DELIVERING AN INCLUSIVE, GREEN RECOVERY AND GROWTH

1. Overview

1.1. Without leveraging the economic role of Core Cities city regions, the UK faces an economic downturn like no other and the potential for a 'lost generation' to recession is very real. We must focus immediate efforts on limiting economic impact and getting people safely back to work, but also not miss the moment to plan ambitiously for the future.

1.2. This policy discussion paper sets out ideas to help the UK aim higher than the recovery of 2008, to grow, more inclusively and sustainably, recognising that only growth will pay back the debt that has been incurred and secure new jobs.

1.3. Core Cities have the scale, expertise and knowledge to help the UK return safely from lockdown and drive recovery. Already delivering 26% of the UK economy, these are the economic drivers with the necessary scale of business, labour, assets, universities and institutions on which future growth of surrounding towns, cities and the UK as a whole will rely.

1.4. Success relies on moving the UK's economy confidently toward the shifts that have been accelerated by C19, taking the opportunity to build in resilience, to digitise and decarbonise, dealing with underlying structural issues like low regional productivity and economic disparity.

1.5. Both national and local measures are important, but we should avoid a top-down, centralised approach. Government needs to provide the specific support set out below, but also step back to enable cities, their business and University partners to get on and innovate. Cities need to be accountable for their decisions, but monitoring should be light touch.

1.6. As well as having genuine flexibility in the way local funds and financial instruments are deployed, cities also need real influence over any relevant regional and national funds, to align these with local priorities in a place-based manner, utilising long standing relationships with local businesses and institutions.

1.7. City regions are interdependent networks of places, but allocations of resource need to recognise the unique role of each place within them, including urban cores in driving growth and competitiveness for wider areas. Per-head allocations for local government funding for example, will not achieve this and a more sophisticated economic understanding is needed.

1.8. It should be noted that several of the policy areas discussed in this paper are devolved matters for our partners in Scotland, Wales and Northern Ireland. It is essential therefore that where spending by UK Government may be directed to deliver these policy outcomes for England, an equivalent consideration is transferred to the devolved administrations to pass on to cities and local government in those nations, and where passed directly to cities, should reach cities in the devolved nations on an equitable basis. Differences in local governance structures (i.e. Mayoral Combined Authorities) should not be a barrier to this.

2. <u>Complementary local-national measures</u>

2.1. The locally driven measures in this paper should sit alongside complimentary national ones, including:

- A Patient Equity Fund to support business recapitalisation
- The implementation of the National Infrastructure Assessment

- A stable three-year funding package for local government, responding to the impacts of C19

3. Funding and Financial Instruments

3.1. In seeking support from Government to help provide cities with the financial capacity to drive forward their Economic Recovery Plans three separate steps are suggested, which can also link to priorities for labour market support and Catalytic Programmes, growing employment in emerging sectors, e.g. green industry.

1. A quick, high-level analysis of existing Financial Instrument arrangements across various geographies with a view to maximising their potential to support local Economic Recovery Plans;

2. Establishing new or extending existing Financial Instrument arrangements as a central component of any new funding arrangements that flow from the forthcoming Shared Prosperity Fund; and

3. Re-assessing the potential for existing Enterprise Zones to be re-energised and for the existing opportunity to retain business rate growth within any Zone to be extended.

3.2. Each of these 3 areas is briefly outlined below.

1. Maximising the potential of Existing Financial Instruments

3.3. Over the last 10 to 15 years a wide range of financial instruments have been developed by cities, counties, Local Economic Partnerships, and other pan-regional structures across the UK. Most of these places have secured the resources for these arrangements from EU Structural Funds, the JESSICA EU / EIB funded programmes and also from those shaped locally by City Deal arrangements and funded through a cocktail of discretionary grant funding sources such as EU Structural Funds and UK Government Local Growth Funds. Across the UK financial instruments have been established locally to promote business development, stimulate new commercial development, secure new residential development and accelerate the creation of new green infrastructure. Other localised financial instruments such as Earn Back or Tax Increment Financing arrangements within new Development Deals have also emerged over the last decade and they too would also fall within this purview.

