has been cuts to central government grant. How these cuts have been implemented has shaped the geography of spending cuts set out above.

When austerity measures were first introduced, the cuts to the main grant in England were broadly similar in percentage terms across all local authorities. But the varying dependence on grants of different authorities meant that these cuts played out very differently across the country. This is because a 10 per cent cut to Hull, say, where around half of its income came from grant, is a much larger cut to overall income than a 10 per cent cut in Worthing, where around a fifth of income came from grant. Added to this, a number of specific grants were scrapped completely in England. One example is area based grants, of which 65 per cent were given to cities in 2009/10.

Figure 9:

Reliance on grants and change in public spending



Source: MHCLG, Local authority revenue expenditure and financing England; Scottish Government, Local Government Financial Statistics; Welsh Government, Revenue outturn (RO) data collection

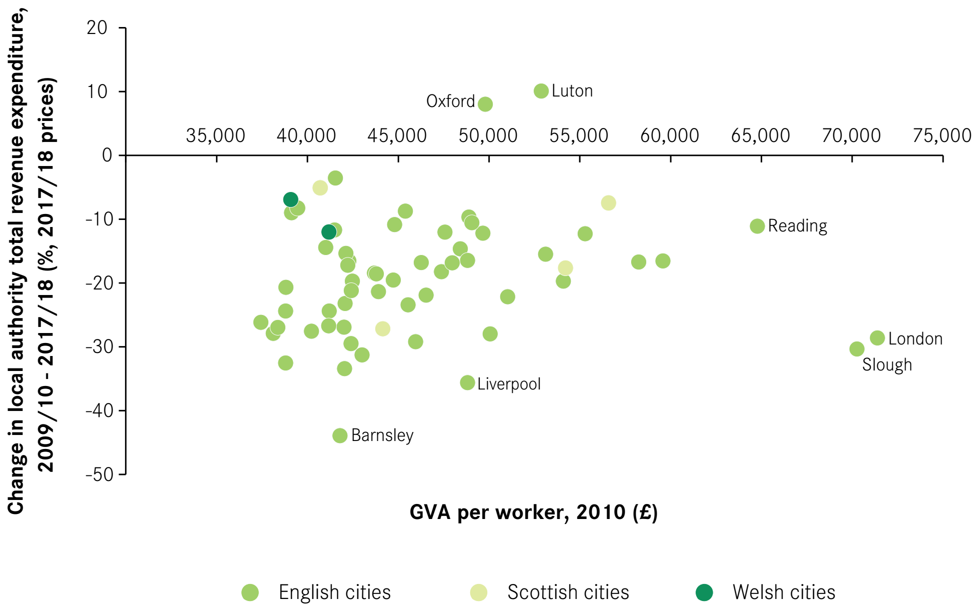
As Figure 9 shows, the outcome was that those English cities most reliant on grant saw the largest cuts in their spending. This resulted from their higher spending requirements which was due to the make-up of their resident populations and their more limited ability to raise money locally through council tax and charging for services. A change in approach since 2016/17 has partially addressed this, and there is now much less of a link between dependence on government grant and spending cuts. But this has not reversed the unequal cuts applied between 2009/10 and 2014/15. In Scotland and Wales reforms to local government finance have been more limited, which explains why cuts in grants have been relatively moderate.

As well as cutting grant, the government has also shifted the way that local government is funded through the part localisation of business rates. While this has in no way offset the scale of cuts imposed, it does reduce local authorities' reliance on central government grant and allows them to grow their incomes by increasing the size of their economies. In Scotland and Wales, local authorities are still considerably more reliant on grants than their English counterparts. As seen in Figure 9, this was the case in 2009/10, and because no major reform to local finance has been implemented since then, grants still account for more than two thirds of local government revenues.

Enabling authorities to benefit from the growth in their areas is a positive move. But the shift to larger shares of income being generated locally does pose a particular challenge for those places that have weaker economies and so are likely to struggle to expand their tax base to offset decreases in grant. As Figure 10 shows, with the exception of London and Slough, those English cities with the weakest economies in 2010 are the ones that have seen the largest reduction in spending. This suggests that those cities that have seen the largest cuts to their grant are least able to offset this through economic growth.

Figure 10:

Economic performance and change in total spending



Source: MHCLG, Local authority revenue expenditure and financing England; Scottish Government, Local Government Financial Statistics; Welsh Government, Revenue outturn (RO) data collection

How cities have responded to cuts in grant

Central government revenue support isn't the only source of income for local authorities, and they have responded in three main ways to these cuts – through changing taxes, drawing down their levels of reserves, and becoming more entrepreneurial.

1. Government restrictions have constrained council tax rises

The first way to offset grant cuts is to increase the size of the local tax base. In terms of council tax, there are two ways cities can do this – by increasing council tax rates, and by increasing the number of homes in their area.

But councils have been restricted from increasing council tax bills by central government. This has taken three forms:

- Encouraging council tax freezes. In England this took the form of offering those setting a freeze extra grant, which was in place between 2011/12 and 2015/16. In Scotland bills have been frozen since 2008/09, but there has been no freeze in Wales.
- In England, limiting the increases in council tax unless approved via a local referendum. From 2012, councils could only increase council tax by more than 2 per cent (in cash terms) if this increase was approved via a referendum. This has since been increased to 3 per cent, with an additional 3 per cent levy to pay for social care now also permitted. Only one authority – the Bedfordshire Police and Crime Commissioner – has actually run such a referendum, in which the tax increase was rejected.[9]
- Reforms to council tax relief, which abolished Council Tax Benefit and devolved the decisions about how to give support to low income families to councils through the new Council Tax Support grant. The impact of this has been to reduce council tax take.

Some have been able to increase their council tax base as a result of house building. Reflecting differences in demand for new homes across the country, there is a clear geography to this (see Figure 11). Cambridge leads this list, with a growth of 15 per cent in the number of taxable homes. And eight of the top 10 are in the south of England.

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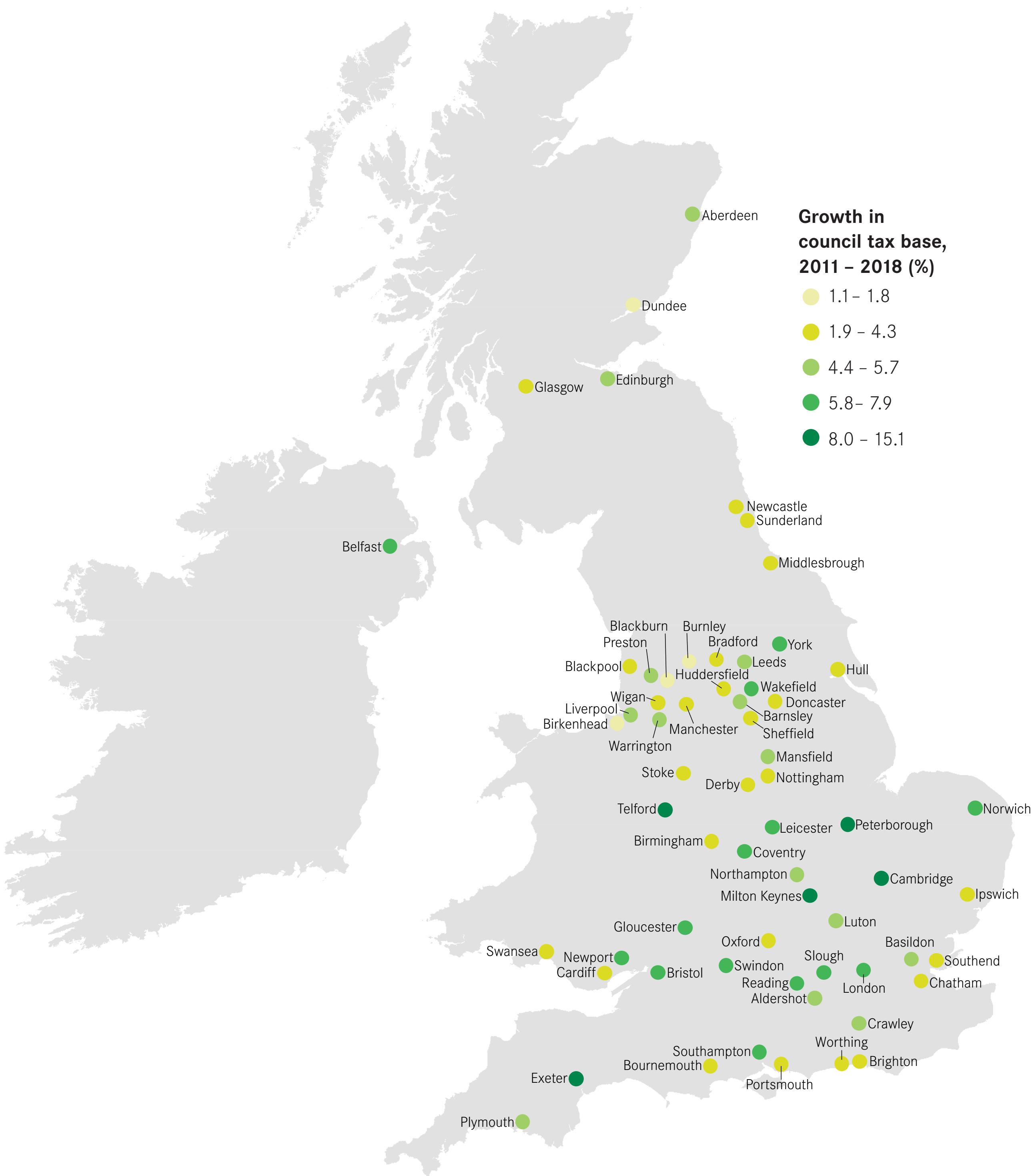
9 Sandford M (2018) Council tax: local referendums, London: House of Commons Library

