



UK Minister of State for Cabinet Office (Cities and Constitution), Greg Clark.



United
Kingdom

Greg Clark

DEVOLUTION IS THE SOLUTION

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interview

The Rt Hon **Greg Clark** MP has been the United Kingdom's Minister of State for Cabinet Office (Cities and Constitution) since October 2013, and the Conservative Member of Parliament for Royal Tunbridge Wells since 2005. Before he became MP, he was Director of Policy for the Conservative Party. Mr Clark was born in Middlesbrough and studied economics at Cambridge before getting his PhD from the London School of Economics. In this interview with **URBAN SOLUTIONS**, he talks about the UK government's process of decentralisation to give cities more autonomy to shape their future.

● **What are the two or three most pressing challenges facing the world's cities today?**

Given the economic crisis that the world is still recovering from, I think the first challenge has to be the economy. The battle for growth – for each country's economic future – will be won or lost in cities. One of the ways in which cities can offer a comparative advantage is in the ability to cope with complexity. According to the Harvard economist Ricardo Hausmann, "The difference in wealth and income between nations is closely related to the ability of firms to take on complex tasks." Hausmann notes that in America, the average employee collaborates in some way with 100 co-workers while in India, the equivalent figure is just four.

Cities are engines of complexity: their *raison d'être* is to facilitate human interaction to a degree that would not be possible anywhere

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else. A city that succeeds will have a faster exchange of money, information, ideas and all the other interactions that fuel a civic dynamism.

The second challenge has to be sustainability – and not just in the environmental sense. It's about preparing for and dealing with change: accommodating rising populations; resilience in the face of events; the globalisation of supply chains and that role of place in that system. This has been good for some cities – especially centres of global trade, but bad for others – particularly centres of industries where competitive advantage has moved elsewhere. All of these can be a shock to urban residents, who have seen their lives become more uncertain.

01 A memorial plaque commemorating Birmingham Mayor Joseph Chamberlain's critical leadership.

02 Cities like Manchester have had to adjust as industries have moved elsewhere.

These challenges call for leadership. Nineteenth-century Britain was the birthplace of the modern city, with the rise of great leaders like Joseph Chamberlain in Birmingham charting a course for his city and not waiting on national government to provide the answer. We need to rediscover that spirit, where cities, in Britain and elsewhere, lead from the front, harnessing their dynamism and providing stable direction in the face of change. The city is one of the rising forces of the 21st century. I want all our cities to be thriving places, living up to their full economic potential, matching growth with greener ways of living and doing business. When our cities do well, our countries do well.

● **What is the strategic value of the World Cities Summit in addressing such challenges?**

The role of policymakers is to provide the best possible conditions for those who innovate – the entrepreneurs, artists, scientists and technicians – to create new products and generate employment for all. For cities, the highest priority must be to attract these innovators – to become the place where the most mobile and dynamic people in the world choose to live and work. In doing so, the challenges facing our cities is to combine their two great advantages: complexity and proximity. Doing this successfully surely requires an in-depth knowledge of the people and places each city brings together. The Summit provides a good platform to learn from one of the best at this –

Singapore – while also being able to share and learn from the experience of other cities.

Cities are not islands; they function within national and, indeed, international systems of cities. At home I am the sponsor of the Future of Cities project that is taking a long look at these dynamics to see where UK cities will be in 25 and 50 years. The Summit will allow cities in Britain and elsewhere to get a sense of their place in the global system – what they can contribute and where they fit in. The Summit will allow cities to make their own linkages, allowing them to make their own responses to shared challenges.

There is also the issue of profile – getting people everywhere to know where you are, who you are and what you stand for. The Summit is one for global city leaders – civic champions who have made a mark in and beyond their place – as well as for cities to stand up and share with others their solutions and successes. Cities can be very competitive with each other.

● **In Britain, the national government is granting more autonomy to local leaders to develop their cities. Which areas of development do you think city leaders should take over, and why?**

The answer to that will depend on the place and the context. In Britain over the past couple of years, we have launched a series of City Deals



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– city-led devolution initiatives.

In many ways, this turns the established order on its head, but this is as it should be. To attract entrepreneurs to our cities, city leaders must themselves be entrepreneurial, acting proactively to constantly improve the liveability and workability of their communities. They must come, not as supplicants as in the past, but as equal participants in an open and constructive deal-making process.

Many of our cities have struggled with long-term challenges, both social and economic. After the long, slow decline of the mid-20th century, many of England's cities have begun to take real steps forward, of their own accord. They're recognising that instead of only developing and improving downtown city centres, they need to recognise how cities really work by observing the flow of people, jobs, ideas and income between the centre (or centres) and the periphery. Forward-thinking leaders are already facing up to the urban challenge, making their cities places where people want to live, work, shop and play.



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This is why we are not being prescriptive on what powers or areas of development cities should take over; it is up to them.

● **What can the UK government do to give greater autonomy to local cities?**

Having inherited the legacy of decades of centralisation, the UK government has had to drive the process of decentralisation from the centre. By definition, only those that have power can give it away. But with the progressive empowerment of our communities, we need to think about decentralisation in a very different way. In particular, cities should have an ever bigger part to play in shaping the process of change. City leaders should be able to put



forward their own proposals, and they have to develop for themselves the talent and capacity to take those proposals forward.

It goes back to what I said earlier about leadership – leadership counts. Nations, corporations, teams, schools, cities – all can be well led or poorly led. And in each case it makes a big difference whether they are or not. In helping our cities to flourish, it seems to me we should do what we can to improve the rewards to strong leadership; this does not guarantee success – but it helps. Strong, visible, accountable leadership is key; those leaders need to be able to set a vision for their city – one that is distinctive. It's self-evident to us that what's good for Liverpool isn't necessarily good for Glasgow, and we have to recognise those differences. Each city has different strengths and weaknesses, and development strategies should be tailored according to their strengths.



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● **Could you give one or two examples of how the national government has worked with city leaders to harness their cities' potential?**

Manchester – home to both the world's first commercial railway and the first canal, essential elements in the movement of goods and people – has pioneered a huge step forward in our devolution agenda. At the heart of this deal is a £1.2 billion (US\$2 billion) revolving Infrastructure Fund to drive growth, coupled with a formula that allows the city to “earn back” a portion of the increased tax revenue generated from that growth. This will enable the city to shape its own future, with an innovative approach to economic investment that has transformed the city's incentive to grow.



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01 Mr Clark and UK Prime Minister David Cameron meeting with Local Enterprise Partnership Chairs in Manchester.

02 Manchester's 'City Deal' involves innovative financing for urban infrastructure.



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Sheffield – the city of steel – is taking forward a new approach to skills, allowing city officials to tailor provision to the needs of the city rather than to what people hundreds of miles away in the capital specify as the needs of the nation. They created a local skills funding model, addressing local skills gaps in key growth sectors such as advanced manufacturing. The city will use a pooled budget to invest in skills and to incentivise colleges and providers to respond quickly and flexibly to emerging

needs of key sectors. Sheffield City Region’s Skills for Growth and Employment Partnership enables business leaders, skills providers and local authorities to oversee the delivery of adult training and apprenticeship for employees in the region. These are freedoms and flexibilities that cities have been crying out for a generation or more, at long last within their grasp. I believe we have enabled cities such as these to realise their potential by letting them articulate their own needs and aspirations, and putting power in their hands.

01 Sheffield’s Skills for Growth and Employment Partnership facilitates adult training and apprenticeships.