3.4. As each city will have a series of bespoke arrangements that have been shaped by their local circumstances and their long term economic growth strategy a first step to unlock further financial capacity locally would be to review each of these arrangements to:

3.5. Demonstrate the benefits, the local capacity and governance arrangements that have been put in place over the last decade to act as a platform for future growth and expansion of those financial instruments that have been deployed locally;

3.6. Maximise the potential of existing financial instrument arrangements to make a contribution to the delivery of local economic recovery in the short, medium and longer term; and

3.7. Engage in dialogue with Government to establish what scope is there to secure greater flexibilities and / or a simplification of decision making processes to both expand the existing funding capacity and also to speed up investment decisions. This could include, for example, determining the scope for liberalising the investment criteria for EU Structural Funds associated with JESSICA EU/ EIB funded programmes.

2. Establishing New and / or Expanding Financial Instruments

3.8. The very stark position that all of the varying geographies, which have established localised financial instruments, is that most, if not all, of these arrangements will either end or have very limited capacity to respond to the economic challenges that are in front of us. EU Structural Funds are almost exhausted and the Government's Local Growth Fund programmes last only to March 2021. This financial landscape, combined with many of the established funds seeing their mandate terminate over the next few years, means that many, if not all, of these funds are incapable of building on proven interventions that will be undoubtedly required to aid recovery. Without new funding these existing financial instruments will have a limited future impact on recovery.

3.9. Over the next few months Government will announce proposals for the Shared Prosperity Fund (Core Cities have already produced extensive analysis of the potential of UKSPF www.corecities.com). There is a strong argument that such a Fund should actively promote the establishment of recyclable funds, focused on driving local productivity and competitiveness in a manner that promotes inclusive growth. Creating this facility nested within a devolved funding arrangement would provide significant opportunities for innovation and productivity gains to be made at a local level. Given the timescales involved it is likely that the any new instruments funded through the Shared Prosperity Fund would not be in place until 2021 when, hopefully, cities will have moved into a phase of growth. Low cost borrowing could however be used by Government to effectively bring forward UKSPF. There is therefore an argument to made to bring forward UKSPF as quickly as possible.

3.Enterprise Zones (and similar, e.g. Accelerated Development Zones, Tax Increment Financing)

3.10. The Government announced in the 2011 Budget that it would be creating new Enterprise Zones within Local Enterprise Partnership areas. Subsequent budgets and decisions by devolved administrations have added to the portfolio of Zones across the UK.

3.11. Enterprise Zones would benefit from:

- A business rate discount worth up to £275,000 per eligible business over a five year period;
- All business rates growth within the zone from the date of EZ inception for a period of at least 25 years will be shared and retained by the local area, to support the Partnership's economic priorities and ensure that Enterprise Zone growth is reinvested locally;
- Government help to develop radically simplified planning approaches for the zone using, for example, existing local powers to grant automatic planning permission;
- Government support to ensure that superfast broadband is rolled out throughout the zone, achieved through guaranteeing the most supportive regulatory environment and, if necessary, public funding.

3.12. The Government also committed to work with Local Enterprise Partnerships on additional options, to suit local circumstances, including consideration of:

- Enhanced capital allowances (instead of business rate discounts) for plant and machinery, in a limited number of cases, where there is a strong focus on manufacturing;
- Tax Increment Finance to support the long term viability of the area;
- UKTI support for inward investment or trade opportunities in the zone.

3.13. As a result of the Government announcing support for new Enterprise Zone designation across several budgets a number of the early Zones have now reached a point where new businesses establishing themselves within a zone no longer qualify for any of the EZ reliefs on offer and as a result are no longer operable. Others have a limited period within which the reliefs are still available. Across all EZs the business rate base is not subject to a business base reset from the date of inception and all business rate growth over a 25 year period can be captured and reinvested in economic development activity.