Figure 11:
Growth in the council tax base, 2011-18

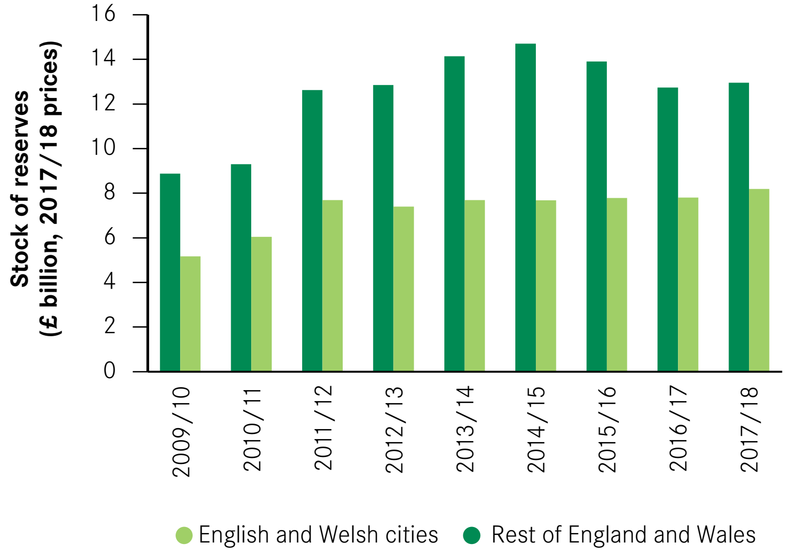


Source: VOA, Council Tax Stock of Property; VOA, Council Tax Valuation List: Summary; National Records of Scotland, Dwellings by Council Tax Band

2. Councils have increased reserves, removing more money from the system

It may be expected that cuts to grant would lead to authorities using their reserves to cover any shortfall that results. But there is no clear pattern of this happening, and overall there has been an increase in the amount of reserves that local authorities hold.

Figure 12:
Change in reserves 2009/10-17/18 (2017/18 prices)



Source: MHCLG, Local authority revenue expenditure and financing England; Welsh Government, Revenue budget (RA) data collection

Note: Comparable Scottish data not available.

As Figure 12 shows, between 2009/10 and 2014/15, there was a sharp increase in the reserves held by urban and non-urban authorities alike in the expectation that these reserves would be needed to supplement spending in the future.[10] These reserves did begin to be used up between 2014/15 and 2016/17, but they have once again increased more recently and are expected to continue to increase in the coming years.[11]

There is a great deal of variation across English cities within this. Milton Keynes and Coventry have seen the greatest increases in reserves, more than tripling them over the period. But six cities - Bournemouth, Brighton, Chatham, Hull, Stoke and Sunderland - have actually drawn down their reserves. In Chatham

10 National Audit Office (2018), Financial sustainability of local authorities 2018, London: National Audit Office

11 Councils plan reserves increase post-Budget, The MJ, 1st November 2018 and Hull's case in particular this leaves them little cushion against further cuts. Their reserves as a share of total expenditure in 2017/18 were just 6 and 8 per cent respectively – the lowest of any English city.

There is an argument that local authorities as a group have been too cautious in safeguarding reserves, and they should have instead in part been used to fund service spending. But there are two things to note here though. The first is that spending reserves is not a sustainable way of sustaining services as it is not an on-going revenue stream – they will run out. For the majority of cities, the reserves they hold are less than half of their authorities' spend in 2017/18.

Secondly, this behaviour is the result of a system that sets one year budgets for local authorities and requires them to balance the books each year. This reduces the flexibility that authorities have to manage their budgets and encourages the accumulation of reserves to guard against not being able to balance the books in the future.

3. Some councils have become more entrepreneurial

In response to both the cuts in grant and constraints on the ability to increase council tax, a number of councils have turned to raising money by other means.

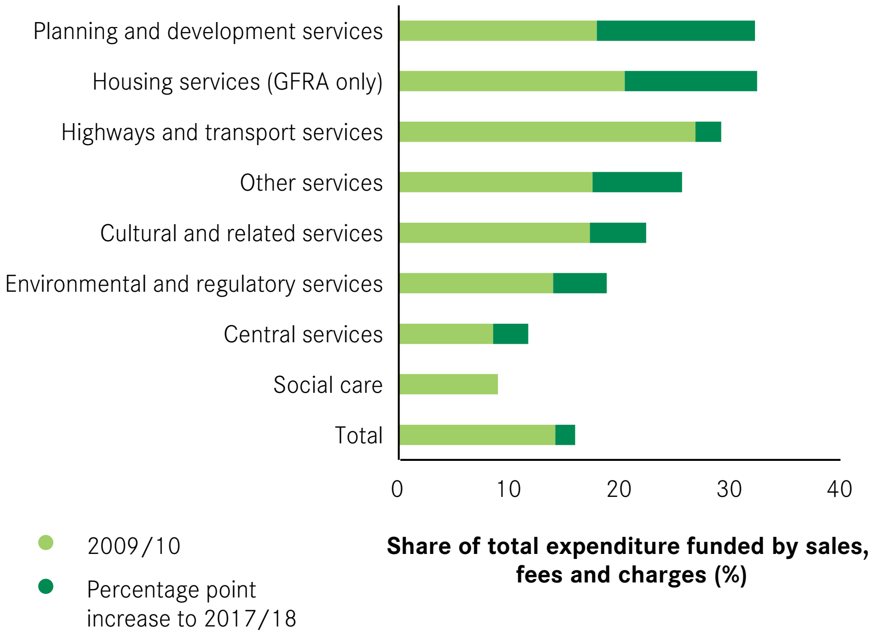
One way has been through profit earned from companies owned by councils, which has increased from £86 million in England in 2009 to £412 million in 2017/18. Just over 70 per cent of this increase was from city authorities. Another has been property investment, with a number of cities converting cheap borrowing from the Public Works Loan Board into a revenue stream from the investment. Income from investments rose by £290 million to £1.2 billion in 2017/18. All of this growth was a result of the activities of city authorities.

This growth has been relatively modest though in light of the cuts to funding. Combined these increases equated to around 5 per cent of the cuts to total spending that English local authorities have implemented since 2009/10. Box 5 looks at the investment activities of Portsmouth City Council.

There has also been a modest shift to charging for access to services. Sales, fees and charges funded 16 per cent of all spending in English and Welsh cities in 2017/18 (around £6.7 billion), rising from 14 per cent in 2009/10. Planning and development is the area that has seen the largest increase in its spending coming from this income source, with a 15 percentage point increase (see Figure 13).

Figure 13:

Increase in the share of income from sales, fees and charges in English and Welsh cities, 2009/10 - 2017/18



Source: MHCLG, Local authority revenue expenditure and financing England. Welsh Government, Revenue Outturn

Note: Comparable Scottish data not available

That said, some cities have seen relatively large increases. York has seen the largest increase in sales, fees and charges as a share of overall spending of any English city, with an increase of 12 percentage points. This meant that a quarter of its spending was raised from this source in 2017/18, more than any other city. York though was somewhat of an outlier for northern cities: eight of the 10 cities that saw sales, fees and charges increase their share the most were in the south (see Figure 14).

How this money is spent is restricted, with most of it having to be spent in the area that it has been raised. For example, most money raised from parking charges must be spent on transport.[12] In Manchester, for example, this means that the £35 million raised through parking in 2017/18 could not be used to ease pressure on other service lines. This blunts the usefulness of being able to raise money to support service provision.

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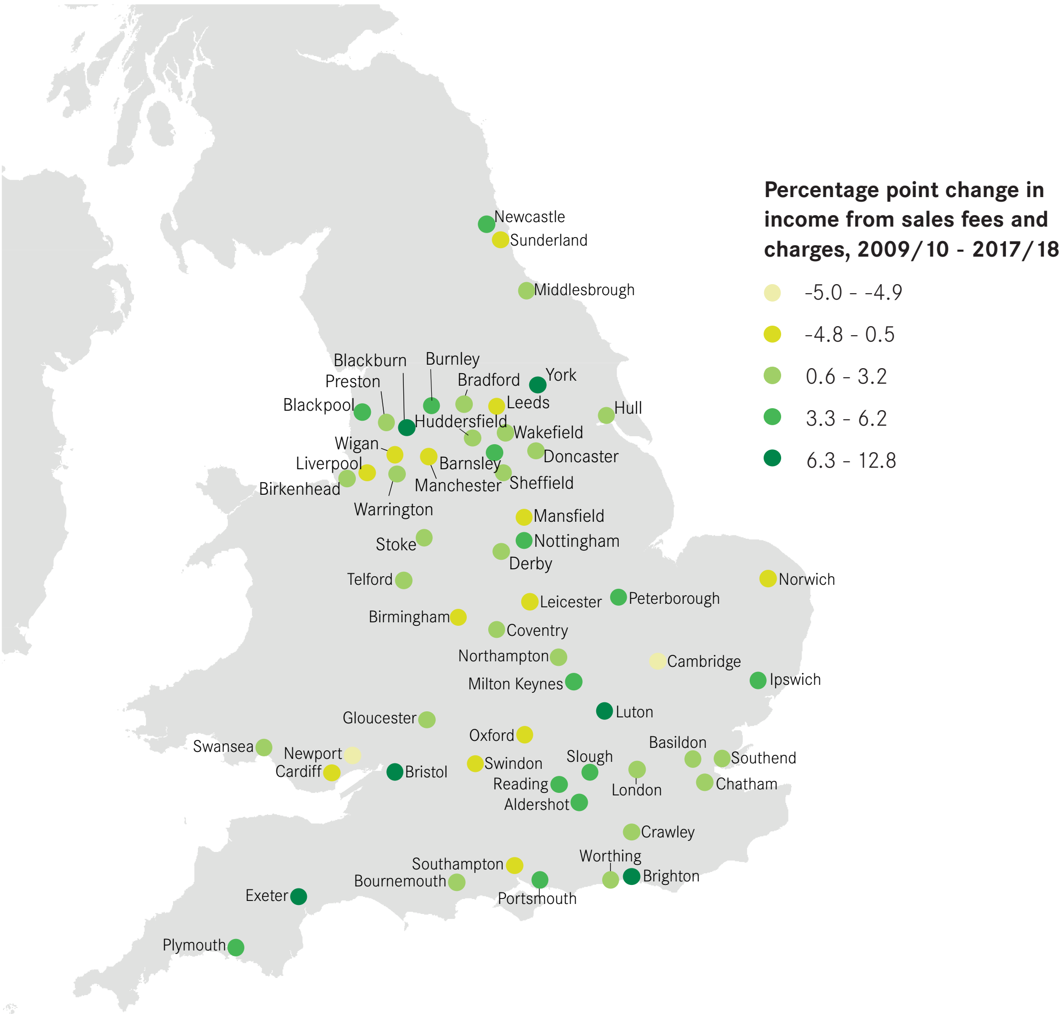
12 Audit Scotland (2012), How councils work: an improvement series for councillors and officers - Managing performance: are you getting it right?, Edinburgh: Audit Scotland

