

**HM TREASURY**

Press Notice

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## **Greater Cambridge invited to bid for City Deal**

Greater Cambridge will be given the opportunity to bid for radical new powers to boost local growth, Deputy Prime Minister, Nick Clegg and Minister for Cities, Greg Clark will announce today.

As part of the second wave of 'City Deals', Greater Cambridge is being invited to compete for a deal that would see Government devolve powers in exchange for responsibility for delivering growth locally.

The first wave saw deals struck with England's eight largest cities, with final sign off by the Deputy Prime Minister, the Minister for Cities and city leaders in July 2012. Today's announcement is aimed at the next fourteen largest cities and their wider areas and the next six with the highest population growth between 2001 and 2010. They mark the beginning of a step change in the relationship between national and local government and by the end of this Parliament they will have led to local transformation, jobs and most importantly growth.

Nick Clegg said:

"I want Greater Cambridge to come up with ambitious and innovative proposals to help them make changes that will be felt by everyone across their region.

"In the best English tradition we have witnessed a quiet revolution across the nation's eight largest cities.

"From control over buses and trains and the freedom to plug skills gaps, to powers to 'earn back' tax and set up local investment funds to spend on local projects – the deals are unlocking the huge potential of our cities so they can go for growth.

"Now it's time to free even more places from Whitehall control."

City Deals are a key part of the Government's objectives of rebalancing the economy and boosting private sector growth. The second wave of City Deals will accelerate the pace of decentralisation and unlock new and innovative ways to drive growth. Deals will represent a genuine bargain between cities and the Government, with 'asks' and 'offers' from both sides.

Today's announcement will see the next fourteen largest cities and the next six with the highest population growth given the opportunity to participate in Wave Two. Greater Cambridge will be asked to work across its functional economic area to put forward proposals by 15 January 2013.

Greg Clark said:

"For Britain to prosper we need Greater Cambridge to prosper. Every British town and city is unique – in its history, strengths, industries and character. For too long governments treated them as if they were all the same, making them conform to a Whitehall template.

"City Deals put Greater Cambridge in the driving seat. It can seize the initiative and show what it needs to prosper and grow, even if it's new and different. If it's in the Cambridge area's interest and the national interest, we'll strike a deal and make it happen."

Leader of Cambridge City Council, Cllr Tim Bick, said:

"Cambridge and the South Cambridgeshire rural area surrounding it are the seat of world beating university education and research and the home of a unique cluster of leading edge technology businesses. It's already a proven economic success story.

"Our challenge is to create the conditions for the local economy to continue to grow and thrive, by addressing our housing shortage and transport problems while respecting the unique character of the area, which is very much part of the winning formula."

"The three local authorities with responsibility for the area already work together, but the possibility of additional powers from central government to help us is a real spur to try and take this to a new level and present a joint strategic lead across the boundaries that separate us."

Leader of Cambridgeshire County Council, Cllr Nick Clarke, said:

"We are pleased that Government has recognised the ambitious plans for growth in the Greater Cambridge area through inviting us to take part in the second wave of City Deal

negotiations. We have a long track record of working collaboratively across local government and with our business partners to develop the economic potential of our area, and the City Deal could help us to overcome the barriers to economic growth and show we are truly open for business through the City Deal process.”

“Whilst the City Deal process is focussed on the Cambridge and South Cambridgeshire area, we believe it offers the opportunity to secure more jobs and better outcomes not just for residents and businesses in this area, but for Cambridgeshire as a whole and we look forward to starting discussions with Government shortly.”

“In particular, we will want to see greater devolution of powers and funding streams from Government emerge as part of this process, which would allow us to deal more effectively with the problems around housing, transport and other infrastructure that we know currently hold us back. We will also want to see how the City Deal could change how we approach skills provision, with more local control over skills budgets so that we can better meet the particular needs of our local employers.”

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## Notes for Editors

1. The twenty cities and their wider areas invited to negotiate for the second wave of City Deals are: the Black Country, Bournemouth, Brighton and Hove, Greater Cambridge, Coventry and Warwickshire, Hull and Humber, Ipswich, Leicester and Leicestershire, Milton Keynes, Greater Norwich, Oxford and Central Oxfordshire, Reading, Plymouth, Preston and Lancashire, Southampton and Portsmouth, Southend, Stoke and Staffordshire, Sunderland and the North East, Swindon and Wiltshire, and Tees Valley.
2. The twenty wave two cities and their wider areas will be asked to submit their initial proposals by 15 January 2013. There will be an element of competition, not all cities should expect to be awarded a deal. Each city and their Local Enterprise Partnership will be invited to put forward a proposal to address a significant local economic issue which requires a transformative response that is not currently possible through existing interventions.
3. Cities’ bids will need to:
  - a. contain proposals for stronger governance across their functional economic area, so that decisions necessary for the growth of the area as a whole can be taken quickly and effectively;

- b. contain proposals for harnessing significantly greater private sector input, expertise and resources;
  - c. demonstrate strong political commitment and readiness to put resources into delivering the deal;
  - d. present proposals that are consistent with the need to drive efficiency in the use of public money in the area, doing more with less, in pursuit of our medium term goal to eliminate the deficit; and
  - e. propose reforms for their area which represent the leading edge of the Government's general economic strategy – to reduce regulation, create well functioning markets, promote an enabling environment for business and boost private sector growth and investment.
4. These individual proposals will be complemented by a 'core package', consisting of measures that will devolve significant powers and functions to all cities and their wider areas that go on to negotiate a deal with Government. The Government will work with cities and their wider areas to develop this package over the next five months.
  5. This will capitalise on the progress we have made so far in negotiating bespoke deals with the eight Core Cities, demonstrating our commitment to the devolution of powers from central to local government, if local areas are willing to carry out significant reform in return.
  6. The next wave of City Deals will be completed by November 2013.
  7. Read more about [Wave One](#).

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