3.14. Looking forwards there are a number of issues that should be explored with HM Treasury and the Ministry of Housing, Communities and Local Government to establish if there is an appetite to both re-energise the existing established EZs (and similar mechanisms e.g. ADZs and TIFs) and, in respect of the period for which business rate growth can be retained, to seek support for an extension to that 25 year period. The following proposals could form the basis of further discussions with Government:

1. Seek to extend the period that businesses can secure existing EZ benefits within the existing operable EZs for a further five years;

2. Seek to ensure as far as possible that there is an alignment of benefits for business between Enterprise Zones and any newly established Freeports;

3. Seek a physical expansion of existing EZ s to include a range of new opportunities that could be catalysed by EZ designation;

4. Seek to clarify with Government a mechanism to deal with business rate appeals within EZs as the current approach erodes the growth of the business rate base and the capacity to reinvest in economic growth activity; and

5. Seek to extend the period that all business rates growth within EZs is retained from 25 years to 40 years encouraging local stakeholders to borrow against a proportion of forecast business rate income to invest in their COVID-19 Economic Recovery Plans.

3.15. This combination of proposals will not only accelerate growth within the red line boundary of the Enterprise Zone but it will also enable places to broaden and deepen their financial capacity to address local economic recovery through an extended period of business rate growth being captured and re-invested into those economic recovery plans.

3.16. <u>Summary of what cities need Government to do</u>

1. Existing Funds

- Enter into a dialogue with cities to establish the scope for:
    - greater flexibilities and simplification of decision making to expand funding capacity and speed up investment decisions; and
    - as an example, determining the scope for liberalising the investment criteria for EU Structural Funds associated with JESSICA EU/ EIB funded programmes.

2. Establishing New / Expanding Existing Financial Instruments

- Establish recyclable funds, with a focus on the drivers of growth and the urban core;
- Use the UK Shared Prosperity Fund in the medium term to capitalise these funds;
- Use low-cost borrowing to effectively bring forward the UKSPF to get funds up and running quickly.

3. Enterprise Zones

- Extend the period that businesses can secure existing EZ benefits within the existing EZs for five years;
- Alignment benefits for business between Enterprise Zones and any newly established Freeports;
- Physical expansion of existing EZs to include new opportunities that could be catalysed by an EZ designation;
- Clarify a mechanism to deal with business rate appeals within EZs; and
- Extend the period that all business rates growth within EZs is retained from 25 years to 40 years

4. Labour Market, Skills and Employment Programmes

4.1. An unprecedented level of unemployment is already resulting from the economic fallout of C-19 and will continue to worsen and entrench deprivation across cities. Without a bold, quickly scalable response, large numbers of people will remain unemployed for significant periods of time, some for the rest of their lives.

4.2. A major focus for cities will be on helping people transition between jobs, training, and out of unemployment through place-based interventions that understand the needs of individuals and where the best opportunities are.

4.3. This will need to be explicitly linked to opportunities in emerging sectors industries, enabling rapid reskilling and transfer of workers displaced by the current crisis in sectors like retail and hospitality to emerging/growing sectors like the green industry, health and social care, digital and others.

4.4. Support programmes will also need to consider university and college students ending their studies, alongside the wider role of HE as an anchor institution in cities, and as a driver of future innovation and economic growth.

4.5. Core Cities have expertise and infrastructure that can be deployed quickly to deliver these programmes, they understand the needs of different cohorts and the local business base to help with matching jobs. Cities have a track record of delivering value for money.

4.6. Core Cities need to be able to shape a future jobs programme for it to achieve maximum impacts, and whilst Government will want some consistency in terms of outcomes, cities must have maximum flexibility in how that is delivered to achieve the best results, aligning local and national efforts at the level of place, alongside other services.

4.7. Locally driven programmes will deliver meaningful jobs because they can be tightly connected to Catalytic Programmes to drive job creation. A good example is the Housing Retrofit Programme below. Retrofit is labour intensive, employing 50% more labour than new build per £1m of project cost[i], providing people with skills on which they can build a career. It can also be up and running very quickly.