There are questions about whether it is advisable for the public sector to be moving into property investment or charging for a greater share of the services they provide. What is clear though is that constraints elsewhere have encouraged a number of them to adopt such an approach.

Figure 14:

Increase in the share of income from sales, fees and changes in English and Welsh cities, 2009/10-2017/18



Source: MHCLG, Local authority revenue expenditure and financing England. Welsh Government, Revenue Outturn (RO) data collection

Box 5: Commercial property investment by Portsmouth City Council

Portsmouth City Council developed a commercialisation strategy that could provide extra revenues in the face of cuts to its budget. The aim of the strategy is to stop the authority becoming a 'hollowed out shell of a council'. This strategy has seen the council take a number of actions, including taking over a shipping company and selling the naming rights of the Spinnaker Tower for £3.5 million.

Investment in commercial property outside of the local authority has been the strategy's most significant element. Since 2015 the council's Property Investment Fund has borrowed £108 million from the Public Works Loan Board to purchase 11 assets. These have been chosen purely to provide a financial return without any direct aim to support the local economy. The investments range from a £12.4 million DHL Warehouse in Warwickshire to a £13.2 million Waitrose in Somerset. In 2016/17, the fund made a net revenue contribution of £4.3 million to the city's budget.

Policy implications

In recent years local government as a whole has had the twin pressures of managing cuts to overall spending and growing demand for social care. The result has been that social care accounts for an ever larger share of day-to-day spending, crowding out other areas of spending. As the National Audit Office notes, this means that increasingly local government will only be able to deliver a narrow core of services focused on social care.[13]

This is especially the case for cities. While the financial troubles of counties have grabbed much of the attention in recent years, most clearly seen through the high profile problems of Northamptonshire, it is cities in the north of England in particular that have shouldered the largest share of the large cuts that have been imposed on local government.

Most agree that the cuts have improved local government efficiency (despite recent declines, almost two-thirds of people remain satisfied with their council).[14] But the scale of these cuts, combined with the lack of flexibility

13 National Audit Office (2018), Financial sustainability of local authorities 2018, London: National Audit Office
14 LGA (2018), Polling on resident satisfaction with councils: Round 21, London: LGA

for councils to respond to them and the rise in demand for social care, have put significant pressure on service provision. This is especially the case in northern English cities, which have both been hardest hit by the cuts and have found themselves least able to respond to them because of weaknesses in their economies.

Fairer funding for local government should therefore mean additional funding for cities such as these.

But addressing the situation is not just about giving local government more money. There also needs to be a change in the way that local government is funded. There are a number of choices available to central government that go beyond setting the spending envelope in the Spending Review or looking at how this funding is allocated through the Fair Funding Review:

- **Reform the way social care is funded.** Local authorities should be more than just providers of social care. It is clear that the current model of funding social care is unsustainable, given the current pressures on it, the likely growth in demand and its crowding out of spending on other local government responsibilities. The status quo – particularly in cities such as Sunderland and Blackpool, cannot continue if we want local authorities to provide a range of services and support economic prosperity.
- **Give local authorities greater freedom in how they raise funding.** The most obvious way is to remove caps on increasing council tax and introducing new bands, allowing local authorities to set tax rates to match the service needs of their areas. Another way is to allow authorities to levy additional taxes, such as a tourist tax.
- **Set multiyear budgets.** Currently local authorities are given year by year budgets and must balance the books each year. This creates uncertainty and makes future planning more difficult, as illustrated by the recent delay in announcing the local government finance settlement for 2019/20 as a result of Brexit. Setting longer term budgets, with three or five year time horizons, both gives greater certainty and gives authorities more flexibility in how they manage their budgets between years.
- **Allow sales fees and charges raised in one service area to be spent on any service area.** Having the ability to raise money in one area, for example parking charges, does next to nothing to address shortfalls in funding in other areas because it can’t be transferred. Councils should have the freedom to make their own decisions about how to best allocate this spending to improve the overall level of service provision in their areas.

03

City monitor

The latest data

City monitor: the latest data

There is considerable variation in the economic performance of cities across the UK. The purpose of this chapter is to show the scale and nature of this variation by highlighting the performance of the 63 largest cities on 17 indicators covering:

- Population
- Business dynamics
- Productivity
- Innovation
- Employment
- Skills
- Wages
- Housing
- Environment
- Digital connectivity

For most indicators the 10 strongest and 10 weakest performing cities are presented.

Tables of the full list of cities can be found on: www.centreforcities.org/data-tool

Population

Growing populations can give an indication of the economic opportunities that are available in cities. Cities that provide more job and career opportunities are likely to attract and retain more people than cities that do not.

- In 2017, 53.8 per cent of the UK population (35.5 million) lived in cities.
- The four biggest cities (London, Birmingham, Manchester and Glasgow) accounted for almost a quarter of the total UK population (24.3 per cent) and 45.2 per cent of the total population living in cities.
- London alone was home to 15.2 per cent of the UK population and accounted for 28.3 per cent of the population living in cities.
- 24 out of 63 cities experienced higher population growth than the national average between 2016 and 2017.
- Four cities saw a decline in their population. While in the previous year only Aberdeen recorded a decline, between 2016 and 2017 Aldershot, Oxford and Luton all joined this group, shrinking by 0.1 per cent, 0.5 per cent, and 0.6 per cent respectively.
- Younger population groups tend to concentrate in cities: 58.8 per cent of those aged 16 to 24 were living in cities in 2017, while only 47.6 per cent aged 50 or over were living in cities in the same year.

Table 1:
Population Growth

Rank	City	Growth rate, 2016-17 (%)	Population, 2016	Population, 2017	Change, 2016-17
10 fastest-growing cities by population					
1	Coventry	2.0	353,220	360,150	6,930
2	Leicester	1.3	503,070	509,550	6,480
3	Edinburgh	1.2	507,170	513,210	6,040
4	Telford	1.2	173,730	175,770	2,040
5	Peterborough	1.1	196,740	198,910	2,170
6	Exeter	1.1	127,520	128,920	1,400
7	Wakefield	1.1	337,090	340,790	3,700
8	Mansfield	1.0	232,390	234,740	2,350
9	Newport	0.9	241,470	243,750	2,280
10	Glasgow	0.8	992,350	1,000,740	8,390
10 slowest-growing cities by population					
54	Burnley	0.2	178,010	178,400	390
55	Blackburn	0.2	148,460	148,770	310
56	Birkenhead	0.2	322,220	322,800	580
57	Crawley	0.1	111,550	111,660	110
58	Sunderland	0.0	277,310	277,250	-60
59	Ipswich	0.0	138,520	138,480	-40
60	Aldershot	-0.1	184,800	184,580	-220
61	Aberdeen	-0.5	229,840	228,800	-1,040
62	Oxford	-0.5	155,290	154,580	-710
63	Luton	-0.6	215,910	214,660	-1,250
	United Kingdom	0.6	65,648,050	66,040,230	392,180

Source: ONS 2018, Population estimates, 2016 and 2017 data

Business dynamics

City economies are predominantly driven by their businesses. The overall number of businesses in a city, as well as the number of new business start-ups and closures, are all good indicators of the strength of a city's economy.

Business starts and closures

- Three out of five businesses (61 per cent) that started up in 2017 were located in cities. This has increased in recent years: in 2011, 58 per cent of business starts were in cities.
- London had the highest number of start-ups per 10,000 population (101.1), followed by Manchester (90.3) and Aberdeen (85.0). At the other end of the spectrum Plymouth (30.6), Dundee (30.9), and Sunderland (31.0) were the lowest-ranked cities.
- Meanwhile, 60 per cent of UK business closures occurred in cities in 2017.
- London, Northampton and Aberdeen were the three cities with the highest number of closures (94.9, 72.7 and 71.7 per 10,000 population).
- Between 2016 and 2017, the number of business closures increased by 24 per cent nationally, with Nottingham experiencing the highest increases in closures (47.8 per cent), followed by Doncaster (47.0 per cent) and Leeds (43.0 per cent). Moreover Exeter was the only city where the number of closures fell (-2.0 per cent).
- Newport, Liverpool and Manchester had the highest churn rate (15.8, 8.0 and 7.3 respectively) – these cities saw the greatest difference between new businesses setting up and current businesses closing.
- Six of the bottom 10 cities with the lowest start-up rates were coastal cities.

Table 2:
Business starts and closures per 10,000 population

Rank	City	Business start-ups per 10,000 population, 2017	Business closures per 10,000 population, 2017	Churn rate*
10 cities with the highest start-up rate				
1	London	101.1	94.9	1.1
2	Manchester	90.3	60.9	7.3
3	Aberdeen	85.0	71.7	3.1
4	Newport	79.8	34.3	15.8
5	Milton Keynes	78.7	68.8	2.1
6	Northampton	73.3	72.7	0.2
7	Slough	71.9	54.1	4.3
8	Brighton	68.2	59.4	1.9
9	Southampton	67.9	53.8	4.0
10	Liverpool	66.2	43.7	8.0
10 cities with the lowest start-up rate				
53	Burnley	36.2	38.4	-0.8
54	Telford	36.1	32.4	1.4
55	Middlesbrough	35.0	36.4	-0.6
56	Barnsley	34.5	31.0	1.4
57	Hull	34.3	30.7	1.6
58	Stoke	31.5	31.6	-0.1
59	Swansea	31.5	30.7	0.3
60	Sunderland	31.0	28.7	1.1
61	Dundee	30.9	30.3	0.3
62	Plymouth	30.6	32.1	-0.7
	United Kingdom	57.8	54.0	1.0

Source: ONS 2018, Business Demography, 2017 data. ONS 2018, Population estimates, 2017 data. Note: Luton has been removed from the latest data due to irregularities compared with previous years' data.

*Difference between business start-ups and business closures as a percentage of total business stock.

Business stock

- Cities were home to 54.9 per cent of all UK businesses in 2017. Between 2016 and 2017 the total number of businesses increased by 0.9 per cent in the UK, and by 1.5 per cent in cities as a whole. Looking at the past 10 years, the business stock increased by almost a quarter nationally and by more than a third in cities.
- Warrington was the city with the fastest year on year growth in business stock per 10,000 population (26.5 per cent) between 2016 and 2017, followed by Newport (16.7 per cent).
- London alone accounted for 23 per cent of the total UK business stock and 42 per cent of total cities' business stock, far larger than Manchester and Birmingham (each accounting for less than 4 per cent of the total UK business stock).
- London also ranked first for business stock per capita, with 583 businesses per 10,000 population, followed by Reading (478), Milton Keynes (476) and Warrington (468).
- Sunderland (205), Plymouth (217), and Dundee (222) on the other hand had the lowest levels of business stock per 10,000 population.

Table 3:
Business stock per 10,000 population

Rank	City	Business stock per 10,000 population, 2017	Business stock per 10,000 population, 2016	Change, 2016-17 (%)
10 cities with the highest number of businesses				
1	London	583	582	0.1
2	Reading	478	479	-0.3
3	Milton Keynes	476	470	1.3
4	Warrington	468	370	26.5
5	Brighton	467	457	2.1
6	Aldershot	439	444	-1.1
7	Aberdeen	431	382	12.8
8	Slough	417	406	2.8
9	Basildon	411	406	1.2
10	Northampton	403	405	-0.5
10 cities with the lowest number of businesses				
53	Newcastle	260	253	2.5
54	Barnsley	251	251	0.0
55	Stoke	247	251	-1.8
56	Middlesbrough	246	249	-1.2
57	Mansfield	244	238	2.5
58	Swansea	235	233	0.8
59	Hull	233	233	0.3
60	Dundee	222	225	-1.6
61	Plymouth	217	220	-1.0
62	Sunderland	205	205	0.0
	United Kingdom	389	388	0.3

Source: ONS 2018, Business Demography, 2017 and 2016 data. ONS 2018, Population estimates, 2017 data. Note: Luton has been removed from the latest data due to irregularities compared with previous years' data

Productivity and innovation

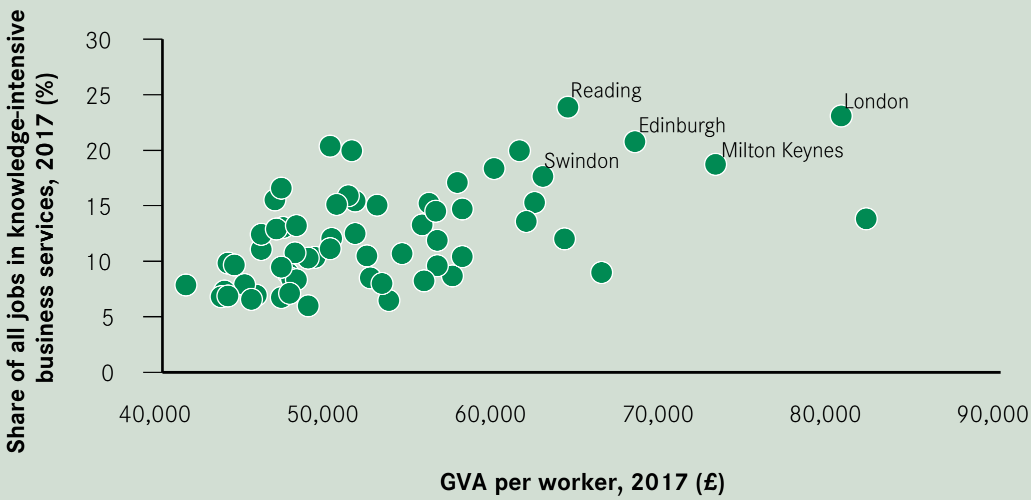
Productivity and innovation are drivers of long-run economic growth. Finding new and better ways of making goods and delivering services improves the performance of businesses which in turn increases wages and the capacity of city economies.

Productivity

- Only 14 cities out of 62 had levels of productivity above the British average in 2017.
- Slough, London and Milton Keynes were the three cities with the highest levels of productivity, with GVA per worker at least 26 percent above Great Britain's average of £57,600.
- As Figure 16 shows, there is a very clear geography to productivity, with cities in the Greater South East tending to perform better on this measure than cities elsewhere. This is reflective of the make-up of jobs across cities, with jobs in cities in the Greater South East tending to be in higher-skilled occupations than elsewhere.
- Five of the top 10 cities with the highest GVA per worker also rank in the top 10 in their industrial share in private knowledge service jobs (London, Milton Keynes, Edinburgh, Reading, and Swindon, Figure 15).

Figure 15:

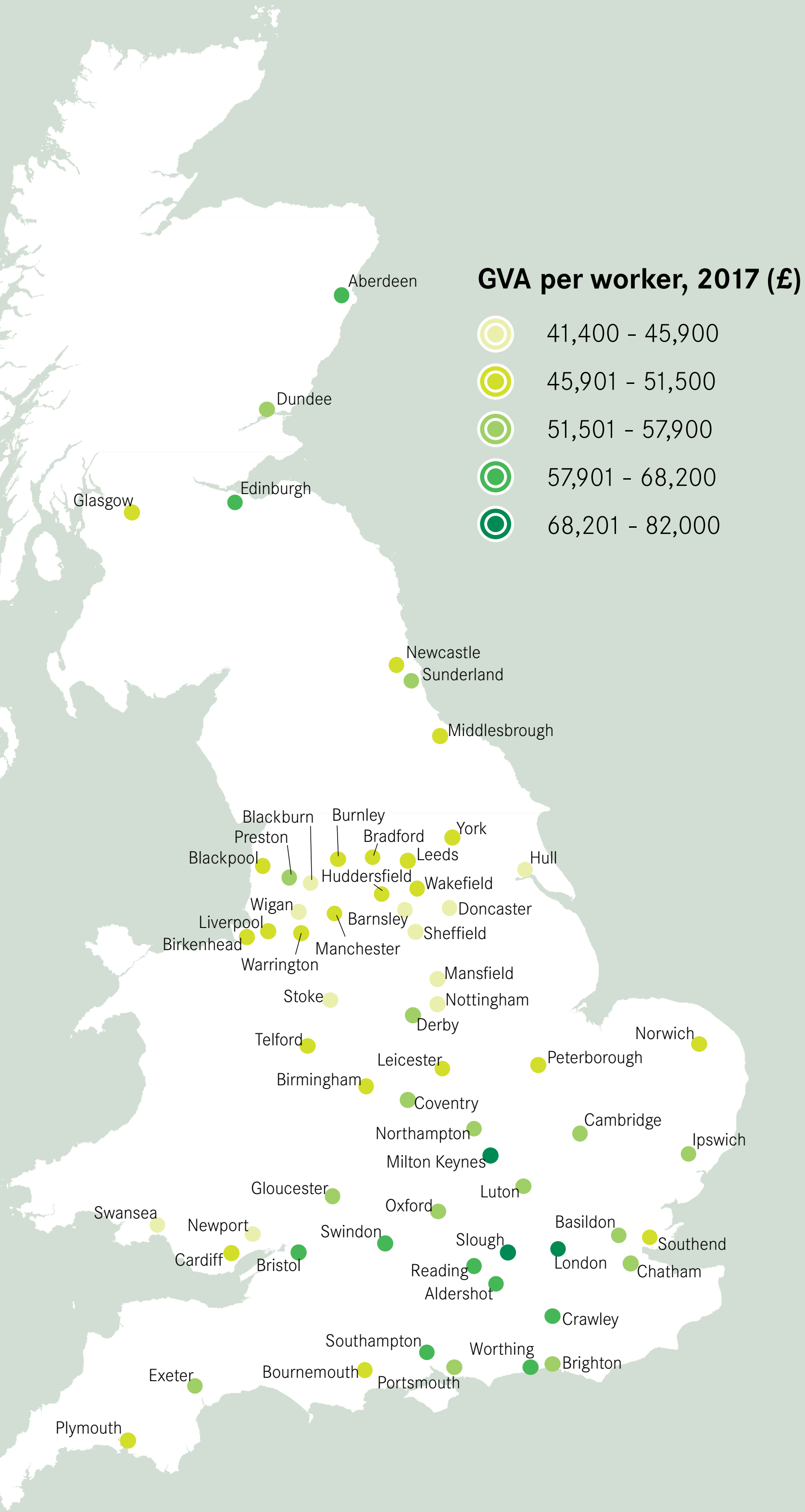
Relationship between productivity and jobs in knowledge-intensive firms



Source: ONS 2018, Regional Value Added (Balanced Approach), 2017 data. ONS 2018, Business Register and Employment Survey, 2017 data.