4.8. Table 1 below shows how an ILM can link to other programmes, creating a major opportunity for the UK to strengthen its labour markets, increase productivity, level up across the country, modernise working practices and support businesses and entrepreneurs to innovate. This can be a game-changer for the UK.

4.9. We do not need to build a new system from scratch. Existing local delivery architecture should be supported to quickly develop its capacity. Other interventions could include the following.

- Time-limited wage subsidy to keep people in employment and de risk recruitment.
- Jobs match and careers services scaled up to meet increased demand.
- Short-burst skills conversion courses and work experience to transition between jobs.
- Support for people to start their own business, including skills to run them.
- Specialist support including health services for those most distant from the labour market.

4.10. The draft propositions span three broad themes:

- Reconfiguring the education and training system within our cities to adjust to the challenges created by Covid-19
- Stimulation of labour and skills demand in the economy, focused on the private sector
- The provision of additional training and employment opportunities for priority groups

4.11. **Draft propositions**

1. Supporting young people through intermediate employment with training engagement

The issue:

- Young people, especially those without degree qualifications, have historically been worst impacted by recessions. Data from the Resolution Foundation indicates that a low-skilled education leaver's chance of being employed are likely to drop by at least a third as a result of Covid-19[1]. They forecast that, five years after leaving education, the employment rate for those whose highest qualification is level 2 may fall as low as 40% (65% now)
- This represents a likely failure of labour demand, which will be heightened by social distancing rules, constraining post-16 education, displacing more young people into a labour market that is generating too few opportunities

The solution:

An intermediate employment with training programme for young people for whom work would usually be a realistic prospect (but currently face a high chance of becoming unemployed on completion of learning or are already unemployed).

- Paid employment within occupational areas with good post-Covid employment prospects
- High quality online training relevant to local employment growth prospects.
- Payment of the salary to be conditional on the learner participating fully in the both the employment and training elements of the programme
- Funding to be made available to young people with complex needs who require more intensive support

As the purpose of the programme is primarily to address weak labour demand, we do not propose that it should focus on young people who are not, or are not close to being, ready for full time employment. Other interventions, which provide more intensive support with individuals' complex needs, provide more appropriate routes.

What cities need Government to do

Financial support to deliver the above, covering the payment of wages to eligible people, the cost of delivering the online learning, and administration.

2. Maximising education and training capacity, minimising disengagement

[1] Source: K Henehan, Class of 2020: Education leavers in the current crisis, Resolution Foundation, May 2020

The issue

- A usual response to labour market downturns is an increase in the number of young people seeking to stay in education.
- Social distancing makes it difficult for providers to respond to this demand. FE colleges report that their sites can operate at only 30% capacity, online learning engagement is inconsistent.
- The Lloyds Consumer Digital Index 2018 indicates that 12% of 11-18 year olds lack the IT equipment to access online learning, which may have risen during lockdown.

The solution

Two sets of actions are recommended:

1) City authorities to act as a strategic convenors to reconfigure education and training to:
    - Enable the highest quality online learning experience.
    - Improve opportunities to deliver face-to-face socially distanced learning via access to non-education settings and improved utilisation of existing facilities.
    - Identify where additional capital investment may be required to respond to skills demand that will arise out of the emergency budget.
    - Strengthen transitions to post-16 settings, addressing the risk that applications to providers will fall owing to the lack of support available to learners during lockdown.
2) DfE to allow an update in ALS (additional learning support) to providers, for use at the discretion of the provider to ensure that all learners have necessary hardware and data allowances.