Figure 16:
GVA per worker

City	GVA per worker (£)	City	GVA per worker (£)
Aberdeen	62,200	London	80,500
Aldershot	61,300	Luton	57,900
Barnsley	45,600	Manchester	50,400
Basildon	57,600	Mansfield	45,300
Birkenhead	47,500	Middlesbrough	48,000
Birmingham	51,500	Milton Keynes	73,000
Blackburn	44,900	Newcastle	47,900
Blackpool	49,100	Newport	45,900
Bournemouth	51,500	Northampton	52,800
Bradford	48,700	Norwich	46,700
Brighton	57,900	Nottingham	43,900
Bristol	59,800	Oxford	56,400
Burnley	48,700	Peterborough	47,100
Cambridge	55,900	Plymouth	47,100
Cardiff	51,100	Portsmouth	55,600
Chatham	57,300	Preston	52,400
Coventry	55,500	Reading	64,200
Crawley	64,000	Sheffield	45,900
Derby	52,200	Slough	82,000
Doncaster	43,700	Southampton	61,700
Dundee	53,500	Southend	46,800
Edinburgh	68,200	Stoke	43,500
Exeter	54,300	Sunderland	53,100
Glasgow	47,200	Swansea	44,300
Gloucester	56,400	Swindon	62,700
Huddersfield	47,700	Telford	47,100
Hull	41,400	Wakefield	47,600
Ipswich	56,300	Warrington	50,000
Leeds	51,300	Wigan	43,900
Leicester	50,100	Worthing	66,200
Liverpool	50,000	York	48,000
GB Average	57,600		



Source: ONS 2018, Regional Gross Value Added (Balanced Approach), 2017 data. ONS 2018, Business Register and Employment Survey, 2017 data.

Table 4:
GVA per worker

Rank	City	GVA per worker, 2017 (£)
10 cities with the highest GVA per worker		
1	Slough	82,000
2	London	80,500
3	Milton Keynes	73,000
4	Edinburgh	68,200
5	Worthing	66,200
6	Reading	64,200
7	Crawley	64,000
8	Swindon	62,700
9	Aberdeen	62,200
10	Southampton	61,700
10 cities with the lowest GVA per worker		
53	Sheffield	45,900
54	Barnsley	45,600
55	Mansfield	45,300
56	Blackburn	44,900
57	Swansea	44,300
58	Nottingham	43,900
59	Wigan	43,900
60	Doncaster	43,700
61	Stoke	43,500
62	Hull	41,400
	Great Britain	57,600

Source: ONS 2018, Regional Gross Value Added (Balanced Approach), 2017 data. ONS 2018, Business Register and Employment Survey, 2017 data.

Note: Northern Ireland data is not available so Great Britain figure is shown.

Innovation

- In total, about 11,800 patent applications from the UK were published in 2017. Of this, 56 per cent of all patent applications published were registered in cities.
- Cambridge had the highest number of patents published per resident in 2017. This was more than twice the number in Coventry, the city with the second highest number (113 applications per 100,000 residents).
- London had the highest absolute number of patent applications published in 2017, with 2,199 publications. Relative to its resident base the capital ranked 16th nationwide, with 22 applications published per 100,000 residents.
- Six of the top 10 cities with the highest number of published patent applications are located in the south of England, with the exceptions being Coventry, Derby, Aberdeen, and Edinburgh.

Table 5:

Patent applications published per 100,000 residents

Rank	City	UK patent applications published per 100,000 residents, 2017
10 cities with highest number of published patent applications		
1	Cambridge	269.8
2	Coventry	113.3
3	Oxford	93.5
4	Derby	81.1
5	Aberdeen	55.4
6	Crawley	49.1
7	Aldershot	46.6
8	Edinburgh	33.7
9	Bristol	30.6
10	Slough	29.8
10 cities with lowest number of published patent applications		
54	Barnsley	8.3
55	Hull	7.3
56	Glasgow	7.1
57	Sunderland	6.9
58	Burnley	6.6
59	Doncaster	6.6
60	Southend	6.4
61	Mansfield	5.8
62	Luton	4.1
63	Wigan	3.1
	United Kingdom	17.8

Source: PATSTAT Autumn 2018, 2017 data; Intellectual Property Office 2018, Patents granted registered by postcode, 2017 data. ONS 2018, Population estimates, 2017 data.

Employment

High employment rates, employment growth and low unemployment point to well-functioning labour markets, with the demand for workers amongst employers being high. Low employment rates and high unemployment are suggestive of a combination of poor skills and weaker employer demand.

Employment rate

- 37 out of 63 cities across the UK saw their employment rate improve in 2018, and 13 did so by two or more percentage points.
- Overall, UK employment increased by 0.7 percentage points between 2017 and 2018, from 74.2 per cent to 74.9. The city average remains slightly lower than the national average at 73.4 per cent.
- 36 cities had employment rates below the national average. To bring these cities up to the current UK average a further 508,294 residents in these places would need to find employment.
- Blackburn, the UK city with the lowest employment rate in 2018 (64.1 per cent), would need almost 9,700 of its residents to find employment to reach the UK average. Birmingham (the city with highest deficit in absolute terms) would need 124,521 of its residents to find jobs to match the UK average.
- Southern cities tend to perform better than cities elsewhere. Preston is the only city outside the south of England to feature in the top 10. Moreover, no southern city is listed in the bottom 10.
- Big cities tend to fare worse than the average, with only two (Bristol and Leeds) of the ten biggest having employment rates above the national average. Meanwhile Birmingham, Liverpool, and Nottingham are all in the bottom 10.

Table 6:
Employment Rate

Rank	City	Employment rate, Jul 2017-Jun 2018 (%)	Employment rate, Jul 2016-Jun 2017 (%)	Percentage point change
10 cities with highest employment rate				
1	Worthing	85.8	83.1	2.7
2	Southend	83.0	75.9	7.1
3	Preston	82.8	77.2	5.6
4	Oxford	81.2	79.7	1.5
5	Gloucester	80.1	80.0	0.1
6	Bristol	79.2	78.0	1.2
7	Exeter	79.1	69.5	9.6
8	Swindon	79.1	80.6	-1.5
9	Chatham	78.9	74.3	4.6
10	Aldershot	78.9	78.3	0.7
10 cities with lowest employment rate				
54	Leicester	68.8	69.4	-0.6
55	Nottingham	68.6	68.7	-0.1
56	Liverpool	68.4	66.8	1.6
57	Belfast	68.3	70.9	-2.6
58	Bradford	68.1	67.8	0.4
59	Middlesbrough	67.8	69.0	-1.2
60	Swansea	67.7	69.2	-1.5
61	Birmingham	66.9	66.7	0.2
62	Dundee	65.0	64.1	0.9
63	Blackburn	64.1	64.5	-0.4
	United Kingdom	74.9	74.2	0.7

Source: ONS 2018, Annual Population Survey, residents analysis, Jul 2016 – June 2017 and July 2017 – June 2018; DfE NI 2018, District Council Labour Market Structure Statistics for Belfast, 2017 data.

Jobseeker's Allowance Claimant Count

Jobseeker's Allowance (JSA) is currently being rolled into Universal Credit which has led to inconsistencies in the definition of a claimant looking for work across the country. While this has a big impact when looking at change in claimant rates, a static picture still provides a good indication of the relative strength of different labour markets.

- Almost two thirds (62 per cent) of those claiming Jobseeker's Allowance lived in cities in November 2018.
- With the exceptions of Edinburgh and York, all top 10 cities with the lowest claimant count rates were located in the south of England.
- On the other hand, eight of the bottom 10 cities with highest claimant count rate were located in the north of England and Scotland.

Private sector jobs growth

- 39 of 62 cities increased their number of private sector jobs between 2016 and 2017, and 33 did so by more than the British average (1.1 per cent).
- 19 cities saw reductions in their number of private sector positions and in 8 cities the number of jobs dropped by more than 2 per cent.
- Northampton saw the greatest increase in private sector jobs from 2016 to 2017 (6.7 per cent), while Worthing experienced the lowest growth in this sector (-4.9 per cent).
- Overall, cities led the private sector jobs growth in 2017 with 171,000 net jobs created, 71.1 per cent of the total 240,500 net jobs gain in Great Britain.

Public and private sector jobs

- In 2017 the private to public sector employment ratio in Great Britain was equal to 2.9.
- In general, the job market in cities tends to be more dominated by publicly-funded activities than the national average. Out of 62 cities, only 18 had private to public employment ratios above the British average. Crawley had the smallest public sector of any city, where there were 7.7 private sector jobs for every publicly-funded one. It was followed by Slough and Swindon.
- In the bottom 10 cities, Oxford had almost the same number of private and public sector employees, mainly the result of its universities. This highlights that higher levels of publicly-funded jobs do not necessarily mean a less successful economy.