What cities need Government to do

- Increase in ALS resources channelled to providers for provision of IT hardware / data allowances
- Additional resource and capacity to facilitate (1), including financial incentives

3. **Stemming the number of existing workers who are made unemployed, reducing Universal Credit on-flows**

The issue:

- A large number of low wage earners on furlough will move to redundancy, or face reductions in working hours and income, as the Coronavirus Job Retention Scheme is wound down
- New skills play an essential role in enabling individuals to stay in work or find new jobs, but adults on low wages can find it difficult to engage in training.
- Employers are best placed to specify the type of training that is most appropriate to redeploy at-risk staff into more viable parts of their business, or to upskill staff to take on more duties

The solution:

- Enable at-risk staff employed by viable businesses to be reskilled and redeployed via a new training programme focused on individuals returning from furlough, linked to companies' business plans, with co-funding from Government.
- Training linked to recognised standards and qualifications ensuring transferable skills.
- The intervention must not focus on high-risk employers, but focus on growth sectors.
- Target at-risk over-50s, whose prospects of re-entering work are lower than other age groups.

The ask of Government:

- Repurpose existing funds (National Skills Fund, National Retraining Scheme, devolved ESF and AEB, or 'retired' Apprenticeship Levy) to enable an employer-led solution that supports firms to improve productivity and participants to progress careers, avoiding redundancy.

4. Higher technical national training scheme

The issue:

- Large numbers of UK domiciled undergraduates will complete studies in summer 2020, with over half expected to stay in cities after graduating, entering employment or further study.
- The last recession saw levels of graduate unemployment reach almost 15%.
- There has been a lasting legacy of graduate underemployment from the last recession, with lowered wages and 20% of graduates in sectors that have been badly affected by C-19.
- Employers in many of our growth sectors highlight concerns over the availability of skilled workers, including worries about graduates' lack of work experience and on-the-job skills

The solution:
- Unemployed graduates and those with existing higher-level diplomas aged under 25 to be offered a higher technical national training scheme that provides:
    - 6-12 work experience (coupled with additional training, where required)
    - Opportunities within sectors that are aligned to local industrial strategy priorities
    - New skills, work experience and sheltered from a difficult labour market
    - A loan to support living costs during the programme, minimising costs to the Exchequer
    - Graduates could also be deployed to support digital skills and mentoring programmes

What cities need Government to do
- Flexibilities to student loans to cover living costs for the duration of participation in the scheme
- Resources for administration of the scheme, delivered in partnership with local business groups, Universities and DWP

5. Accelerating the recovery of sectors through supported recruitment and training

The issue:
- Large numbers of employers struggling to recover to previous levels of activity, or closing down
- Millions of jobs at risk as Job Retention Scheme is cut back
- Within sectors that are key to Core Cities future growth, this is an opportunity to provide supported recruitment and training to enable staff retention and return to growth more quickly
- Apprenticeship volumes have dropped sharply, with starts for young people aged 16-18 (down by 74% in April 2020) worst affected, most likely because the bulk of starts are new recruits

The solution:
- State-sponsored recruitment subsidy in the form of a significantly enhanced version of the AGE grant for apprentices and expanded NI relief, to support training costs and cover share of salary
- The goal of the programme will be to
    - Grow numbers retrained or recruited into vacancies via apprenticeships
    - Enable more employers to recruit and retain the staff they require to survive and grow
- Focus on business which would otherwise downsize or stop trading without the retention or recruitment of staff which they would otherwise not be able to afford
- Proposals must be linked to a firm's business plan, clearly demonstrating employer need

What cities need Government to do
- AGE grant to subsidise apprentice salaries and cover training cost contributions for 12+ months
- Extend the employers' class 1 NI break to cover new apprenticeship recruits of all age, lower the earnings limit from £40K to £25K annually to target use on those most in need of a job start
- ESFA to ease funding and performance management rules that disincentivise study programme providers from moving classroom-based learners into apprenticeship opportunities mid-year
- Work with Core Cities to locally identify the size and sector of employers that are likely to be most in need of support as they seek to mobilise and recover from the current pandemic
- Provide support for the administration of such a scheme

6. Enable FE providers to deliver repeat level 3 provision to selected learners

The issue:

- In summer 2020 large numbers of young people will complete their 16-18 studies and seek a job or an apprenticeship – this group is at very high risk of unemployment
- Within some sectors – such as hospitality, retail, and the arts – job and apprenticeship opportunities will be either very limited or non-existent
- Learners who have gained a level 3 qualification currently are not funded to enrol on a second level 3 course

The solution:

- Offer a second chance to learners aged 18/19 who are completing technical and vocational study programmes in summer 2020 in sectors where job prospects are extremely limited
- Learners offered the opportunity to enrol in another level 3 course, this time in a sector which has much more positive employment prospects

What cities need Government to do

- Change 16-18 funding rules to increase a provider's budget tolerance level from 5% to 10%, to enabling learners completing certain types of level 3 provision to re-enrol on an alternative level 3 course which is better aligned to sources of current and future labour market demand
- Open up level 3 study programme funding to more specialist training providers, many of whom will have specialist facilities available to use, in key sectors. This will increase the amount of level 3 provision available to learners to re-enrol in learning that meets the needs of growth sectors
- Allow providers to support employers to participate in delivery, to access high quality facilities and guarantee relevance of training to labour market needs (get more employers involved)

4.12. The principles we must work to

- ***Business focused:*** Public and private sector leadership delivering to meet community and business needs
- ***Aligned to job creation:*** Wholly aligned at level of place with stimulus, job creation and business support
- ***Devolved and tailored:*** Linking need and opportunity within local labour markets
- ***Target vulnerable groups and sectors:*** Young people, women and over 50's and BAME
- ***Large scale:*** Programme scale should be commensurate with investment in catalytic projects. This is an opportunity to deal with skills-gaps in the construction sector.
- ***Support green growth and economic shift:*** The supply chain will need skills to deliver, from managers to retrofitters.
- ***Build community wealth and social value:*** using the levers cities have through e.g. planning processes, conditions, development agreements procurement to support local prosperity and social value.

5. Catalytic Programmes for Inclusive, Greener Growth

5.1. Many businesses in our cities will close or lose employees as a result of C-19 leading to significant unemployment. Catalytic Programmes delivered as a partnership between the Core Cities, Government and major investors can help to meet this employment challenge, creating business and economic growth.

5.2. Programmes should focus on creating more inclusive, greener growth, speeding up a transition to which we are already committed. Without such programmes, the UK is unlikely to meet its legally binding targets for carbon reduction, or be able to achieve the UN Sustainable Development Goals.

5.3. Cities and city regions can lead such programmes to match opportunity to need at the local level, linking job creation to ILM programmes to get people facing redundancy into meaningful jobs quickly.

5.4. Below are examples of Catalytic Programmes for Housing Retrofit, Digitisation and other potential programmes including Health Innovation and Integration.

Housing Retrofit Programme

5.5. All the UK's Core Cities have large stocks of housing in need of renewal and energy retrofitting. There is a compelling case for a major programme of retrofitting across them because:

- retrofit is labour intensive, employing 50% more labour than new build per £1m of project cost
- schemes can be up and running more quickly than new build, critical to managing unemployment spikes
- retrofit is a way of providing ILM jobs that are useful both to the economy and to individuals, developing skills on which they can base future employment, and which the UK needs.

5.6. A retrofit programme across Core Cities will make a significant contribution to meeting the UK's carbon targets because they have a higher proportion of older inefficient housing stock, responsible for a disproportionate amount of a city's emissions - between 30 and 40% of total emissions for some cities - almost twice the national average. Housing Retrofit Programmes will also improve housing stock quality, value and availability, reduce fuel poverty and therefore the demand for some public services.

5.7. The financing tools covered above could be used to enable a major Housing Retrofit Programme, as a partnership between Core Cities, Government and major investors of patient capital. Over time, a major programme would be able to pay back most if not all of its investment, on top of increased tax revenues, and savings to the public purse.