Table 7:
Jobseeker’s Allowance claimant count

Rank	City	Claimant count rate, Nov 2018 (%)
10 cities with the lowest claimant count rate		
1	Aldershot	0.7
2	Cambridge	0.8
3	Exeter	0.9
4	Edinburgh	1.3
5	Norwich	1.3
6	York	1.3
7	Portsmouth	1.4
8	Bristol	1.5
9	Milton Keynes	1.5
10	Reading	1.5
10 cities with the highest claimant count rate		
54	Doncaster	3.5
55	Middlesbrough	3.6
56	Hull	3.7
57	Burnley	3.7
58	Newport	3.7
59	Sunderland	3.8
60	Blackburn	4.1
61	Newcastle	4.2
62	Dundee	4.4
63	Birmingham	4.6
	United Kingdom	2.3

Source: ONS 2018, Claimant Count, November 2017 and November 2018; Population estimates, 2017 data. Due to the staggered roll out of Universal Credit, there is variation in definition of claimants across different cities. Despite this, the claimant count rate serves as a good indicator for the strength of demand for workers across cities.

Table 8:
Private sector jobs growth

Rank	City	Change, 2016-2017 (%)	Private sector jobs, 2016	Private sector jobs, 2017	Net job gains or losses
10 cities with the highest net private sector jobs growth					
1	Northampton	6.7	96,500	103,000	6,500
2	Middlesbrough	6.2	121,500	129,000	7,500
3	Cambridge	5.7	61,000	64,500	3,500
4	Doncaster	5.4	83,000	87,500	4,500
5	Hull	5.1	87,500	92,000	4,500
6	Newcastle	4.9	273,500	287,000	13,500
7	Bradford	4.7	137,000	143,500	6,500
8	Leeds	4.4	330,500	345,000	14,500
9	Huddersfield	4.4	114,500	119,500	5,000
10	York	4.1	73,000	76,000	3,000
10 cities with the lowest net private sector jobs growth					
53	Swansea	-1.9	104,500	102,500	-2,000
54	Ipswich	-2.0	51,000	50,000	-1,000
55	Milton Keynes	-2.1	145,000	142,000	-3,000
56	Slough	-2.2	69,500	68,000	-1,500
57	Chatham	-2.3	66,000	64,500	-1,500
58	Southampton	-2.3	131,000	128,000	-3,000
59	Leicester	-2.8	176,500	171,500	-5,000
60	Oxford	-3.1	63,500	61,500	-2,000
61	Dundee	-3.2	47,500	46,000	-1,500
62	Worthing	-4.9	30,500	29,000	-1,500
	Great Britain	1.1	22,481,000	22,721,500	240,500

Source: ONS 2018, Business Register and Employment Survey, 2016 and 2017 data.

Note: Northern Ireland data not available so Great Britain figure is shown.

Table 9:

Ratio of private sector to publicly-funded jobs

Rank	City	Private to public ratio, 2017	Private sector jobs, 2017	Publicly-funded* jobs, 2017
10 cities with the highest proportion of private sector jobs				
1	Crawley	7.7	84,500	11,000
2	Slough	4.4	68,000	15,500
3	Swindon	4.4	96,000	22,000
4	Warrington	4.3	111,000	26,000
5	Aldershot	3.8	84,000	22,000
6	Milton Keynes	3.6	142,000	39,500
7	London	3.6	4,593,000	1,292,000
8	Reading	3.5	148,000	42,500
9	Peterborough	3.4	92,500	27,000
10	Basildon	3.3	67,000	20,500
10 cities with the lowest proportion of private sector jobs				
53	Liverpool	2.0	206,500	105,500
54	Exeter	1.9	61,500	32,000
55	Plymouth	1.9	73,000	38,500
56	Blackburn	1.9	44,500	23,500
57	Swansea	1.8	102,500	56,500
58	Cambridge	1.6	64,500	41,000
59	Birkenhead	1.6	64,500	41,500
60	Dundee	1.5	46,000	31,000
61	Worthing	1.5	29,000	20,000
62	Oxford	1.0	61,500	59,000
	Great Britain	2.9	22,721,500	7,872,000

Source: ONS 2018, Business Register and Employment Survey, 2017 data.

Note: Northern Ireland data is not available so Great Britain figure is shown.

* Publicly-funded jobs are defined as those jobs that fall into the sectors of public administration and defence, education, and health. This means that this definition captures private sector jobs in these sectors but also captures jobs such as GPs and those in universities that the standard ONS definition does not.

Skills

Skills levels are a key component of the success of a city economy. Those cities that have a high proportion of graduates tend to have stronger economies than those that have a large number of people with no formal qualifications.

High-level qualifications

- While cities were home to 56 per cent of the UK working-age population in 2017 they were home to 58 per cent of those with a degree or equivalent qualification.
- But the UK's highly-skilled population is concentrated in a few cities. The top 10 cities combined accounted for around 28 per cent of the total UK highly-skilled population (compared to 21 per cent of the working age population), whereas the bottom 10 only accounted for less than 3 per cent of the population with high-level qualifications (but 4.3 per cent of the working age population).
- Northern cities fare poorly on this measure. Eight of the top ten cities are located in the South; however, not all southern cities do well - four southern cities (Gloucester, Southend, Peterborough, and Ipswich) are in the bottom 10.
- Scottish cities perform relatively well when compared with the rest of the UK, with Edinburgh and Aberdeen ranking in the top 10 and Glasgow and Dundee in the top 20.

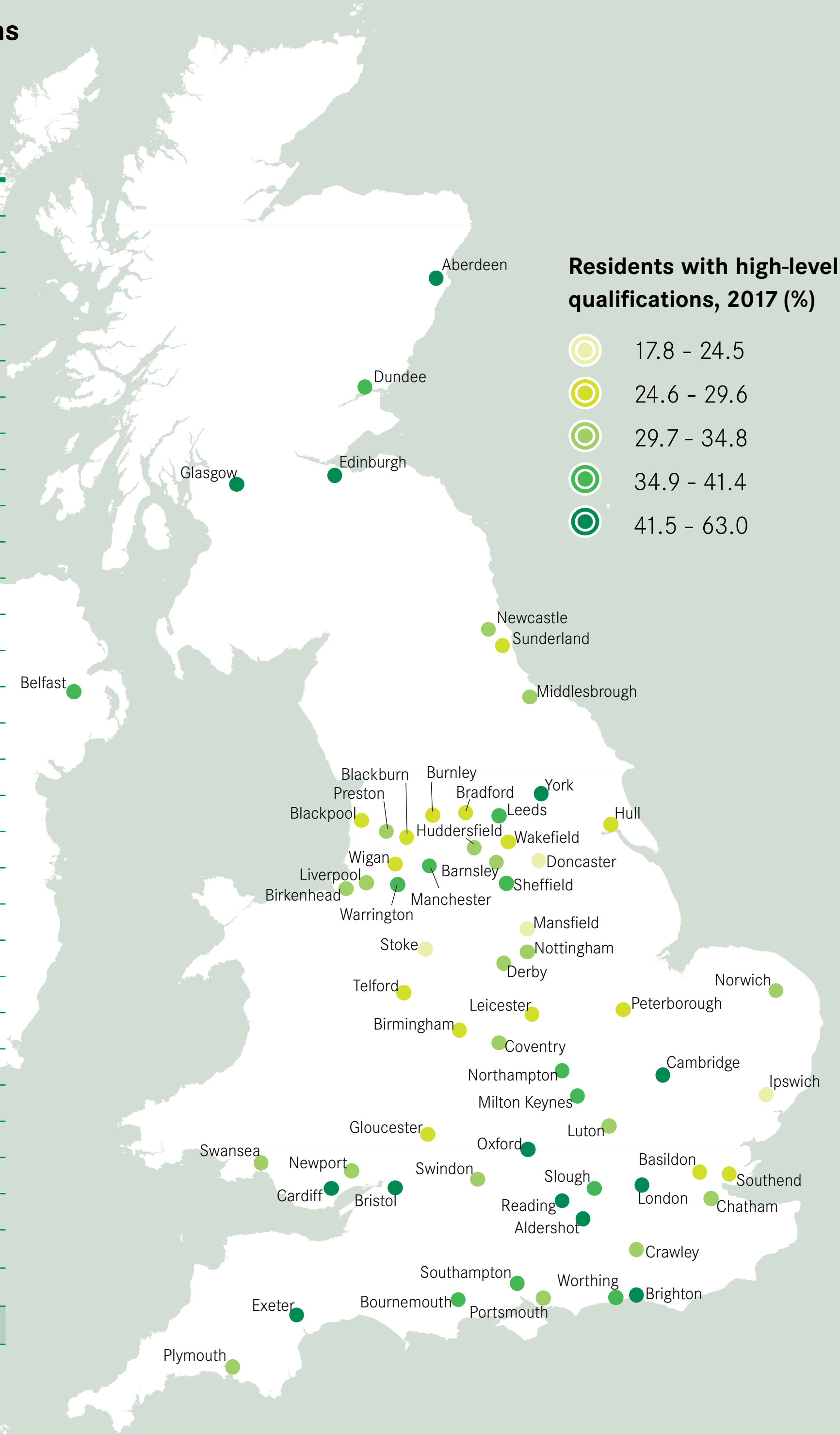
No formal qualifications

- Cities were also over represented for people with no qualifications, being home to 59 per cent of the population with no formal qualifications.
- Most of the best performing UK cities were small or medium sized, while two of the UK's biggest cities – Liverpool and Birmingham - were in the bottom 10.
- Moreover, southern cities tend to perform better than cities elsewhere. York and Edinburgh are the only cities outside the south of England to feature in the top 10.
- Some cities have very polarised skills profiles: Glasgow had the 13th highest share of working age population with high level qualifications (47.4 per cent), but also a very high share of population with no formal qualifications (10.4 per cent). Similarly, Belfast was 21st in the UK for highly skilled population (36.8 per cent), but had the highest share of population with no formal qualifications (16.1 per cent).