5.8. Core Cities have active projects which can deliver the retrofitting of large quantities housing units creating sustainable jobs, reducing carbon emissions and fuel poverty. A scalable financing model can be quickly developed through this partnership, which could include incentives for owners and businesses, linking to local energy supply and generation opportunities.

Summary of what cities need from Government

- Flex for existing funding, recyclable investment (as in section one above) / fiscal stimulus, used to leverage private capital and owner-contributions, alongside the assets and planning powers of cities
- Sustained policy support across MHCLG, BEIS and HMT (and equivalents in Devolved Administrations)
- Willingness to look at fiscal and regulatory incentives

__Digitising the Future Programme__

5.9. Core Cities ambition is for our cities to become the most innovative, digitally inclusive places in the world. We need a shared national priority for increased digitisation as a fundamental building block of future growth, competitiveness and inclusion. Digitisation will also save large sums of public money, for example shifting health services and government transactions online. Yet we have a considerable hill to climb.

5.10. Digital access has been a major contributor to the ability of business and individuals to continue to function during lockdown. Were C-19 to have happened 10 years ago, productivity would have fallen far faster and lower than it has done. Yet by global comparison, internet speed and coverage in the UK is limited. South Korea invested heavily in digitisation through public private partnerships and by 2017 had the world's fastest and broadest coverage, and although overtaken in global rankings, this is helping the country in its fight against C-19, and eventual recovery. In 2019 the UK was ranked 35th globally[ii].

5.11. Digital exclusion is also an issue for the UK. 21% of adults lack at least one basic digital skill[iii], amounting to 11million people who are digitally excluded at a moment when the economy is shifting toward a strongly digital future, with 90% of jobs requiring digital skills within two decades – probably far sooner given the impact of C-19. A House of Commons Committee report, 'Digital Skills Crisis', estimated that the UK economy is losing £63billion a year due to a lack of skills.

5.12. Each of the Core Cities has programmes of digitisation that they can quickly bring forward, often linked to innovation and R&D, increasing the value of investment.

5.13. There is an opportunity to join up urban cores more fully with surrounding areas through digitisation building on homeworking patterns due to C19, creating future resilience.

__Summary of what cities need from Government__

- Recyclable investment (as in section one) / fiscal stimulus to initiate a major public private partnership between Government, cities, universities, investors and large tech companies
- Political and policy support for radical expansion of urban digital infrastructure (ducting, fibre and 5G);
  - enabling fibre to reach all business, deprived communities and social housing to bridge the digital divide across and between city regions;
  - exemptions from State Aid in some circumstances for digital infrastructure; and
  - a programme to accelerate digital adoption by SMEs, health care and other service providers.

__Health Innovation and Integration, and other potential programmes__

5.14. There is the potential to bring forward programmes in a number of other areas including Transport, Electric Vehicle Technology and Charging, Innovation and R&D, Creative, Cultural and Knowledge Industries, Infrastructure, Regeneration and Construction.

5.15. Innovation should be considered in the context of how universities are aiming to become even more locally relevant, and potential shifts in R&D funding to give greater support to universities outside of the 'Golden Triangle' of Oxford, Cambridge and London.

5.16. Health Innovation and Integration could offer a powerful option for joint work between cities, Government and NHS. If the current crisis has taught us anything it is that the wider health and social care system needs fundamentally rethinking, alongside increased investment into health and life sciences innovation, areas in which the Core Cities have significant strengths.

5.17. There is a need to more fully integrate the system, create more of a focus or early support and intervention, community-based facilities and developing a single system approach to support people and population health.

5.18. This links to issues of the wider resilience of a place and its economy, which requires highly place-based approaches to work. Providing cities with support directly from the health budget, working alongside providers, academia and life science businesses could make real progress for the UK in all these areas.

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[i] HCA Good Practice Guide, 2015

[ii] https://www.cable.co.uk/broadband/speed/worldwide-speed-league/#highlights

[iii] https://digit.fyi/digital-exclusion-report/ 2018 figures, most recent comprehensive data set available