Figure 17:

Residents with high-level qualifications

City	Share (%)		Share (%)
Aberdeen	51.7	London	50.7
Aldershot	49.6	Luton	33.9
Barnsley	31.8	Manchester	36.1
Basildon	27.9	Mansfield	17.8
Belfast	36.8	Middlesbrough	31.0
Birkenhead	32.1	Milton Keynes	37.4
Birmingham	28.9	Newcastle	34.1
Blackburn	28.8	Newport	34.6
Blackpool	29.3	Northampton	38.9
Bournemouth	36.9	Norwich	34.1
Bradford	26.4	Nottingham	33.1
Brighton	50.1	Oxford	63.0
Bristol	49.4	Peterborough	25.6
Burnley	27.8	Plymouth	31.6
Cambridge	58.1	Portsmouth	32.9
Cardiff	48.0	Preston	34.8
Chatham	31.0	Reading	50.0
Coventry	34.7	Sheffield	36.7
Crawley	33.2	Slough	39.4
Derby	31.9	Southampton	36.4
Doncaster	23.6	Southend	26.4
Dundee	38.4	Stoke	24.5
Edinburgh	57.8	Sunderland	27.3
Exeter	51.3	Swansea	31.8
Glasgow	47.4	Swindon	34.2
Gloucester	26.9	Telford	29.6
Huddersfield	32.7	Wakefield	28.4
Hull	26.7	Warrington	41.4
Ipswich	24.2	Wigan	26.8
Leeds	36.4	Worthing	41.3
Leicester	29.4	York	48.8
Liverpool	32.4%	UK Average	38.4



Source: ONS 2018, Annual Population Survey, residents analysis, 2017 data; DfE NI 2018, District Council Labour Market Structure Statistics for Belfast, 2017 data.

Table 10:
Residents with high-level qualifications

Rank	City	Working age population with NVQ4 & above, 2017 (%)
10 cities with the highest percentage of high qualifications		
1	Oxford	63.0
2	Cambridge	58.1
3	Edinburgh	57.8
4	Aberdeen	51.7
5	Exeter	51.3
6	London	50.7
7	Brighton	50.1
8	Reading	50.0
9	Aldershot	49.6
10	Bristol	49.4
10 cities with the lowest percentage of high qualifications		
54	Gloucester	26.9
55	Wigan	26.8
56	Hull	26.7
57	Bradford	26.4
58	Southend	26.4
59	Peterborough	25.6
60	Stoke	24.5
61	Ipswich	24.2
62	Doncaster	23.6
63	Mansfield	17.8
	United Kingdom	38.4

Source: ONS 2018, Annual Population Survey, residents analysis, 2017 data; DfE NI 2018, District Council Labour Market Structure Statistics for Belfast, 2017 data.

Table 11:
Residents with no formal qualifications

Rank	City	Working age population with no formal qualifications, 2017 (%)
10 cities with the lowest percentage of no formal qualifications		
1	Exeter	2.7
2	Brighton	2.9
3	Edinburgh	3.2
4	Oxford	3.2
5	Cambridge	4.3
6	York	4.4
7	Reading	4.4
8	Bristol	4.4
9	Portsmouth	5.0
10	Plymouth	5.3
10 cities with the highest percentage of no formal qualifications		
54	Middlesbrough	12.0
55	Blackburn	12.1
56	Peterborough	12.6
57	Dundee	12.7
58	Luton	12.9
59	Liverpool	13.0
60	Huddersfield	13.1
61	Bradford	13.1
62	Birmingham	13.6
63	Belfast	16.1
	United Kingdom	8.0

Source: ONS 2018, Annual Population Survey, residents analysis, 2017 data; DfE NI 2018, District Council Labour Market Structure Statistics for Belfast, 2017 data.

Wages

Wages reflect the types of jobs available in cities. Those cities that have higher workplace wages typically have a greater number of high-skilled jobs in them than those that have lower wages.

- In 2018, the average weekly workplace wage in cities was £595, compared to the UK average of £555.
- However workers earned more than the UK average in only 14 cities. The average London weekly wage was £751, 71 per cent higher than in neighbouring Southend (£439).
- Overall the UK saw a £4 change to its real weekly earnings between 2017 to 2018, from £551 to £555.
- 32 cities saw their weekly salaries decrease in real terms between 2017 and 2018. York recorded the largest fall (-£65 per week), followed by Southampton (-£47 per week) and Swindon (-£37 per week). These three cities are all below the national average (of £555) in real weekly earnings. Those cities which experienced a decrease in wages from 2017 to 2018 are, however, spread throughout high and low earning cities.
- On the other hand, Slough experienced the largest increase in wages, with a real increase of £70 per week between 2017 and 2018, followed by Barnsley (£59), Cambridge (£47), Hull (£45) and Aldershot (£42).

Table 12:
Average workplace wages

Rank	City	Wages, 2018 (av £ per week, 2018 prices)	Wages, 2017 (av £ per week, 2018 prices)	Real wage growth, 2017-2018 (£ per week)
10 cities with the highest weekly workplace earnings				
1	London	751	740	11
2	Slough	693	623	70
3	Reading	671	673	-2
4	Cambridge	662	615	47
5	Aldershot	649	607	42
6	Crawley	644	647	-3
7	Derby	625	607	18
8	Oxford	613	614	-1
9	Milton Keynes	611	634	-22
10	Aberdeen	604	611	-7
10 cities with the lowest weekly workplace earnings				
54	Norwich	469	461	8
55	Swansea	468	475	-7
56	Leicester	467	491	-24
57	Stoke	465	467	-2
58	Doncaster	459	458	1
59	York	449	514	-65
60	Huddersfield	443	435	9
61	Birkenhead	442	438	4
62	Southend	439	422	17
63	Wigan	438	446	-9
	United Kingdom	555	551	4

Source: ONS 2018, Annual Survey of Hours and Earnings (ASHE), average gross weekly workplace-based earnings, 2018 data; DfE NI 2018, ASHE, average gross weekly workplace-based earnings, 2018 data. Own calculations for PUA-level weighted by number of jobs, CPI inflation adjusted. Earnings data is for employees only.

Note: ASHE statistics are based on a sample survey, so the statistical significance of the results should be treated with caution.

Housing

The stock of housing and house prices together provide useful insights into cities' housing markets, highlighting both supply and demand and their impact on house affordability.

Housing stock growth

- Cities accounted for 52 per cent of the UK's housing stock.
- The UK's dwelling stock increased by 0.9 per cent between 2016 and 2017, consistent with previous years (0.8 per cent between 2015 and 2016).
- In 23 cities housing stock growth exceeded the UK average, with Cambridge experiencing the highest growth (2.3 per cent), followed by Swindon (1.8 per cent) and Telford (1.6 percent).
- The strong growth in housing in Cambridge in the last year continues its fast-paced expansion of housing over the last 5 years. In 2017, the city had 10 per cent more homes then it did 5 years earlier.
- Around 43,700 new houses were built in London between 2016 and 2017. This represented a housing stock growth of 1.1 per cent, ranking London 15th nationally.

Table 13:
Housing stock growth

Rank	City	Change, 2016-2017 (%)	Housing stock, 2016	Housing stock, 2017	Change, 2016-2017
10 cities with the highest housing stock growth					
1	Cambridge	2.3	52,000	53,180	1,180
2	Swindon	1.8	95,340	97,040	1,700
3	Telford	1.6	73,210	74,360	1,150
4	Aberdeen	1.5	115,080	116,820	1,740
5	Peterborough	1.5	81,400	82,600	1,200
6	Liverpool	1.4	285,100	289,050	3,950
7	Crawley	1.3	44,680	45,280	600
8	Leicester	1.3	196,730	199,210	2,480
9	Reading	1.3	132,780	134,440	1,660
10	Wakefield	1.2	151,610	153,420	1,810
10 cities with the lowest housing stock growth					
54	Plymouth	0.4	116,690	117,210	520
55	Dundee	0.4	74,030	74,350	330
56	York	0.4	87,900	88,280	380
57	Ipswich	0.4	60,810	61,070	260
58	Cardiff	0.4	150,590	151,200	610
59	Swansea	0.3	176,160	176,700	550
60	Blackpool	0.3	108,100	108,400	300
61	Brighton	0.3	155,020	155,440	420
62	Blackburn	0.2	60,380	60,520	140
63	Birkenhead	0.2	147,300	147,630	330
	United Kingdom	0.9	27,843,030	28,087,020	243,990

Source: Ministry of Housing, Communities and Local Government (MHCLG), 2018, Dwelling stock estimates by local authority district 2016 and 2017. Scottish House Price Statistics 2018, Dwelling stock estimates 2016 and 2017 data. Northern Ireland Annual Housing Stock Statistics, 2018, Total Housing Stock, 2016 and 2017 data.

House prices

- In 39 out of 62 cities, house prices grew by more than the British average of 2.7 per cent.
- Not all cities saw increases though – 10 cities saw their average house price fall (up from five in the preceding year). Aldershot saw the largest fall (-2.4 per cent), followed by Birkenhead, Aberdeen, Oxford and Brighton.
- Aberdeen has seen its house prices steadily decline over the past three years, falling by 7.4 per cent between 2015 and 2016, by 1.7 per cent between 2016 and 2017, and by 1.4 per cent from 2017 to 2018.
- Barnsley experienced the highest house price growth, with average prices increasing by 8.1 per cent, followed by Leicester (7.5 per cent) and Cardiff (6.7 per cent).
- House prices in London (£607,500) were more than twice the national average (£283,300)
- At the other end of the spectrum, Burnley had the lowest average house price at £107,900, although it increased by 4.6 per cent compared to last year. The prices in London were 5.6 times higher than in Burnley. An average house in Burnley cost less than half the average British home.

Housing affordability

- In 2018, on average house prices in Britain were 9.8 times the annual salary of residents.
- Oxford was the least affordable city, with house prices being 17.3 times higher than annual earnings. In total, only 17 out of 62 cities were less affordable than the British average.
- On the other hand Burnley was the most affordable city, with an affordability ratio of 4.3.
- All the top 10 least affordable cities were located in the south of England. Meanwhile with the exception of Dundee and Stoke the 10 most affordable cities were in the North of England.

Table 14:
House price growth

Rank	City	Annual growth, 2017-2018 (%)	Average price, 2017 (£)	Average price, 2018 (£)	Difference in average prices, 2017-2018 (£)
10 cities with the highest rises in house prices					
1	Barnsley	8.1	130,900	141,400	10,600
2	Leicester	7.5	195,500	210,200	14,700
3	Cardiff	6.7	220,300	235,000	14,700
4	Newport	6.7	164,200	175,100	10,900
5	Milton Keynes	6.1	285,200	302,700	17,500
6	Sheffield	5.6	169,600	179,000	9,400
7	Edinburgh	5.5	249,700	263,500	13,800
8	Coventry	5.3	184,000	193,700	9,700
9	Exeter	5.0	269,700	283,200	13,400
10	Blackburn	4.9	127,000	133,100	6,200
10 cities with the lowest rises in house prices					
53	Doncaster	-0.1	139,900	139,700	-200
54	Bradford	-0.3	159,400	159,000	-400
55	Stoke	-0.4	133,100	132,500	-600
56	Blackpool	-0.5	161,100	160,300	-900
57	Luton	-1.0	243,300	240,800	-2,600
58	Brighton	-1.3	394,600	389,400	-5,200
59	Oxford	-1.3	518,100	511,100	-7,000
60	Aberdeen	-1.4	201,000	198,100	-2,900
61	Birkenhead	-2.3	182,500	178,300	-4,200
62	Aldershot	-2.4	388,200	378,800	-9,400
	Great Britain	2.7	275,900	283,300	7,400

Source: Land Registry 2018, Market Trend Data, Price Paid, 2017 and 2018 data. Scottish House Price Statistics 2018, Mean house prices, 2017 and 2018 data.

Note: 2018 prices in Scotland are an average of the first three quarters of the year. 2018 house prices in England and Wales are an average of the period January to November. Difference in average prices may not add up due to rounding of figures. Northern Ireland data not available so Great Britain figure is shown.

Table 15:
Housing affordability ratio

Rank	City	Affordability ratio	Average house price, 2018 (£)	Annual wages, 2018 (£)
10 cities with the highest affordability ratio				
1	Oxford	17.3	511,100	29,600
2	London	16.7	607,500	36,400
3	Cambridge	15.6	534,500	34,200
4	Brighton	13.8	389,400	28,200
5	Bournemouth	12.4	338,500	27,400
6	Exeter	11.7	283,200	24,200
7	Reading	11.6	399,200	34,400
8	Slough	11.3	328,900	29,000
9	Bristol	11.1	304,900	27,400
10	Crawley	10.9	303,700	27,800
10 cities with the lowest affordability ratio				
53	Blackburn	6.0	133,100	22,300
54	Wigan	5.7	145,400	25,300
55	Doncaster	5.7	139,700	24,300
56	Barnsley	5.7	141,400	24,900
57	Dundee	5.5	137,300	25,000
58	Stoke	5.5	132,500	24,100
59	Sunderland	5.5	133,000	24,300
60	Liverpool	5.4	142,300	26,300
61	Hull	5.4	115,800	21,500
62	Burnley	4.3	107,900	25,200
	Great Britain	9.8	283,300	29,000

Source: Land Registry 2018, Market Trend Data, Price Paid, 2018 data. Simple average used. Scottish House Price Statistics, 2018, Mean house prices, 2017 and 2018 data. ONS 2018, Annual Survey of Hours and Earnings (ASHE), average gross weekly resident earnings, 2018 data.

Note: Northern Ireland data not available so Great Britain figure is shown.

Environment

Accounting for over 76 per cent[15] of total greenhouse gas emissions, CO_2 emissions are one way to gauge how 'green' a city is and the size of its carbon footprint.

- In 2016, cities accounted for 53.8 per cent of the UK population but only 46.1 per cent of the UK's total CO2 emissions, reflecting the lower carbon emissions per capita in cities than elsewhere.
- Average UK emissions per capita in 2016 totalled 5.4 tonnes (down from 5.9 tonnes in 2015), but the city average was low at 4.6 tonnes.
- Swansea and Middlesbrough are significant outliers, emitting far more than the national average (5.4 tonnes). Despite their relatively higher emissions, both Swansea and Middlesbrough reduced their CO2 emissions per capita by 11.1 per cent and 45.1 per cent, respectively. This reduction was driven by the downscaling of large industrial installations, most likely linked to both cities' steel plants, which had accounted for more than three quarters of total emissions in each city.
- The cities with the lowest emissions per capita were Ipswich (3.1), Chatham (3.3) and Luton (3.3) respectively.
- All cities reduced their emissions per capita in the year between 2015 and 2016, except for Sheffield, which experienced no change in its emissions.
- In four cities (Belfast, Exeter, Middlesbrough and Swansea) emissions per capita reduced by more than 10 per cent.
- Big cities are significant emitters, but they are very efficient when emissions are considered on a per capita basis. London for example accounted for 10.7 per cent of total UK emissions in 2016, but was eleventh lowest out of 63 for per capita emissions with only 3.8 tonnes emitted for every resident (down from 4.1 tonnes in the previous year).

15 https://www.c2es.org/content/international-emissions/

Table 16:

Total CO_2 emissions per capita

Rank	City	Total CO_2 emissions per capita, 2016 (t)	Total CO_2 emissions per capita, 2015 (t)
10 cities with the lowest emissions per capita			
1	Ipswich	3.1	3.4
2	Chatham	3.3	3.5
3	Luton	3.3	3.6
4	Worthing	3.3	3.6
5	Brighton	3.4	3.6
6	Southend	3.4	3.6
7	Plymouth	3.6	3.9
8	Exeter	3.6	4.5
9	Portsmouth	3.7	4.0
10	Southampton	3.8	4.1
10 cities with the highest emissions per capita			
54	Stoke	5.7	6.0
55	Barnsley	5.7	6.0
56	Preston	5.9	6.2
57	Aberdeen	5.9	6.0
58	Wakefield	6.2	6.5
59	Warrington	6.7	6.9
60	Doncaster	6.7	6.9
61	Newport	7.1	7.2
62	Middlesbrough	12.7	23.2
63	Swansea	21.6	24.3
	United Kingdom	5.4	5.9

Source: Department for Business, Energy and Industrial Strategy (BEIS) 2018, CO_2 emissions per capita, 2016 data.

Digital connectivity

Broadband connectivity is a key component of the infrastructure offer that a city can make to business, entrepreneurs and residents. The development of optical fibre has considerably increased broadband speed across the country, now enabling access to ‘ultrafast’ (>100 Mbps) speeds.

- In 2018, more than half of UK premises (56.1 per cent) had access to ultrafast broadband.
- In 55 out of 63 cities the proportion of properties with access to ultrafast speeds exceeded the UK average.
- Six of the top 10 cities were located in the south of England, whereas only two cities in the bottom 10 were in the south of England (Southend and Milton Keynes).
- While there is variation in the coverage of ultrafast broadband (>100 Mbps), the next level down in speed, ‘superfast’ broadband (>30 Mbps), is more consistently available, with all cities except Hull having at least 90 per cent of their properties covered by ‘superfast’ broadband.

Table 17:

Premises achieving ultrafast broadband speeds (>100 Mbps)

Rank	City	Properties achieving ultrafast broadband, 2018 (%)
10 cities with the highest ultrafast broadband penetration rate		
1	Luton	95.0
2	Worthing	94.5
3	Cambridge	93.6
4	Brighton	93.5
5	Portsmouth	93.2
6	Dundee	92.8
7	Plymouth	92.0
8	Middlesbrough	91.0
9	Derby	90.6
10	Wigan	90.5
10 cities with the lowest ultrafast broadband penetration rate		
54	Blackpool	57.8
55	Newport	56.7
56	Sunderland	54.8
57	Sheffield	51.5
58	Southend	46.8
59	Barnsley	45.7
60	Doncaster	43.4
61	Wakefield	41.3
62	Milton Keynes	32.1
63	Aberdeen	2.3
	United Kingdom	56.1

Source: Thinkbroadband.com, percentage of premises covered with ultrafast broadband (>100 Mbps) as at end of 2018. http://labs.thinkbroadband.com/local/postcode-search. Ultrafast coverage figures include FTTP (fibre to the premises) coverage only, and do not include business grade leased line services and other on-demand connectivity solutions. To qualify as covered by FTTP, fibre must reach to the kerb near premises, with no additional construction required. Aberdeen has a low proportion of such FTTP but other connectivity options are available.

About Centre for Cities

Centre for Cities is a research and policy institute, dedicated to improving the economic success of UK cities.

We are a charity that works with cities, business and Whitehall to develop and implement policy that supports the performance of urban economies. We do this through impartial research and knowledge exchange.

For more information, please visit www.centreforcities.org/about

Partnerships

Centre for Cities is always keen to work in partnership with like-minded organisations who share our commitment to helping cities to thrive, and supporting policy makers to achieve that aim.

As a registered charity (no. 1119841) we rely on external support to deliver our programme of quality research and events.

To find out more please visit: www.centreforcities.org/about/partnerships

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